



PRESS RELEASE

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AM Best Affirms Credit Ratings of Nacional de Reaseguros, S.A.

AMSTERDAM, 13 November 2024—AM Best has affirmed the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Rating of “a” (Excellent) of Nacional de Reaseguros, S.A. (Nacional) (Spain). The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect Nacional’s balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, neutral business profile and appropriate enterprise risk management.

Nacional’s risk-adjusted capitalisation remains at the strongest level, as measured by Best’s Capital Adequacy Ratio (BCAR), primarily supported by its modest underwriting leverage. The company’s balance sheet strength assessment also reflects its prudent reserving approach, well-diversified investment portfolio and comprehensive retrocession protection covering its domestic and international portfolios, further supported by the Consorcio de Compensación de Seguros in Spain. AM Best expects the company’s prospective capital position to benefit from good organic capital generation, supported by a prudent dividend policy.

Nacional’s disciplined underwriting approach and relatively modest exposure to natural catastrophes have led to a track record of strong and stable performance. However, Nacional’s non-life performance was below expectations in 2022 and 2023, with combined ratios of 104.1% and 100.6%, respectively (as calculated by AM Best). The company’s life business performance remained strong, leading to overall pre-tax profits of EUR 36.9 million in 2023 (2022: EUR 23.5 million). AM Best expects Nacional’s non-life performance to improve going

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forward, driven by management actions and positive market conditions, although this could be offset by the residual impact of recent floods in Spain.

Nacional maintains a strong competitive position as a leading reinsurer in Spain. Gross written premium increased by 6.5% to EUR 735.0 million in 2023, driven by the company's stable position in Spain's insurance market, and its prudent expansion strategy in other European countries, coupled with price increases due to hardening market conditions. Nacional has expanded its international activities successfully, targeting small- to medium-sized insurers and mutual companies in Europe. In 2023, foreign business accounted for approximately 38% of Nacional's total premium, compared with 27% in 2014, highlighting the improved geographic diversification of the company's portfolio.

This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best's Credit Ratings](#). For information on the proper use of Best's Credit Ratings, Best's Performance Assessments, Best's Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best's Ratings & Assessments](#).

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