



Annual Report 2024

Nacional  Re

Nacional Re

Annual Report
2024

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Board of Directors

		Management Committee	Audit and Control Committee	Nomination and Remuneration Committee
Honorary Chairman	José María Sunyer Aldomá			
Chairman	José María Sunyer Sendra	●		
Deputy Chairman	Diogo Moraes Sunyer	●		
Members	Ignacio Álvarez Juste	●	●	
	Ignacio Eyries García de Vinuesa		●	
	General de Análisis y Gestión, S.L. (permanent representative Borja García-Nieto Portabella)	●		●
	Paz Pinilla de la Guía	●		
	Lucía Sunyer Lachiondo	●		●
	Isidoro Unda Urzáiz	●	●	●
Secretary to the Board (not a member of the Board)	Juan Antonio Montoya Leal			

- Chairman Committee
- Member Committee

◀ Aerial view of Valencia with the "Torres de Serrano" in the foreground.



Steering Committee

CEO	Pedro Herrera Nogales
Chief Commercial Officer	David Santos Manzanares
Chief Underwriting and Actuarial Officer	Miguel Ángel Mora García
Chief P&C, Motor and Marine	Unai Baquero García
Chief Financial Officer	Javier Melero Ameijide
Chief Operations Officer	Julián Herrera García

◀ Aerial panoramic view of the Port of Valencia.



01.

Management
Report

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Letter from the Chairman

Dear Shareholders:

We are pleased to present our Management Report and Annual Accounts for 2024, the 85th year of Nacional Re's operation.

2024 lived up to expectations and the world's main economies avoided recession, despite the simultaneous existence of numerous geo-political tensions and the most sustained period of monetary adjustment in recent history. However, as the year progressed towards its close, it became increasingly obvious that inflation would continue to be more tenacious than forecasted, and while USA experienced strong growth, most of the other advanced economies did not. The year, therefore, ended with a slight expansion in the global economy, though individual countries displayed differing patterns of growth.

For the eurozone, 2024 represented another twelve months of economic resilience. The contraction in levels of business activity and the fall in jobs were the main reasons why the eurozone economy ended the year showing very weak growth. The countries with the largest share of the manufacturing sector were the ones that experienced most difficulties, particularly Germany, Austria and Finland, while the more service-oriented economies such as Spain achieved higher levels of growth.

The Spanish economy grew by 3.2% in 2024, five tenths of a point higher than in 2023. This exceeded general levels of growth around Europe and was driven in great part by public spending.

Against this background, turnover in the Spanish insurance sector totalled € 75,161M at the close of 2024, a fall of 1.56% on the previous year. Of the total turnover achieved over the course of the financial year, € 46,333M came from General Insurance segments and € 28,827 from the Life segment.

Turnover in the General Insurance segment was positive in all categories, with a year-on-year increase of 7.8%. Particularly notable performers were Motor (8.88%), Multi-Risk (8.62%) and Health (7.4%). In the Life segment, while technical provisions were up by 3.3%, income from premiums fell by 13.6%, due to the evolution of the savings component after these products had performed exceptionally well during 2023.

◀
"Torre del Miguelete"
in Valencia Cathedral.



Unfortunately, 2024 also saw some claim incidents with tragic consequences, such as the fire that broke out in Valencia on 22 February and the cold drop storm or 'DANA' that severely affected both the Community of Valencia and other areas in Castilla La Mancha and parts of Andalusia on 29 October. Particular mention should be made of the exemplary way in which the Insurance Sector responded to these events, in collaboration, in the latter case, with the essential contribution made by the Spanish Insurance Compensation Consortium (*Consortio de Compensación de Seguros*).

In 2024, Nacional Re recorded a healthy year's growth in which overall claims remained within normal parameters, though in accounting terms it was affected by adverse deviations from the previous financial year, deviations that were highly focused around two extraordinary climate events of an unusual magnitude that happened in Italy. Unusually, the actual consequences of these events for the reinsurance sector became known extraordinarily late. To a great extent, the figures notified by the ceding companies in Italy at the close of 2023 turned out to be highly inadequate as regards the eventual impact of the events described.

In the financial arena, the markets performed positively, with interest rates at higher levels than in previous years, along with increasing asset profitability and higher asset valuations.

The following is a list of the main figures for the financial year:

- Total premiums rose by 5.8% to € 777.6M.
- Total premiums in Spain increased (4.3%), thus further strengthening the Company's leading position, with a stable client portfolio and high levels of collaboration.
- There was growth in the European markets (8.2%), with total premiums now exceeding € 300M. This growth is founded on Nacional Re's robust position in these markets and the increased prices in both the direct insurance and reinsurance sectors.
- Gross loss ratio (67.8%) fell by more than half a percentage point, due to improvements in contractual conditions. This figure would have improved even further had it not been for the deviations relating to claim events from the previous year.
- Retained loss ratio rose by a little over one and a half percentage points to 68.6%, due to the greater cost of the retrocession.
- Investment assets increased by 6.1% to a total of € 1,655.4M, benefiting from the positive cash flow streams generated throughout the year.
- Investments brought in revenues of € 38.7M, compared with the € 23.6M recorded in the previous year, giving an average return of 2.4%.
- The result obtained was € 37.0M, as compared with the € 27.4 obtained in 2023. This is a positive result that reflects the receipt of higher returns due to the performance of market rates, along with increased revenues from dividends.

- These earnings allow for a distribution which, as usual, takes the form of a significant setting aside of profits (60%) in the form of reserves (€22.3M), following the payment of a dividend to our shareholders of € 14.8M, an increase of 33.6% on the previous year.
- Equity maintained its usual upward performance with an increase over the course of the year of 5.2%, reaching a total of € 463.6M.

For their part, the agencies S&P Global Ratings and AM Best confirmed Nacional Re's rating as "A" with a stable outlook, a rating that reflected the organisation's strength, the meeting of its expectations, and the advances achieved by the Company in line with its strategy and planning.

It is important to stress that, as an indication of its commitment to security and the confidentiality of the sensitive data that it handles as the result of its reinsurance activities, in 2024 Nacional Re obtained ISO 27001 certification in "Information Security". This means that the Company has implemented an information security management system that protects the confidentiality, integrity and availability of the information that it processes.

Following its positive performance in 2024, in its contract renewals for the 2025 financial year Nacional Re achieved the targets it had set, maintaining a strong market position and further reinforcing its favourable forecasts in terms of both growth and margins.

The new Strategic Plan, which was designed and introduced during the last year, involves a transformative change that includes a priority commitment looking ahead to 2027. This places particular emphasis on an ambitious technological plan that will allow the Company to continue its robust and competitive project to tackle the demanding challenges of both the markets and the economic environment, with the aim of providing the Company with the capabilities required to act as a benchmark reinsurer in the markets in which it operates.

2024 also saw changes to the Company's organisational model and the adaptation of its structures in line with the evolution of its business portfolio. This took account of the higher volumes and greater diversity of the Company's business, with a view to achieving higher quality in its operational processes and the strengthening of the professional team, in order to ensure the satisfactory implementation of strategic projects.

I would like to take this opportunity to express our thanks to our ceding companies for their trust and their loyalty, to our own team for their commitment and dedication, and to our shareholders for their robust and continuing support. We are proud to form part of this project with all of them, and we look forward with great enthusiasm to the future that we work towards each day, confident that Nacional Re will continue to add to its already long and successful history.



