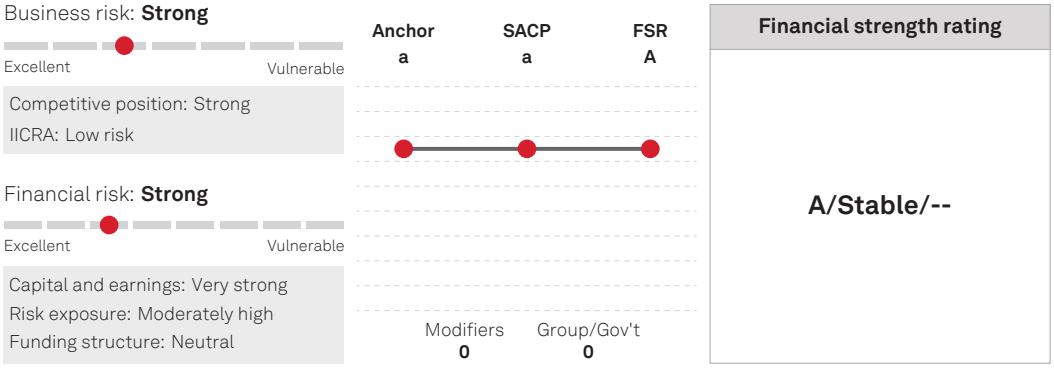
Nacional de Reaseguros S.A.

November 23, 2026

This report does not constitute a rating action.



FSR--Financial strength rating. IICRA--Insurance industry and country risk assessment. SACP--Stand-alone credit profile.

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Credit Highlights

Overview

Key strengths	Key risks
Leading position in the Spanish reinsurance market.	Small absolute size and position in the global reinsurance market.
Low historical earnings volatility from natural catastrophe events in Spain.	Exposures in natural catastrophe events in European countries out of Spain.
Very strong capital and earnings.	Uneven track record of efficiency of retrocession coverage.
	Limited depth of workforce creates a key-man risk.

We believe Nacional de Reaseguros' (NRe) strong position in Spain's reinsurance market will help it to navigate the soft cycle ongoing in the reinsurance industry. This unique position underpins our choice of the higher anchor. NRe benefits from a strong brand reputation in Spain, supported by enduring relationships with insurers and brokers. We project its market share will remain about 10%, excluding intercompany reinsurance agreements within larger international groups, which provides the company with a stable competitive edge in the domestic market. In 2025, NRe posted a record net income of €58 million (versus €37 million in 2024). This was

notably due to extraordinary dividend received from Credito Y Caucion. It was also supported by improved underlying underwriting results and higher investment yields; we deem better underwriting results and investment yields as sustainable in the coming years. Compared with higher-rated peers, NRe's overall scale and geographic reach are still limited, which constrains its competitive position on a global level.

We project NRe's capital and earnings will remain very strong. NRe maintained its capital position above the 99.99% confidence level in our risk-based capital model at year-end 2025. Shareholders' equity increased by 7% year-on-year to €606 million, supporting the capital base. However, we consider the company's smaller size than peers could result in capital volatility. Over the next two years, we project NRe will generate net earnings of €45 million-€50 million, supported by sound technical performance and improved investment yield. We project a dividend payout ratio of 40%, in line with the trend of past years.

We consider NRe's risk exposure to be moderately high. Over time, NRe's natural catastrophe exposure has increased and is now in line with some reinsurance peers. This follows the expansion of its reinsurance activities in European countries outside Spain. Although NRe's geographic footprint remains predominantly in Spain, with about 63% of gross premiums written, the remaining 37% is spread among other European countries, including France, Germany, Austria, Switzerland, Italy, and Portugal. Its exposure to natural catastrophe events has led to several large claims in these countries, with adverse developments, notably in 2023 and 2024. We expect the impact from Storm Kristin, which hit Portugal at the beginning of the year, to be less severe and within the limit of the risk appetite of the company.

Outlook

The stable outlook reflects our expectation that NRe will maintain a leading and profitable position in Spain, while improving the profitability of its business in other European countries over the next two years. We also expect capital adequacy will remain above our 99.99% confidence level.

Downside scenario

We could lower the ratings on NRe over the next two years if:

- Operating performance declined sustainably, for instance due to higher-than-expected catastrophe-related claims or unprofitable international activities; or
- The investment portfolio was to repeatedly affect earnings volatility; or
- Capital adequacy declined below our 99.99% confidence level over a prolonged period.

Upside scenario

We are unlikely to take a positive rating action over the next two years given the company's narrower global diversification compared with higher-rated peers.

Assumptions

- Eurozone real GDP growth forecast to be 0.9% in 2025 and 1.1% in 2027.
- Spain's real GDP growth slowing to 2.4% in 2026 and 1.8% in 2027, from 2.8% in 2025.

