

NACIONAL Re - FINANCIAL YEAR 2022

Premiums underwritten by NACIONAL RE grow by 9% and exceed 690 million euros in 2022.

Nacional Re held its Annual General Meeting on Tuesday, May 9, at which the Management Report and the annual accounts for the 2022 financial year were approved.

The Board Chairman, José María Sunyer Sendra, during his speech highlighted the main events that conditioned the economic development of 2022 (geopolitical risks, high inflation, and interest rate hikes), as well as the impact of global insured losses caused by natural disasters. In the economic environment experienced, the figures obtained by Nacional Re demonstrate the solid business model applied by the Company, as well as the strength of its balance sheet.

Among the main figures for the year, the Chairman highlighted the evolution of premiums underwritten by Nacional Re, which "increased by 9% to 690.0 million euros, with growth in Spain (+12.1%) and in European markets, advancing in the Company's consolidation process in these territories (+3.0%)".

The Chairman also commented that there had been an increase of 13.3% in the net loss ratio, which places the total of the Company at 69%; this is conditioned by the negative evolution of the CatNat claims of the previous year and the incidence of this type of events during 2022.

The net result obtained was 18.4 million euros, compared to 30.0 million euros in 2021, "a positive result which, nevertheless, reflects the difficulties of 2022, both in the reinsurance business and in the financial markets" in the words of José María Sunyer.

Pedro Herrera, CEO of the Company, delved into the information of the company's main figures set in the Management Report.

Growth and leadership in Spain

During his speech, the Company's Chief Executive reported in detail on the growth of premiums in the past year.

"Nacional Re remains the reinsurer of reference in Spain, its main market," said the CEO during his speech. Once again this year, "the Company holds a consolidated leadership in more than 50% of the ceding companies, with whom it maintains traditionally direct relations in a percentage of more than 90%".

Results

The Company's net technical result in 2022 amounted to €11.7 million, representing 2.0% of retained premiums. "The Spanish business generated a technical result of 8.3%, close to the previous year's 9%, On the other hand, the international written business shows a negative result of 11%, triggered by the loss ratio of the CatNat events," said Herrera. The result of the international business is mainly caused by the February storms in Northern Europe, the series of hail events in France during the spring and the deviations from the Bernd loss in Benelux and DACH.

The portfolio achieved a combined ratio of 97.9%. The CEO stressed that "Nacional Re maintains a positive margin on this indicator when compared to the combined ratio of the reinsurance industry; from 2017 to the end of 2022, an average of 94.1% is achieved, compared to the industry ratio that eventually stand at around 101% for the same period".

This net technical result, together with financial income (20.7 million euros) minus general and other expenses (8.9 million euros), results in a pre-tax profit of 23.5 million euros. The result after tax provision amounts to EUR 18.4 million.

Strategic Plan

After going into the complicated and uncertain environment in which we find ourselves, Pedro Herrera referred to the Strategic Plan that the company drew up in 2022, which will be the guide until 2024. This Plan is based on four strategic lines: "offering differential value with a focus on Spain and selected European markets; increasing profitability as a basis for growth and asset development; talent management and evolution of the organisation on the basis of corporate culture and values; and technology and data quality as a driver of change".

Solvency and Rating

The result enabled the traditional upward trend in shareholders' equity to continue, rising 2.7% up to EUR 425 million, and with a Solvency II ratio of 201.2% at year end.

For their part, in 2022, the agencies S&P Global Ratings and AM Best ratified again Nacional Re's "A" rating with a stable outlook, reflecting the strength of the entity to face a reinsurance industry cycle marked by the acute impact of various extraordinary catastrophic events in combination with an economic environment full of uncertainty and volatility.

Distribution of Profit

The General Meeting approved a dividend distribution of EUR 7.36 million out of the 2022 results and approved a capital increase of EUR 6 million charged to free reserves.

All information on the 2022 financial year is available on the Company's website
www.nacionalre.es.