Highlights

2024

INCOME	Euros	% Change
Accepted reinsurance premiums	777,631,779	5.8%
Financial returns	38,734,882	63.5%
Total revenues	816,366,661	7.6%

INVESTMENT ASSETS		
Investments and cash and banks	1,396,361,669	6.4%
Reinsurance deposits accepted	259,048,545	4.8%
Total investment assets	1,655,410,214	6.1%

EQUITY		
Subscribed share capital	108,000,000	5.9%
Capital reserves (ex-dividends)	355,593,206	4.8%
Total equity	463,593,206	5.0%

RESULTS		
Gross income	45,233,839	22.4%
Corporate income tax	8,200,000	-14.2%
Result for the year	37,033,839	35.2%

APPLICATION OF THE RESULTS		
Allocation to capital reserves	22,273,839	36.4%
Dividend	14,760,000	33.6%
% of result	39.9%	

Credit rating	
A.M. Best	'A' stable outlook
S&P Global Ratings	'A' stable outlook

Solvency II	
Ratio between eligible own funds and SCR (*)	204.1%

(*) As of 31 December 2024

Economic environment

2024 was marked by far-reaching changes in the global economy, driven by the monetary policies of the principal central banks, the effects of inflation, growth in the emerging markets and the development of new technologies.

The effects of geopolitical tensions on global economic activities remained contained, with restrained levels of inflation, falling interest rates and forecasts of stable growth for the world as a whole, with a particularly positive outlook for Spain.

According to IMF estimates for 2024, the US economy grew by 2.8%, while the eurozone only managed 0.8%, conditioned as it was by the non-existent or only very slight growth in its main economies (Germany and France). By contrast, however, the Spanish economy performed very positively (3.2%).

Inflation remained a central issue for many economies. In the USA, prices eased in comparison with the previous year, with inflation falling to an annual rate of around 2.9% (3.4% in 2022). This allowed a certain relaxation of monetary policy. In the eurozone, pressure from inflation eased over the course of the year and actually fell as low as 1.7% in September, a figure not seen since the first half of 2021, though it rose once again during the final quarter, reaching 2.4% by the end of 2024 (2.9% in 2023).

2024 was marked, particularly in the second half of the year, by the introduction of a new cycle of monetary policies from the main central banks, in response to signs of weakness in business activities and efforts to correct inflation.

In the USA, the Fed reduced rates on three separate occasions, and they ended the year at between 4.25% and 4.50%. For its part, the Central European Bank reduced interest rates four times (in June, September, October and December), which brought the reference rate down to 3%.

In the financial arena, a more favourable economic climate would seem to have generated some confidence in the stock markets, despite a less stable geostrategic environment. Particularly outstanding were the results recorded by the US NASDAQ Composite (28.64%) and S&P 500 (23.31%) indices, driven by the performance of technological stocks. These good results were also mirrored in some European centres: the German Dax, which ended the

The world economy grew in 2024 at a similar rate to that of 2023, but still with significant geographical disparities. The European economy faced significant difficulties, particularly suffering from the weakness of its historical engine, Germany.

year as the best performing European index, rose by 18.85%, followed by the Ibex 35, which was up 14.78%, following a rise of 22.76% in 2023.

Though lower than the historical average (3.7%), the forecast for world growth in 2025 is set at around 3.3%, thanks to the robust growth in the North American economy, which offsets the low levels of growth in other regions.

There are notable differences between Europe and the USA as regards the economic situation. Although both regions are experiencing deflationary processes, these would seem to be more favourable on the American side. However, the arrival of the newly-elected President Donald Trump could jeopardise this, given an economic programme in which he intends to stimulate demand by cutting taxes while at the same time restricting imports.

By contrast, in Europe, the stagnation of productivity combined with low levels of growth in the labour supply, the slowing of corporate investment and the effects of over-regulation have led to low growth forecasts for 2025.

In the context of an Europe that continues to fall behind, Spain has positioned itself as the eurozone's economic driver, due to its improved labour supply (the result of migratory flows, particularly from Latin America) and the strength of its tourist sector.

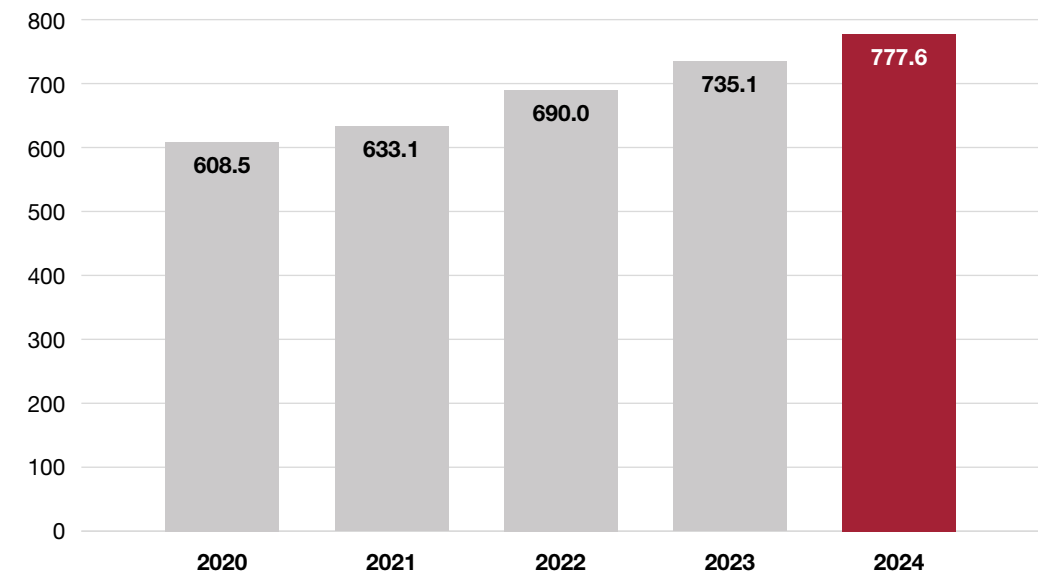
Commercial aspects

Premiums
▲ 5.8%
compared to the
previous year

Total premiums amounted to € 777.6M, a year-on-year increase of 5.8%.

Turnover from accepted reinsurance premiums continued its upward trend, not only as a result of the Company's intensive sales activities, the rise in the number of treaties and shares, but also because of the rise in reinsurance prices and direct insurance rates. The accumulated increase in total premiums amounts to 27.8% since 2020. Growth has been constant over the last five years, with annual increases of between 4% and 9%.

Premiums
(Figures in million euros)



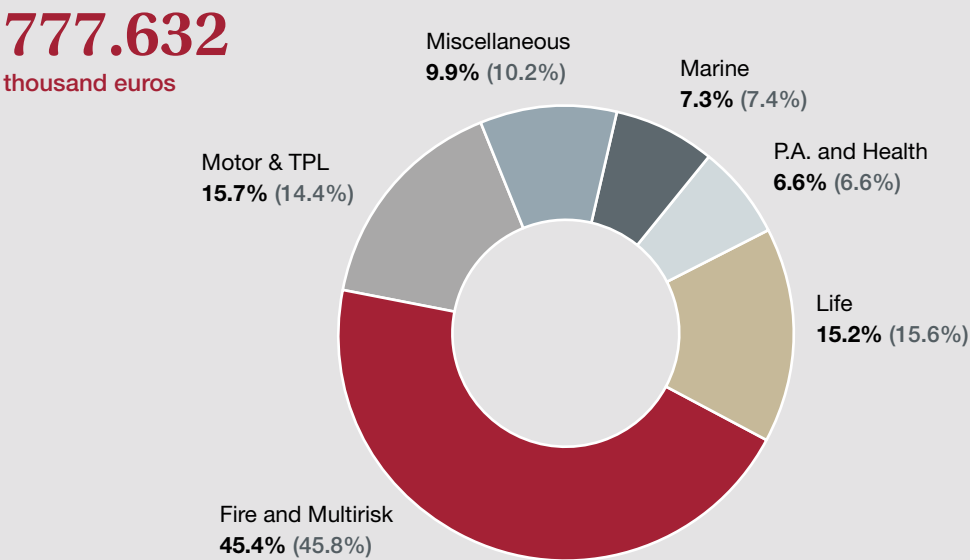
Reinsurance premiums by segment

General Segment grew by 6.4%, with a total of € 659.7M in premiums, while turnover in the Life Segment increased by 2.6% to € 117.9M.

