

COVER SHEET

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SEC Registration Number

NATIONAL REINSURANCE
CORPORATION OF THE PHILIPPINES

(Company's Full Name)

31ST FLOOR, AYALA LIFE FGU
CENTRE 6811 AYALA AVE. MAKATI

(Business Address: No., Street City / Town / Province)

Ms. Regina Ramos

Contact Person

988-7400

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

SEC Form 17-C

FORM TYPE

Month

Day

Annual Meeting

Secondary License Type, If Applicable

Dept Requiring this Doc

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

A.M. Best Affirms Ratings of National Reinsurance Corporation of the Philippines.


A.M. Best has affirmed the financial strength rating of B++ (Good) and issuer credit rating of "bbb" of National Reinsurance Corporation of the Philippines (PhilNaRe). The outlook of both ratings is stable. The ratings reflect PhilNaRe's solid risk-based capitalization, established market presence in the Philippines and favorable investment results.

(Please refer to attached News Release published on April 04, 2014 in the A.M. Best Company Website at www.ambest.com)

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized, in the City of Makati on **April 07, 2014**.

**National Reinsurance Corporation of the Philippines,
doing business under the names and styles of Philippine
National Reinsurance Company; PhilNaRe**
Issuer


REGINA S. RAMOS
Compliance Officer /
VP Risk & Compliance



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FOR IMMEDIATE RELEASE

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A.M. Best Affirms Ratings of National Reinsurance Corporation of the Philippines

HONG KONG, April 4, 2014—A.M. Best has affirmed the financial strength rating of B++ (Good) and issuer credit rating of “bbb” of **National Reinsurance Corporation of the Philippines (PhilNaRe)** (Philippines). The outlook for both ratings is stable.

The ratings reflect PhilNaRe’s solid risk-based capitalization, established market presence in the Philippines and favorable investment results.

PhilNaRe’s risk-adjusted capitalization level, as measured by Best’s Capital Adequacy Ratio (BCAR), remains strong and supportive of the current ratings. As the sole domestic professional reinsurer in the Philippines, PhilNaRe enjoys a compulsory cession as all direct insurance companies are required to offer PhilNaRe at least 10% of their foreign outward reinsurance. With over 30 years of operation in the country, the company has established a strong local market presence in that domestic market. In addition, PhilNaRe has a conservative investment portfolio, which has enabled it to post favorable and stable investment results in the past five years.

These positive rating factors are partially offset by PhilNaRe’s unsatisfactory underwriting performance and significant catastrophe exposures.

PhilNaRe’s underwriting performance had been volatile and remained unsatisfactory in recent years. The poor combined ratio over the period was driven by the large claims amount of the 2011 Thailand flooding and



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several other catastrophe losses. Furthermore, the company is exposed to earthquake, flooding and typhoon risks as the majority of its business is generated from the domestic market. Unexpected large catastrophe losses that exceed the limit of catastrophe retrocession coverage, or multiple occurrences of medium-to-large-sized catastrophes in a single year could impact the company's overall performance.

Future upward rating actions could occur if PhilNaRe can demonstrate notable improvement in its underwriting profitability, maintain its solid risk-based capitalization and strengthen its risk management capability. Conversely, downward rating actions could occur if the company's underwriting performance further deteriorates or there is a material decline in its risk-based capitalization level.

The methodology used in determining these interactive ratings is Best's Credit Rating Methodology, which provides a comprehensive explanation of A.M. Best's rating process and contains the different rating criteria employed in the rating process. Best's Credit Rating Methodology can be found at www.ambest.com/ratings/methodology.

Ratings are communicated to rated entities prior to publication, and unless stated otherwise, the ratings were not amended subsequent to that communication.

This rating announcement has been issued by A.M. Best Asia-Pacific Limited, which is a subsidiary of A.M. Best Company. A.M. Best Company is the world's oldest and most authoritative insurance rating and information source. For more information, visit www.ambest.com.

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