



NATIONAL REINSURANCE CORPORATION OF THE PHILIPPINES

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May 15, 2009

THE PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

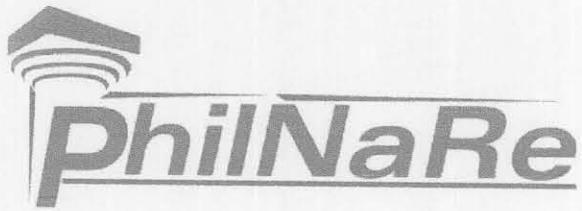
Gentlemen:

Attached is PhilNaRe's Press Release entitled "**PhilNaRe Reports First Quarter Loss**" which we intend to distribute in conjunction with our 17Q filing for the three months ended March 31, 2009.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'J. Huang'.

JOHN E. HUANG
Senior Vice President/CFO



PHILNARE REPORTS FIRST QUARTER LOSS

MAY 15, 2009. Citing a higher level of claims, **National Reinsurance Corporation of the Philippines (PSE: NRCP), or PhilNaRe**, reported a net loss of P124 million or P0.06 per share for the quarter ended March 31, 2009. For the corresponding period in 2008, the company had reported net income of P110 million or P0.05 per share.

In a disclosure to the Philippine Stock Exchange (PSE), the country's only domestic professional reinsurance company said that reinsurance premiums for the first quarter of 2009 amounted to P824 million, higher by 14% from the first quarter of 2008. However, net premiums retained, which totalled P336 million, declined by 3% from the previous year as the company adopted more conservative underwriting standards in reaction to a higher level of claims and losses from previous underwriting years.

According to company officials, majority of claims booked during the quarter were losses arising from events occurring in 2008, such as Typhoon Frank, but which were advised only in the first quarter of 2009. "There is sometimes a lag because of delayed reporting by some of our cedants," said PhilNaRe President and Chief Executive Officer Roberto B. Crisol, "so a substantial portion of the losses that we saw in the first quarter was a spill over from the 2008 underwriting year rather than losses that occurred in 2009." He added that a number of international and regional reinsurers also reported negative underwriting results for 2008 due to high frequency and severity of claims.

According to Crisol, the company's life and casualty reinsurance businesses generated positive underwriting results for the first quarter of 2009 but these were not sufficient to offset negative performance in the fire and marine lines. Consequently, the Company incurred an underwriting loss of P192 million for the first quarter of 2009 as against an underwriting profit of P110 million for the first quarter of 2008.

In spite of PhilNaRe's first quarter results, Crisol said that the company is still on track to meet its goals for 2009. He cited the company's strong capital base, which he said provides the company with a substantial reserve against losses and will allow the company to weather the ups and downs of underwriting cycles. As of March 31, 2009, PhilNaRe had shareholders equity of P5.8 billion. "The company has an investment portfolio of P6.5 billion," said Crisol, "and a conservative investment philosophy which contributes to the overall stability of the company." Investment income for the first quarter of 2009 totalled P124 million, up 43% from P86 million in the first quarter of 2008.

PhilNaRe has been in the business of providing insurance for insurance companies for over 30 years. It was incorporated in 1978 as a domestic professional reinsurance firm to provide life and non-life reinsurance capacity to the Philippines and neighbouring insurance markets. PhilNaRe listed its shares on the Philippine Stock Exchange in 2007. Together with the public, major shareholders include the Government Service Insurance System, Bank of Philippine Islands and the Malayan Group of Insurance Companies.