Gross Premiums Written	2024	2023	Growth %
Fire and Multirisk	352,747	336,938	4.70%
Motor & TPL	122,067	105,752	15.40%
Miscellaneous	76,779	74,695	2.80%
Marine	56,926	54,526	4.40%
P.A. and Health	51,173	48,159	6.30%
Total Non Life	659,692	620,069	6.40%
Total Live	117,940	114,987	2.60%
TOTAL	777,632	735,056	5.80%

Figures in thousands of euros

Split by line of business 2024



(Year 2023: 735,056 thousand euros)

Multi-risk grew by 4.7%, bringing total premiums for the segment to € 352.7M. This increased turnover reflects the Company’s trusted position against the background of a changing marketplace, in which insurance and reinsurance prices are on an upward path. The increase is the result of a 5.2% rise in Spain, which is in turn offset by a fall of 3.7% in international business, in which the increased development of the French, Benelux, Portuguese, DACH and Nordic country markets was combined with a reduction in positions in programmes in the Italian, East European and other markets.

In the **Motor** segment, Nacional Re’s strong position in the Spanish market and its gradual development of European markets, combined with the increase in direct insurance prices (which applied to a greater or lesser extent across all of the European markets) and the increase in prices for reinsurance coverage, led to a rise of 13.5% in the premiums obtained by Nacional Re in this business line.

Total premiums for **Third Party Liability** rose to € 40.8M, a figure that represented a year-on-year increase of 19.5%, spurred on by the growth in the Spanish market, which saw an organic rise in premiums, and by the closing of new treaties and a number of increased shareholdings.

Under the heading of **“Miscellaneous”**, which received a total of € 76.8M in premiums, two notable performers were Engineering, with € 25.6M, and Credit, with € 40.0M.

The Engineering segment contributed to the growth of the Miscellaneous business, as a result of both the segment’s natural development and increased relations with strategic ceding companies in the local market (+39.6% in Spain).

Credit saw something of a decline (-11.4%), though it retained almost all premiums in the Spanish market (96.4%).

Marine closed the year at € 56.9M, a figure that was 4.4% up on 2023. The contribution represented by the portfolio for this segment in Spain rose slightly to € 42.8M (+2.0%). In addition, international business ended the year at € 14M (+12.5%). The international portfolio remained mostly focused on the French market, which consolidated its position as the Company’s second most important market in this segment with € 6.3M in premiums, representing growth of 11.3%.

Personal Accident and **Health** grew by 5.7% and 7.0% respectively, bringing total revenues of € 51.2M. Personal Accident accounted for € 28.7M, while Health brought in € 22.5M. Growth in the Personal Accident segment came from the Spanish market, while the Health figure resulted from the development of the European markets, particularly the Benelux countries and Andorra.

Life ended 2024 with total premiums of € 117.9M, up 2.6% on the previous financial year. Spain remained the main market in this segment, accounting for 57% of the portfolio. Internationally, France, with more than € 20.7M in premiums, and the Benelux countries, with € 14.2M, were the Company’s most important markets in this segment.

Reinsurance premiums by market

Total premiums in Spain amounted to € 472.5M, a year-on-year increase of 4.3%. On the combined international markets, total premiums amounted to € 305.2M, representing growth of 8.2%.

Accepted reinsurance premiums	2024	2023	Growth %
Spain	472,477	453,044	4.3%
International	305,155	282,012	8.2%
TOTAL	777,632	735,056	5.8%

(Figures in thousands of euros)

In Spain, the growth achieved by the Company reinforced its position as a market leader, with a portfolio of more than 100 ceding companies, while internationally it maintained agreements with around 300 ceding companies, developing its business mainly in the strategic markets and at the same time applying a more selective agreement policy in the markets that had recorded lower results in previous financial years.

Spain Premiums

▲ 4.3
compared to the
previous year

International
Premiums

▲ **8.2%**
compared to the
previous year

International Business	Premiums 2024	Premiums 2023	% Growth
DACH	84,708	82,297	2.9%
France	61,595	49,136	25.4%
Benelux	31,368	17,127	83.1%
Portugal	29,995	23,598	27.1%
Italy	29,247	38,909	-24.8%
Nordic / Baltic countries	18,794	17,271	8.8%
Other	18,192	23,855	-23.7%
Eastern Europe	13,951	16,431	-15.1%
Andorra	8,083	5,588	44.6%
Rest of Europe	6,086	4,895	24.3%
Greece and Cyprus	3,137	2,904	8.0%
TOTAL	305,155	282,012	8.2%

(Figures in thousands of euros)

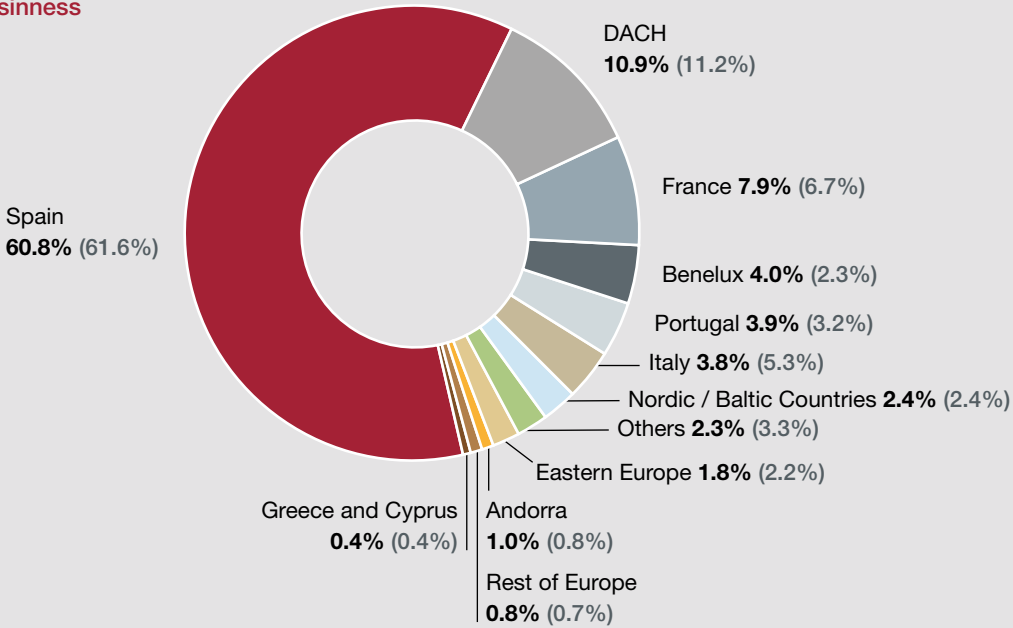
DACH, which comprises Germany, Austria and Switzerland, recorded a total of € 84.7M in premiums, a year-on-year increase of 2.9%. This territory remains the second most important market in terms of turnover in the Company’s portfolio. A policy that combines a desire to consolidate and develop the portfolio with the aim of containing the risk arising from natural events meant that efforts in these countries were directed towards continuing with those ceding companies that displayed greater balance and better performance and making selective adjustments in relation to shareholdings and conditions. Some proportional programmes were not taken up and disappeared from the market, due to the lack of reinsurance supply.

