

NACIONAL Re increases profit by 9% and premium income by 4.1% in 2019

In 2019, **Nacional Re** boosted revenues by 4.1% to over 590.7 million euros, according to the 2019 financial statements, which were approved by the Annual General Meeting on Wednesday, 6 May, together with the management report.

The Board Chairman, **José María Sunyer Sendra**, highlighted the profit obtained in 2019 which, "with a moderate influence from catastrophic events, exceeded 40.2 million euros (after tax), i.e. 9% more than in 2018, a year in which worldwide reinsurance was influenced by extreme events such as typhoons in Japan and the numerous serious bushfires in Australia".

He stated that premium income "increased by 4.1% to 590.8 million euros, with growth in Spain (+2.6%) and in the European markets, where Nacional Re's presence continues to consolidate (+7.1%)".

José María Sunyer also stated that "with the chairman's replacement formalised on 3 March 2020, the commitment to continue with Nacional Re's principles and values and the wish to foster growth and reinforce its position in the sector were ratified". He also acknowledged José Ruiz, the reinsurer's current deputy chairman, for the achievements accomplished in his 35 years.

During his speech, José María Sunyer also dedicated some very moving words to the memory of Jesús Quintanal San Emeterio, director in Nacional Re between 1988 and 27 March 2020, when he died in Madrid.

He also regretted the recent death of José Celma Prieto, who belonged to the reinsurer's governing body between 1972 and 2013.

On behalf of Nacional Re, he gave his condolences to the families and friends of both men, whose extensive and valuable track records now form part of Nacional Re's history.

The General Manager, **Pedro Herrera**, then corroborated the main bases when referring to the first year of the Strategic Plan 2022 of "sustained growth oriented to profitability; customised customer service; and reinforcement of its leadership in Spain and consolidation in Europe".

He then explained the main aggregates included in the management report, paying special attention to the composition of the premium portfolio, the underwriting profit, which amounted to 39.6 million euros, i.e. 8.4% of the accepted premiums, the 9% increase in profit over the previous year, and the 12.1% ROE.

The Annual General Meeting approved the distribution of 13.65 million euros as dividends to be paid out of the 2019 earnings. That amount represents a pay-out of 34%, in line with previous years. The remaining amount, i.e. 26.6 million euros, will be allocated to equity reserves. It also approved a capital increase of 6 million euros charged to unrestricted reserves.

Referring to the current global health crisis as a result of Covid-19, Herrera stated that "our first goal is to protect our employees' health and wellbeing while ensuring business continuity. At present, all the Company's employees are working from home and we are providing our service with the usual quality standards".

Referring to the economic consequences of this crisis, he stated that "right now, it is difficult to predict its final effects, but we are in a very sound position, as proven by our Solvency II ratio which, at the end of 2019, was 260%, evidencing our policy to continually reinforce equity, which has enabled us to increase by over 40% in the last five years to the current 377 million euros. At present, the

assessments we are making of the consequences of this crisis, to which we are no strangers, enable us to safely say that its effects are within an acceptable range and, therefore, Nacional Re maintains and keeps its high liquidity and solvency levels".

Madrid, 6 May 2020