- Long-term Spanish interest rates increasing to 3.54% in 2026, compared with 3.22% in 2025. A similar trend is expected in the eurozone.
- Average inflation in Spain increasing to 3.2% in 2026 and 3.0% in 2027, from 2.7% in 2025.

Nacional de Reasuguros SA--Key metrics

	2028f	2027f	2026f	2025	2024	2023
Gross written premium (mil. €)	850-900	850-900	~850	818	778	735
Net income (mil. €)	45-50	45-50	45-50	58	37	27
S&P Global Ratings capital adequacy	99.99%	99.99%	99.99%	99.99%	99.99%	99.99%
Capital adequacy: Redundancy/deficiency at defined confidence level	0-10	0-10	0-10	0-10	-	-
P/C: Net combined ratio (%)	~97	~97	~97	98.2	99.0	100.6
P/C: Net loss ratio (%)	~68	~68	~68	66.8	69.6	70.9
P/C: Net expense ratio (%)	~29	~29	~29	31.4	29.4	29.8
Return on shareholders' equity (%)	7-8	7-8	7-8	9.8	6.9	5.8
Net investment yield (%)	~4	~4	~4	4.5	3.4	2.3
Net investment yield including investment gains/(losses) (%)	~4	~4	~4	4.1	2.9	1.9

f--S&P Global Ratings forecast.

Business Risk Profile

NRe is the leading reinsurer in Spain, with a market share we estimate at about 10%, excluding intercompany reinsurance agreements with larger international groups. Gross premiums reached €818 million at year-end 2025, representing a 5.1% increase. We project premium growth at approximately 4% for the next two years, given the soft cycle environment. Decades of cultivating strong relationships with Spanish insurers and brokers have solidified NRe's dominant position for most domestic contracts. The company is actively enhancing client relationships through increased direct engagement and expanded participation in existing client projects.

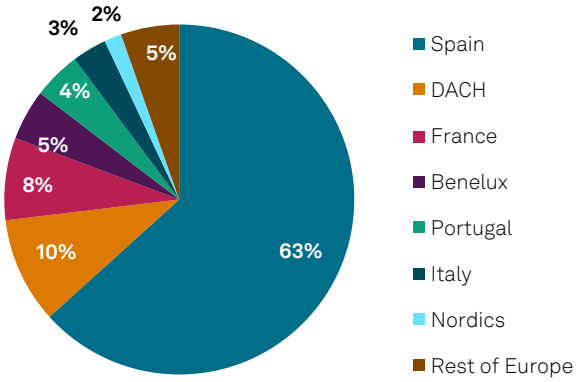
NRe has initiated European expansion since 2010. It provides the company with diversification across Europe as the international portfolio comprises close to 40% of total gross written premium as of year-end 2025. While this expansion brings diversification benefits to the company's risk profile, NRe's international market position remains less prominent than its domestic presence. NRe has a diversified insurance business mix, which at year-end 2025 included fire and multi-risk (42,5% of gross premiums), life (17,1%), motor and third-party liability (15,8%), marine (7,8%), personal and accident and health (8,2%), and other lines (8,6%).

Chart 1

Chart 2

NRe has a good international business mix

YE2025

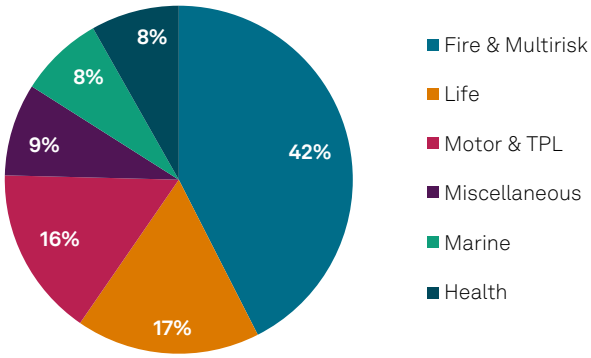


Source: Company's data.

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NRe has a good product mix

YE2025



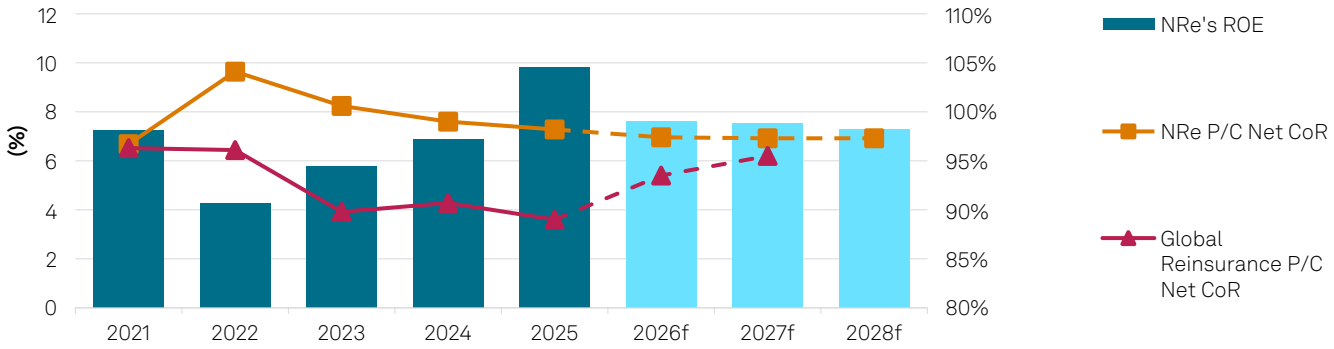
Source: Company's data.