France saw notable improvement, with an increase of more than 25% in total premiums. This resulted from an increase in the number of ceding companies and the positive development of the Company’s position in its reinsurance programme with a number of companies. Life remains the segment with the largest turnover, followed by Multi-risk and Motor.

Portugal recorded highly satisfactory growth, performing positively in most segments. Total revenues rose to € 30.0M, up 27.1% on the previous year.

Geographical Split 2024

39.2%
International
Business



(Year 2023: 38.4% International Business)

Particularly notable was the strong performance of the **Benelux** market, in which an extraordinary growth of 83.1% in premiums saw the total amount rise to € 31.4M. An important part of this was the increased turnover in the Life segment, which more than doubled to € 14.2M and maintained its position as the leading segment in this group of countries.

Business in **Italy** shrank by 24.8%. The caution applied when entering into a number of business lines combined with the cancellation of some proportional programmes in this market due to the lack of a reinsurance supply meant that total premiums fell to € 29.2M.

The remaining markets shrank by 3.4%, recording a total premium amount of € 76.6M.

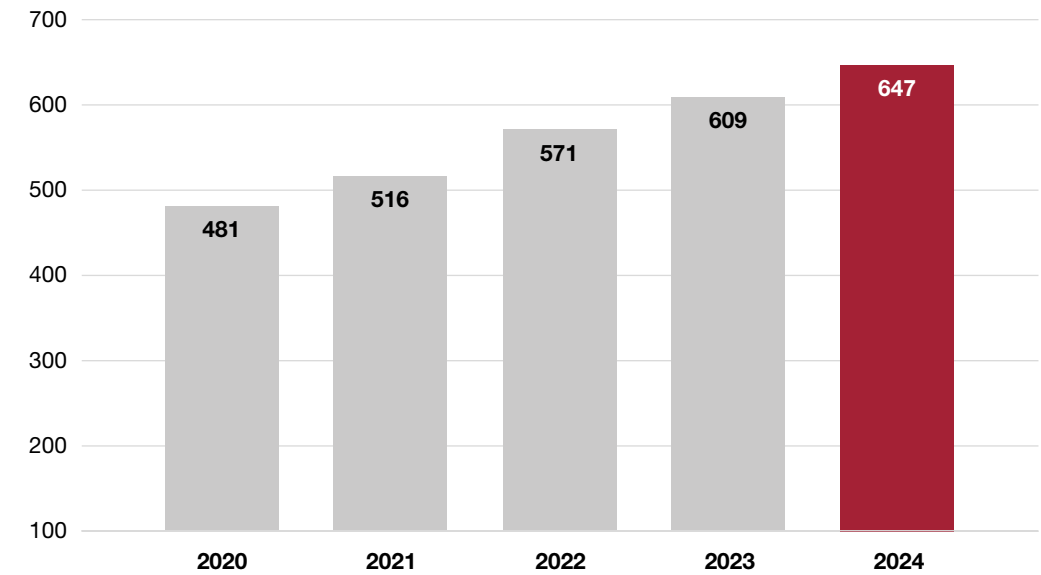
Retained premiums

During the 2024 financial year, retention stood at 83.2% of accepted premiums (82.9% in 2023). The retained premiums amount totalled € 647.3M, up 6.2% on retained premiums in 2023.

Non-Life retention stood at € 530.5M (+7.1%), while retention in the Life segment totalled € 116.7M (+2.4%).

It is important to point out that, compared with the typical figures recorded by organisations that are representative of this sector, the volume of retained business set against capitalisation shows that the Company enjoys a moderate underwriting leverage ratio.

Retained premiums
(Figures in millions of euros)



Technical aspects

Technical returns from accepted business increased in 2024, rising from € 32.0M in the previous year to € 42.6M, an increase of 33.1%. The gross revenues obtained account for 5.5% of the total premium amount.

Despite significant adverse deviations in extraordinary claims that had affected the Italian market in 2023, the improved condition of the portfolio that resulted from continuous refinement measures and increased prices in the direct insurance business covered by the Company’s treaties, combined with a year that saw fewer claims from natural events in Europe, meant that the gross combined ratio fell to 94.5% from 95.6% in 2023.

Given the actual nature of extreme climate phenomena, the models used by both the market as a whole and Nacional Re to calculate the provisions required to cover these phenomena now take account of the way in which initial notifications from ceding companies have habitually underestimated them. In the case of the summer storms in Italy in 2023, the inadequacy of the notifications made during that year was considerably exacerbated with regard to the provisions set out in the models, above all due to the lack of available loss adjusters, builders and materials, and the inability to process claims following the reporting of tens of thousands of claim incidents as the result of two events that had an extraordinary impact and that occurred over a very short period of time.

This unusual delay in the availability of information meant that a very large share of the consequences of these claim incidents was felt in 2024. In addition, because this involved two separate events, the dual application of the amounts charged to retentions affected net technical returns, which totalled € 17.0M in 2024, a figure that represents 2.6% of retained premiums, as compared with € 22.6M from the preceding year, 3.7% of premiums.

Technical profitability of accepted business increased by 33.1% in 2024, to 42.0 million euros, representing 5.5% of the total premium reserve.

Technical results by segment

This year, with the majority of segments in profit, notable performers were Marine, Third Party Liability, Credit, Personal Accidents, Motor, Health and Life, while negative results were recorded in the Multi-risk and Engineering segments.

Multi-risk recorded a negative result of € 43.9M, despite its ordinary performance at the beginning of 2024. In this segment, there were a limited number of claim incidents in Spain, the most important of which was the cold drop storm at the end of October which was estimated to have cost the Company no more than € 10M in total, as the consequences of this incident were for the most part covered by the Insurance Compensation Consortium. Europe experienced fewer incidents than in previous years; the flooding that occurred in September as the result of storm Boris, which affected the countries in the central part of the continent, resulted in costs of a little over € 6M.

As already mentioned above, the reason why this segment performed so badly was the adverse way in which claim incidents from the previous year unfolded, especially those that resulted from the storms that broke out over the summer in Italy, which together accounted for a deviation of more than € 30M.

In the **Motor** segment, despite the increasing impact of claim incidents, the rise in premiums combined with the refinement of the portfolio in respect of both proportional and non-proportional business meant that the Company obtained a result of € 8M (12.3%).

This strong performance was greatly assisted by the international portfolio, in which, despite the increased weight of conditions over the previous two years and the easing of inflation, there has been a rise in premiums. In addition, in many cases there has been a renegotiation of the structure and terms of agreements, along with some cancellations of unprofitable agreements that insurers have decided to retain, given the currently limited availability of reinsurance.

In the Motor segment in Spain, the number of claim incidents continues to rise, both in overall terms, due to inflationary tensions relating to material damage and personal compensation (calculated on the basis of the official standard), and as the result of individual high-impact claim incidents, which remain steady and may even be exhibiting a slight upward trend in terms of their frequency.

The result obtained by the Company in the **Third Party Liability** segment were € 18.5M, driven by general improvements in the profitability of this segment and the write-down of some loss-making accounts.

In the Third Party Liability segment in Spain there was an uptick in demand and a reduction in rates, particularly as regards cover for the third party liability of directors and officers, known as D&O insurance, and cover for cyber liability or cyber risk. In the same way as for the international segment, underwriting is strictly technical and the volume of premiums has risen in a way that is consistent with the Company's organic growth.

Marine has recorded highly positive results of € 13.7M, with a very contained claims history and less impact from deviations caused by claims from portfolios cancelled in previous years, all of which is the result of disciplined underwriting, particularly in accepted business from the main fishermen's mutual associations in Spain.

Particularly notable once again in the **Miscellaneous** category was the profit generated by the Credit segment which, together with the contributions made by other business lines, brought a total profit of € 6.4M.

