

NRCP Receives Strong Rating

National Reinsurance Corporation of the Philippines (NRCP; the Company), the country's sole professional reinsurer, was assigned a financial strength rating of **PRS A plus**, with a **Stable Outlook**, by Philippine Rating Services Corporation (PhilRatings).

An insurer rated **PRS A** has **strong** financial security characteristics but is somewhat more likely to be affected by adverse business conditions compared to higher-rated insurance companies. The "plus" further qualifies the assigned rating. On the other hand, a **Stable Outlook** indicates that the rating is likely to be maintained or to remain unchanged in the next 12 months.

The assigned financial strength rating and Outlook take into account NRCP's: a) solid market franchise; b) strong shareholders and highly-experienced management; c) sound investment portfolio; d) sustained net income growth; and e) sound capitalization.

PhilRatings based its assessment on available information and projections at the time that the rating was assigned. PhilRatings shall continuously monitor developments relating to NRCP and may change the rating and Outlook at any time, should circumstances warrant a change.

NRCP, the sole domestic professional reinsurance company in the country, enjoys a solid market franchise. The Company has the advantage of taking up at least 10% of all outward reinsurance business from domestic insurance companies, as mandated by law. This provides NRCP significant access to the local reinsurance business and insight into the reinsurance needs of domestic reinsurers.

As of end-2025, the Government Service Insurance System (GSIS), Bank of the Philippine Islands (BPI), and MICO Equities, Inc.'s (MICO Equities) collectively held 52.4% of NRCP's total outstanding shares. GSIS, the Philippines' state insurer for government employees, was NRCP's largest shareholder with a 25.8% ownership stake, while MICO Equities and BPI had stakes of 12.9% and 13.7%, respectively. MICO Equities serves as the holding company for the Yuchengco Group's non-life insurance business, Malayan Insurance Co., Inc. (Malayan). In 2025, Malayan was the second largest domestic non-life insurance company based on total assets and third in terms of gross premiums written (GPW). BPI is one of the leading universal banks in the Philippines. According to Bangko Sentral ng Pilipinas' (BSP) data as of end-2025, BPI ranked second among the country's banks in terms of total assets, capital and total net loans and receivables, and third in terms of total deposits.

NRCP is led by a seasoned management team with solid experience in and understanding of the insurance industry and financial markets, both domestic and global. Allan R. Santos has been President and Chief Executive Officer since 2018. Prior to his current position, Mr. Santos was the Executive Vice President (EVP) and Chief Operating Officer (COO) of NRCP. He was COO for affiliate companies of Philam Life and was also Regional Chief Financial Officer (CFO) for Europe of Cigna Global Health Benefits.

NRCP's total investment assets as of end-2025 stood at ₱11.3 billion, up by 11.8% from ₱10.1 billion as of end-2024. Low-risk fixed income investments continued to account for bulk of NRCP's total investment portfolio, representing 95.3% of total investments. Government securities comprised the majority of the Company's fixed income portfolio, accounting for 79.0% of total as of end-2025. Investments in companies listed on the Philippine Stock Exchange (PSE) represented 4.0% of the NRCP's total investment portfolio.

In 2025, NRCP's total GPW amounted to ₱5.7 billion, a 4.9% decline from the previous year on account of lower premium income from agriculture treaties. This decrease was partially offset by higher premium income generated by the Company's life business. NRCP registered a notable decline in its underwriting expenses for the period, dropping by 19.4%, from ₱4.4 billion in 2024 to ₱3.5 billion in 2025. This was the lowest claims and commissions relative to net earned premiums recorded since 2019. Consequently, net underwriting income jumped by 49.4%, from ₱498 million to ₱744 million over the same period. Supported by a 25.7% increase in investment and other income to ₱670 million, NRCP's net income grew by 50.4%, from ₱551 million in 2024 to ₱829 million in 2025.

Returns were also notably up, in line with improved operating results. Return on assets (ROA) reached 3.6% as of end-2025, the highest level recorded by the Company since 2019.

As of end-December 2025, risk-based capital (RBC) ratio stood at 218%, more than double the minimum ratio of 100.0% required by the Insurance Commission. Total equity, amounting to ₱7.7 billion as of end-2025, also significantly exceeded the minimum regulatory net worth requirement of at least ₱3.0 billion.