The **Non-Life Personal Segments** recorded a highly positive result of € 11.2M net, € 6.2M of which came from Personal Accident, with Health contributing € 5.0M.

Life, once again recorded a positive result, this time totalling € 3.1M net, 2.6% of retained premiums for the segment, with a positive balance both in Spain (1.6%) and in the international markets (4.0%).

Technical results by segment	2024	% of retained premiums
Motor & TPL	26,556	25.5%
Marine	13,673	33.9%
P.A. and Health	11,234	24.0%
Miscellaneous	6,363	9.4%
Fire and Multi-risk	-43,904	-16.2%
Total Non-Life	13,922	2.6%
Total Life	3,051	2.6%
Total	16,973	2.6%

(Figures in thousands of euros)

Accepted business in the Spanish market generated a positive result of €34.6 million, while the international area closed with a gross result of 8.0 million euros.

Technical results by market

Spain recorded a gross result of € 34.6M (7.3% of premiums issued) and a net result of € 23.9M (6.0% on retained premiums).

Although very positive, this result is lower than the result obtained in the previous year, mainly due to the negative results of more than € 13.4M in Motor and € 3.5M in Multi-risk. The trend displayed by claims in these two important segments is unquestionably conditioned by a clear increase in claim incidents and the threat of the increasing prevalence of natural disasters that affect the private sector, insofar as these are not covered, at least not fully, by the Insurance Compensation Consortium.

The strong performance of all other segments resulted in an overall net return of more than 20%, with notable contributions from Third Party Liability, with revenues of more than € 15.3M, Marine, with a profit of € 11.8M, the Credit segment, with a positive result of € 8.5M, and the Personal Segments (Life, Accident and Health), which recorded earnings of € 5.6M.

In terms of accepted business, the **international segment** recorded a return of 2.6% (€8.0M), thus continuing its trend towards improvement. This also translated into a year-on-year fall of more than 3.5 percentage points in the net result, which stood at -2.8% once the cost of retrocession coverage had been deducted.

The majority of these markets are in profit, with notable performances from Benelux at € 8.9M, Others at € 2.9M, DACH at € 2.3M, and Portugal at € 2.0M. The progress achieved as a result of the most recent renewals, in terms of both improved contractual conditions and the composition of the Company's portfolios in a number of these countries, has improved balance and assisted with the containment of claims.

Overall, however, the international business did not achieve the targets that had been set for profitability in 2024, basically because of the deviations resulting from claims made in 2023 in Italy, a market in which losses of almost € 16M were recorded.

As regards the remaining markets, the Nordic Countries continued to show the negative results they had been recording in recent years, with a loss of € 3.9M in 2024, added to the negative performance in Eastern Europe, which translated into a loss of € 3.2M. This latter region was highly affected by storm Boris in September, the most significant naturally occurring event on the continent apart from the cold drop storm in Spain on 29 October.

	Retained Premiums	Net Technical Results	%
Spain	399.6	23.9	6.0%
international	247.7	-6.9	-2.8%
DACH	66.5	2.3	3.5%
France	51.6	0.2	0.4%
Benelux	27.6	8.9	32.1%
Portugal	20.8	2.0	9.4%
Italy	23.7	-16.0	-67.4%
Nordic / Baltic Countries	13.4	-3.9	-29.1%
Others	17.4	2.9	16.6%
Eastern Europe	11.3	-3.2	-28.2%
Andorra	7.2	-0.4	-5.6%
Rest of Europa	5.3	0.3	4.8%
Greece and Cyprus	2.8	0.0	1.0%
TOTAL NRe	647.3	17.0	2.6%

Figures in millions of euros

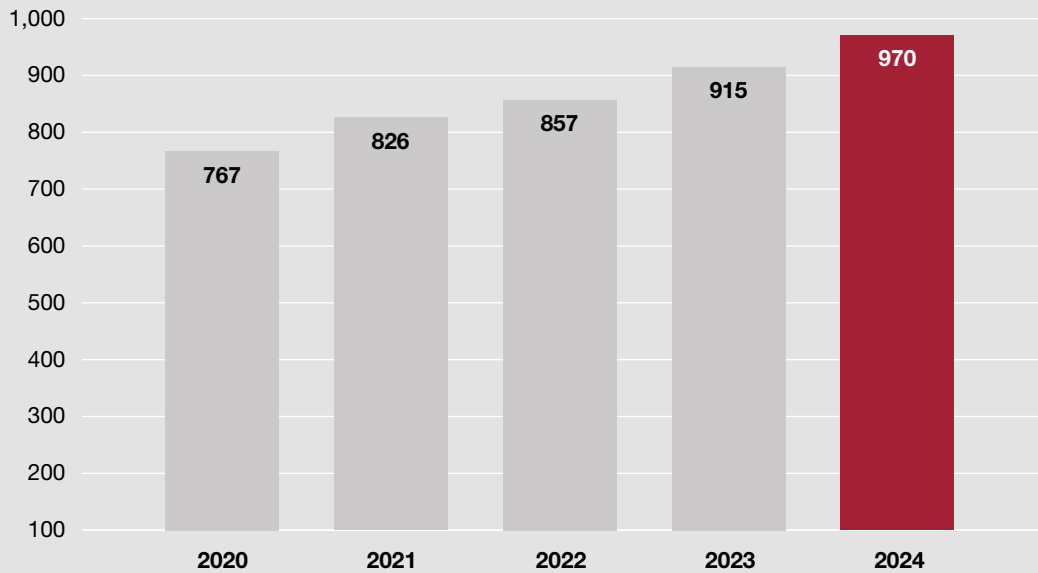
Technical Reserves

At 31 December 2024, technical provisions totalled € 1,149.4M, € 1,024.5M in the Non-Life segment and € 124.9M in the Life segment.

Net technical provisions, which represent obligations net of retrocession protection, came to a total of € 969.6M (€915.1M in 2023), which broke down into € 845.9M in the Non-Life segment (159.5% of retained premiums) and € 123.7M in the Life segment (106.0%).

The following graph shows the volumes of technical provisions retained over the last five financial years.

Retained Technical Reserves
(Figures in millions of euros)



Investment assets grew by 6.1% to 1.655 million euros. Financial returns amounted to 38.7 million euros, representing an annual growth of 63.5%.

Financial aspects

In the economic and financial environment experienced in 2024, as described in the introduction to this Report, the results obtained from the Company's management of the investment portfolio show a financial profit of € 38.7M. The following section contains an analysis of the most notable highlights:

Composition of investments and investment strategy

At the close of 2024, the book value of Nacional Re's assets stood at more than € 1,655M, a year-on-year increase of 6.1% on 2023. The composition of its assets is shown in the following table:

	2024	2023
Long-term fixed income	48,701	30,921
Short-term fixed income	968,950	900,175
Investment funds	182,835	196,740
Real estate	34,754	34,687
Shares	161,121	150,172
Reinsurance Deposits	259,049	247,227
Total Investment Portfolio	1,655,410	1,559,922

(Figures in thousands of euros)

Over the course of the year we have maintained the investment strategy that we began in 2023 and directed our portfolio management efforts towards making direct investments in fixed-income assets This strategy has been applied with the aim of preserving capital at the same time as generating consistent returns over time, thanks to the cycle of interest rate rises that began in 2022 and continued throughout most of 2023.

The interest rate environment experienced in 2024 meant that this new direct investment in securities could be made at higher rates than in the past, thus reinforcing the high credit quality of the portfolio, with investments made for periods in the order of five years.

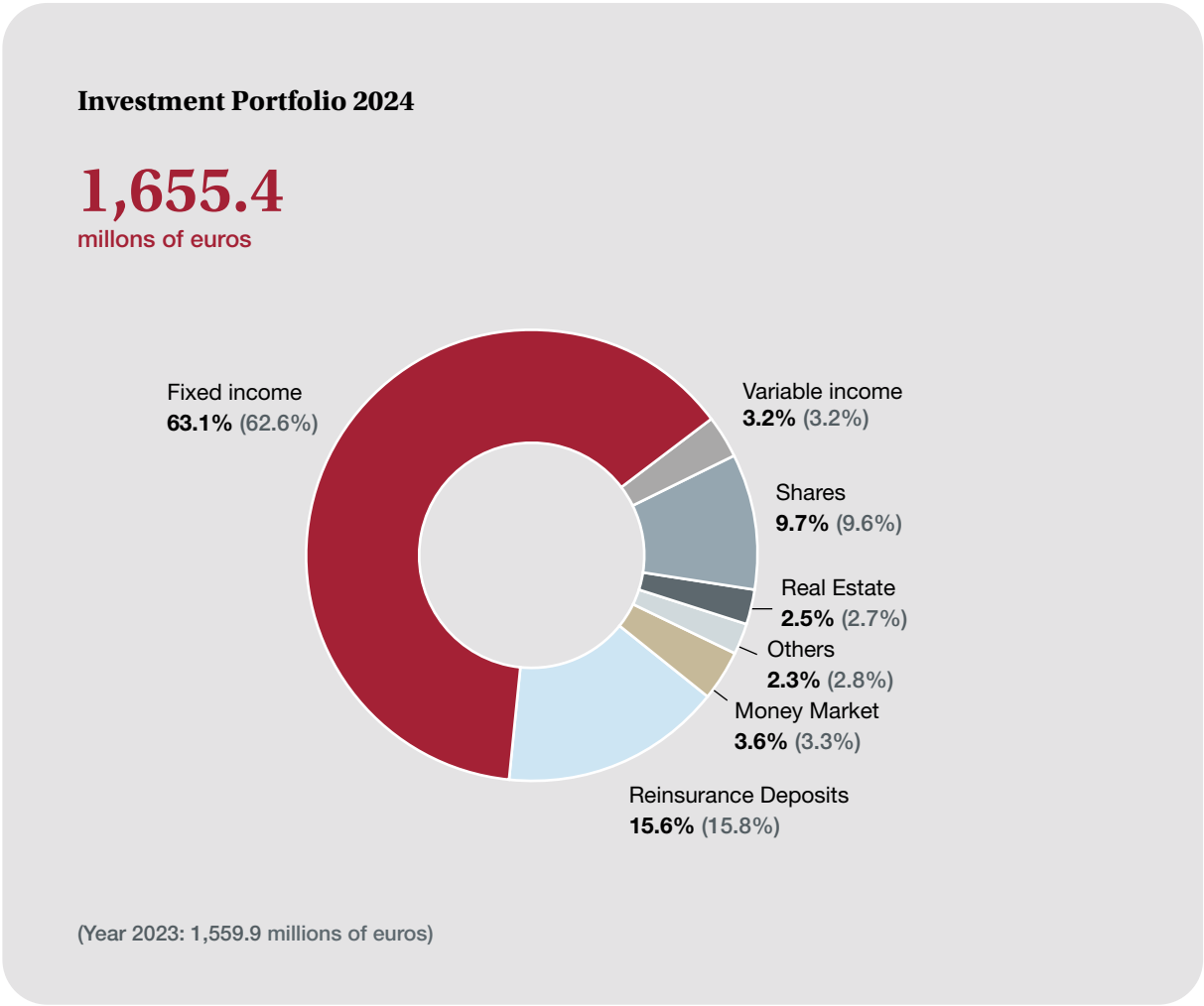
This management process included analysing market opportunities and selecting the most robust assets with the potential to bring attractive returns, while always adhering to the requirements set out in the Company's Investment Policy.

Over the course of the financial year, the value of the direct income portfolio increased in net terms by € 69M on the 2023 figure. This increase resulted, in the main, from some specific non-significant divestment in investment funds (€14M), with the remainder (€55M) coming from new revenue streams that were obtained during the course of the last year.

2024 saw formal completion of the sale of shares representing 9.9% of the share capital of Gesnorte S.A. SGIIC, which the Company had held up to that point. This sale formed part of an operation in which, together with the fund manager's other shareholders, it transferred all of the said company's share capital to Inverseguros, S.A.U.

These shares were entered on the balance sheet at a value of € 394M, and the total income recorded as originating from this sale in the income statement for 2024 amounted to € 539M.

The following graph shows the weighting of the different types of assets, following a breakdown and redistribution of the combined composition of the investment funds:



The Changes occurring in relation to asset classes were as follows:

- As reported at the beginning of this section, investment in fixed income was strengthened during 2024 and accounted for almost 63% of investments at the close of 2024, representing a slight increase of 1.5 percentage points on the previous year.

- Deposits made as the result of accepted reinsurance deposits with our ceding companies remained at around 15.6%.
- Shares, though remaining almost unchanged in percentage terms (9.7% in 2024), recorded a net increase of € 10.9M, closing the year with a total valuation of € 161.1M.
- Investment in assets on the money markets remained at stable levels, accounting for around 3.6% of the total.
- The heading “other assets” covers investments of a non-traditional nature (infrastructure, venture capital, etc.). As of December 2024, investments paid up in this category accounted for 2.3% of the total.
- Investment in real estate remained steady at 2.5%, as there were no significant movements in this category of assets during 2024.

As in the previous year, the investment portfolio retains the following main characteristics:

- A high level of diversification in terms of issuers, both geographically and by sector, and in terms of fixed and variable income.
- The average credit rating of the fixed-income portfolio is “A”, and all the bonds have an investment grade rating.
- A high level of liquidity and flexibility of management, which allows us to comply satisfactorily with the obligations arising from our reinsurance activities.
- Valuation of the portfolio on the basis of conservative criteria.
- Assets that are preferably quoted in euros. At the close of the financial year, assets held in currencies other than the euro, including accepted reinsurance deposits, accounted for 4.2% of the total.

Financial returns

The net book result from tangible fixed assets and investments in 2024 showed a profit of € 38.7M, 63.5% higher than in 2023, with an accounting rate of return of 2.4% on the book value of investments.

The following section contains more detailed information on the various items that make up this result.

Financial assets generated a profit of € 36.2M, 86.1% up on 2023. By asset type, notable revenues were generated by the direct fixed income and money markets portfolio, which contributed € 20.3M to the income statement (€ 17.9M in 2023), reflecting the profitability of the assets from which this portfolio is comprised.

Particular mention should also be made of the profits obtained on shares and holdings in the stock of other companies: €14.3M.

Investment funds contributed € 1.7M to the income statement. This figure breaks down into amounts paid out in the form of dividends (€ 2M) and value adjustments in the amount of -€ 0.3M.

The real estate portfolio generated a profit of € 1.4M, made up of the net income received from the property leasing business.

In addition to the book result obtained in the asset portfolio, during 2024 the investments classified as 'available for sale' underwent a revaluation of € 38.6M, which meant that the balance sheet entry headed "Adjustments due to the change in the value of financial assets available for sale" ended 2024 at € 86.8M (€ 57.8M in 2023), both of these figures being net of tax.

The financial returns are completed with results pertaining to other entries, as broken down below:

- Difference between revenues from deposits put in place and interest paid on deposits received: € 1.3M.
- Exchange rate differences in the valuation of entries on the balance sheet (balances, deposits and bank transfers) from reinsurance deposits for which the original currency is not the euro: -€ 0.3M.

General Costs

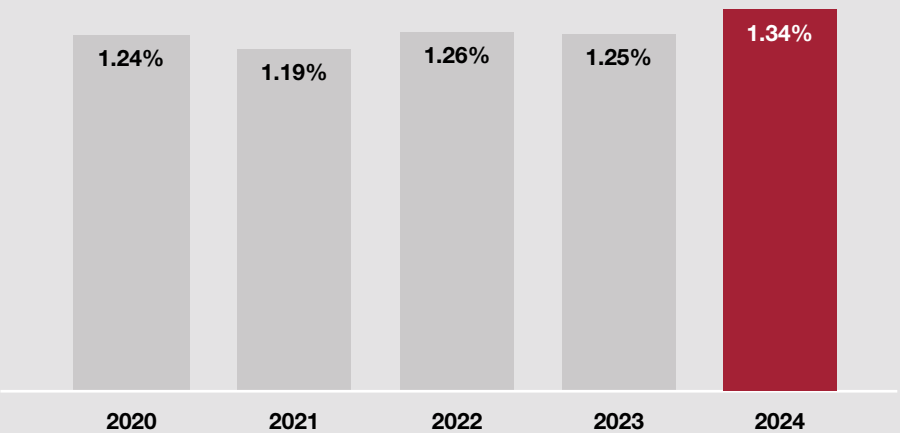
During 2024, the Company's general expenses amounted to € 10.4M, as compared with € 9.2M in 2023.

Nevertheless, this expenses figure remains within the parameters for moderation that the Company habitually maintains in its ratio between costs and premiums. In 2024, this ratio stood at 1.34% of premiums, slightly higher than in previous years.

The increase was due in part to the improvements resulting from the Company's development and in part from the investment the Company had begun to make in the Transformation Plan that forms part of its 2024-2027 Strategic Plan, which we will discuss in greater detail in a later section of this Report. In 2024, the amounts allocated to the Transformation Plan totalled € 0.5M.

This once again demonstrates Nacional Re's status as a reinsurer with very high levels of efficiency.

Expenses / Premiums (%)



Particularly representative among the Company’s general expenses as a whole are the expenses recorded in the Human Resources category. Over the last five years, these have increased from € 4.3M in 2019 to € 5.8M in 2024, figures that reflect the increasing development of the human team at Nacional Re over the period in question, during which the Personnel Master Plan introduced in 2022 was implemented.

Particular mention should also be made of the investment that the Company has made in the development and acquisition of new IT tools, adapting to technological developments in order to meet the requirements arising from the growth and internationalisation of the reinsurance agreements portfolio. We would especially highlight the resources deployed for the management and control of nature-related risk.

Solvency

With regards to Solvency II regulations, Nacional de Reaseguros applies the standard formula for calculating the solvency capital requirement in all risk modules and sub-modules.

In line with this standard formula, the solvency ratio between eligible own funds and the solvency capital requirement at the close of the fourth quarter in 2024 was 204.8%, meaning that the capital requirements were sufficiently met.

The Company continuously monitored the performance of this ratio during 2024, confirming that the Company’s solvency remained high and did not show any signs of being compromised at any time.

The report on the Company’s financial position and solvency will be issued within the period established in the regulations.

Rating

In 2024, the S&P Global Ratings and AM Best ratings agencies reaffirmed the “A” rating for Nacional de Reaseguros, with a stable outlook.

	Rating	Outlook
S&P Global Ratings 12/07/2024	A	Stable
A.M. Best 13/11/2024	A (Excellent)	Stable

Earnings and proposal for distribution

After a provision for Company Tax of € 8.2M had been made against pre-tax profit of € 45.2M, the income statement showed a net profit of € 37M, 35.2% higher than the previous year.

This profit represents 4.8% of premiums and 8.4% of equity from the previous year.

We propose the following distribution of earnings:

To the legal reserve	1,200,000.00
To the capitalisation reserve	2,270,278.13
To unrestricted reserves	18,803,561.33
Total allocation to reserves	22,273,839.46
To shareholders (dividends)	14,760,000.00
To surplus	0.00
Total earnings available	37,033,839.46

Figures in euros

The proposed **dividend** represents 39.9% of earnings and is defined as follows:

- it applies to the shares numbered from 1 to 18,000,000;
- it amounts to 0.82 euros per share, i.e. 13.7% of the par value of 6 euros;
- it is 33.6% higher than the previous year;
- and it represents 3.3% of initial equity.

Capital and reserves

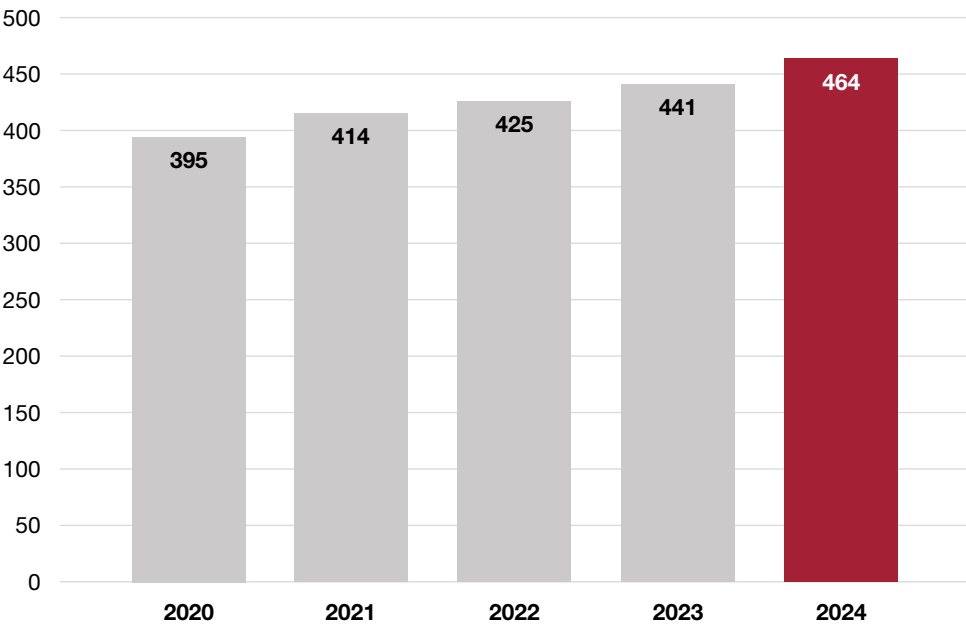
As of 31 December 2024, paid-up share capital amounted to € 108M, following a share capital increase of € 6M charged to the reserves during June of that year.

No acquisitions or transactions relating to the Company’s own shares were made during 2024.

The Company’s policy of increasing its resources through self-financing has remained constant during Nacional Re’s history. Over a period of five years, the book value of the Company’s equity, minus the dividend to be distributed among its shareholders, has increased from € 395M at the end of 2020 to € 463.6M at the end of the year that has recently closed.

The attached graph shows the changes to this figure over the last five years.

Net Equity
(Figures in millions of euros)



Human Resources

At the close of 2024, Nacional Re's workforce was made up of a total of 70 professional staff (35 women and 35 men), in line with the needs and requirements of its business. This human team retains the high level of professional qualification and commitment with which it has always been characterised.

We also strive to maintain an efficient, demanding but agreeable working environment, which reconciles the Company's corporate objectives with its employees' personal, family and professional lives.

A flexible remuneration scheme has been in place since 2023, which includes childcare, transport and health insurance for anyone who requests it. The entire team was also offered the opportunity to take out home, car, pet, life and funeral insurance policies with significant discounts on premiums.

With regard to working hours, in recent years the Company has increased the flexibility enjoyed by workers, with the broadening of arrival and departure times and the distribution of working hours, maintaining them in line with the organisation's needs while allowing for greater reconciliation between employees' family and professional lives.

Finally, mention should be made of the remote working system that applied throughout the year and took on particular importance during the summer months.

Corporate Social Responsibility

During 2024, Nacional Re continued to pursue and, wherever possible, strengthen its commitment to projects in the area of social responsibility.

It continued to make financial contributions to the Carlos Sunyer Foundation, which organises Corporate Social Responsibility projects directed towards social improvements in the business environment, along with its own philanthropic projects, including volunteer activities.

Among these we would make particular mention of the collaboration with the Proyecto Persona, Gil Gayarre, También and Futumad Foundations, which focus on the development of people with disabilities, the Balía Foundation in Madrid and Seville, which works with young people who are at risk of exclusion, and the Rementería Foundation, which provides ophthalmological assistance for adults who are also at risk of exclusion. In 2024, a collaborative agreement was signed with ICOMEM for the improvement of comprehensive care for patients. The Company also began a collaborative relationship with the Tengo Hogar Foundation, which works to improve inclusion for families in a situation of vulnerability.

Following the devastating consequences of the DANA cold drop storm in the Community of Valencia at the end of October last year, we were able, through the Carlos Sunyer Foundation, to work together with Casa de Caridad, an organisation that provides essential services such as childcare, sheltered accommodation for families, daily meals, workshops, refuges and a care centre for people who are convalescing.

Environmental policy

While we are aware that the reinsurance business is not a particularly polluting activity, we nevertheless strive as far as possible to conduct ourselves in a way that is actively conscious of our responsibility towards the environment, which is a common asset from which we all benefit.

In line with this commitment, in November 2024 the Board of Directors of Nacional Re approved a Sustainability Policy which has been made an integral part of the Company's Governance System.

This Policy sets out the general principles and objectives that are to inform the actions of Nacional Re in the area of sustainability. These find their inspiration in the main conventions that have been agreed in this regard, such as the UN Global Compact, the Paris Agreement, the Principles for Sustainable Insurance, sustainable investments, etc.

For several years we have voluntarily submitted to an external assessment of the Company's environmental impact. Based on the conclusions of this assessment, we undertake to promote active management in support of energy savings and the conservation of scarce natural resources.

In 2024, the results of this assessment indicated that the Company had continued its trend of reducing the carbon footprint generated in the performance of its business activities.

2024 Highlights

In 2024, Nacional Re obtained ISO 27001 certification. The International Organization for Standardisation or ISO is an organisation that establishes quality and security standards, and its ISO 27001 certification is the most widely recognised international standard for the management of information security.

ISO 27001 certification focuses on information security, and it requires companies to implement an Information Security Management System (ISMS). This involves the creation of policies and procedures for the systematic management of sensitive data, along with a framework for the auditing, monitoring and improvement of data security practices that will minimise risk relating to the confidentiality, integrity and availability of information.

Obtaining this certification is a significant achievement that demonstrates Nacional Re's commitment to information security and that will ensure that our systems and processes are designed in a way that protects the confidential data that we are required to handle as the result of our business activities.

ISO 27001 not only benefits our own organisation, it also benefits our ceding companies and other stakeholders with an interest in our activities, as they can be certain that any information that they entrust to us will be effectively protected and managed in a way that conforms to the best international practices.

Renewal in 2025 and Outlook

Following two renewal processes in 2023 and 2024, in which significant changes were made to reinsurance structures, retentions and prices in Europe in general, the renewal of treaties for the 2025 financial year which took place in the final quarter of 2024 was more even. As a general rule, conditions remained unchanged or were increased very slightly, though started to show signs of price flexibility certain business lines, such as protection against the impact of natural events.

With regard to catastrophic claim events, the regions of Central and Eastern Europe were impacted by the serious floods caused by storm Boris during the months of September, though the largest markets (Germany, France and Italy) did not suffer any serious damage from these kinds of events. However, there was a serious worsening of the figures communicated by Italy prior to the end of the previous financial year in relation to the storms that had ravaged the country during the summer.

As a consequence, given that the situation was less serious in Europe than it had been in immediately preceding years, many reinsurers forecast growth, providing more than sufficient capacity to natural perils coverage, mainly in top layers and requirements for additional capacity.

In this regard, Nacional Re set a series of targets aimed at achieving profitable growth through providing support and advice for its ceding companies, seeking to strengthen and improve its shareholdings and to recruit new ceding companies and attract new business, with a preference for markets that it considered as strategic to the Company's project. Iberia, France and the DACH region.

The results of this renewal were highly satisfactory in the International segment, in which a high percentage of the agreed targets were met. These were clearly aimed at obtaining margins that were both sufficient and appropriate in terms of the risk and volatility undertaken in the Company's reinsurance agreements.

In Spain, the impact on insurance and reinsurance caused by the DANA cold drop storm on 29 October was extremely limited. Nevertheless, Nacional Re continued to adjust its rates for the coverage of accumulated "Damages", making specific adjustments to commissions in proportional programmes with claim events or slim margins.

Rates in the Motor segment continued to rise, in line with the increases seen in recent years based on the volume of claims. This fell with the framework of the process aimed at adjusting to the impacts of inflation set out in the "Rates of compensation for traffic accidents" in relation to bodily injury claims, which are, in the main, those that have an impact on reinsurance.

We therefore look forward to 2025 as a year in which the total premiums will exceed € 800M, with a strengthening of the Company's position in Spain and in other strategic markets, such as France and the DACH region, and with positive results that will exceed those obtained in 2024.

The 2024-2027 Strategic Plan, which includes an ambitious Technological Transformation project and focuses reinsurance activity on the consolidation and development of a long-term portfolio, will strengthen Nacional Re's unique strengths and competitive advantages.

Strategic Plan

Definition and implementation of the current “2024-2027 Strategic Plan”, which will serve as a guide to our activities through to 2027, represented one of the most significant milestones reached by the Company in 2024.

The new Strategic Plan will allow Nacional Re to meet its current and future challenges and strengthen the Company’s capacity for management, its singular qualities and its competitive advantages, with a view to generating and taking advantage of new business opportunities.



These strategic lines have been designed to support the further development of the Company’s structure and processes through a system based on quality data and empowering technological transformation. The goal is to achieve scalability, in such a way that Nacional Re has the capacity required to grow and to increase its portfolio of ceding companies and agreements in an efficient and completely secure way while maintaining its own unique qualities and competitive advantages.

These strategic lines are expressed in the form of the Company’s objectives and the projects associated with each of them.

Important among the objectives associated with the scalability of the business is an ambitious technology plan that will be implemented throughout the lifecycle of the Strategic Plan, all the way through to 2027, and that will allow the Company to obtain more detailed information on its business lines, as the basis for a more precise analysis of risk and the reinsurance conditions to be applied. This will provide an invaluable source of data to allow the Company to continue building a differentiated and high-value reinsurance resource for our ceding companies.

In addition to the Technology Plan, and with a view to improving the effectiveness of the Transformation Plan as a whole, the Company’s organisation has been redesigned in order to strengthen its structure, redefine its key processes and focus the efforts of each of the different divisions on their principle duties and responsibilities.

As regards the development of a profitable and growing portfolio of ceding companies, a number of targets have been defined for both Spain and other strategic markets. Some are intended to boost those business lines that offer greater expectations of stability in the Company's results and continuity in its relations with ceding companies, while others are directed towards mitigating the main risks assumed by the Company as the result of its reinsurance business, such as its exposure to natural perils and inflation in certain segments claims.

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The electronic version of this Annual Report
is available at Company's website.

Photographs: Valencia / Shutterstock.

Graphic design

www.taudeSIGN.com

Legal Deposit: M-7659-2025

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