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In 2025, NRe's net property and casualty combined ratio improved to 98.2%, compared with 99.0% the year before, due to lower natural catastrophe events and favorable claims experience. We expect the structural sound profitability to persist in Spain. Although the technical performance of the business written in European markets outside Spain has been inconsistent and lacks the profitability record established in its Spanish operations, we expect NRe will continue to experience an improving claim experience. For instance, we expect the storm Kristin, which hit Portugal at the beginning of the year, to be less severe for NRe and within the limit of its risk appetite, in comparison with more severe events in Italy, Germany, and France the previous years. Therefore, we expect the company to report combined ratio of about 97% in the coming years.

Chart 3

NRe's operating performance is converging back toward global reinsurers'



Our reinsurance benchmark group includes African Re, Arch, Arundo Re, Ascot, AXIS, China Re, Convex, Everest, Fairfax, Pelagos, Hannover Re, Hiscox, Lancashire, Lloyd's, Munich Re, RenRe, SCOR, Sirius, Swiss Re, and Toa Re. For 2023-2027f, we used undiscounted combined ratios for companies reporting under International Financial Reporting Standards 17. f--Forecast. Sources: NRe's data, S&P Global Ratings.

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Life business continues to contribute both to diversification and results. It now represents 17% of the business mix and generated €11 million technical results on average per year over the past

five years. We expect a moderate increase in premiums and profitability for the life operations in the coming years.

NRe's bottom line further improved in 2025, with net income of €58.0 million, up from €37 million in 2024. This was mainly due to an extraordinary dividend received from Credito y Caucion. The improved bottom line also stemmed from better underwriting results and higher investment yields. We expect this trend on technical results and investment yields to continue improving NRe's earnings.

Financial Risk Profile

NRe's operations are backed by a solid balance sheet. We expect capital adequacy to remain at the 99.99% level over our forecast period, supported by retained earnings. We also expect capital requirements to increase modestly, since the company is focusing on improving the quality of its portfolio rather than growing markedly, and given the current soft environment for pricing in the reinsurance industry. In our view, NRe continues to show a good track record of prudency in its reserves. We project the company to generate €45 million-€50 million each year over the forecast horizon, supported by improved recurring investment income, given its reinvestment yield has been better since 2022. Therefore, we forecast a return on equity of 7%-8% over the next three years. The small absolute size of its capital base makes it somewhat more susceptible to movements in capital and earnings in the event of potential large losses.

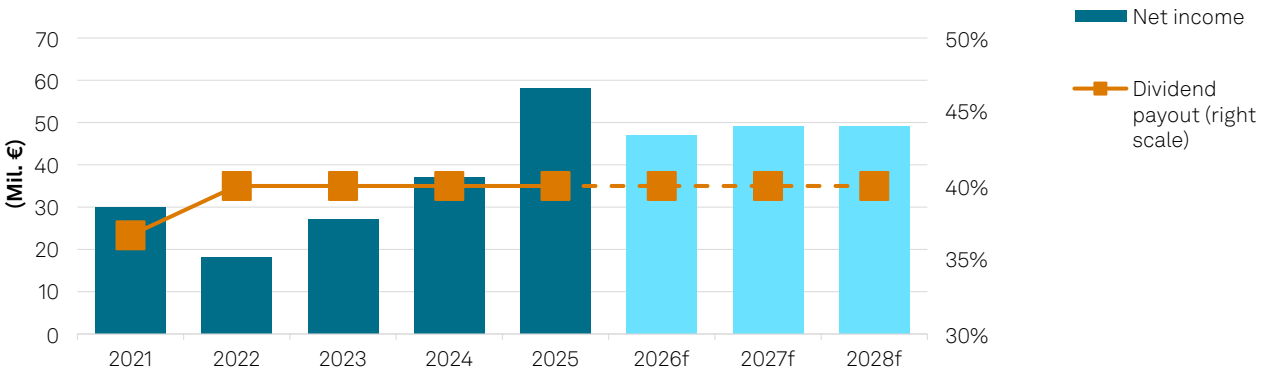
From a regulatory capital standpoint, NRe comfortably meets requirements, with a stable solvency ratio of 208% at year-end 2025.

Following NRe's expansion outside of Spain over more than a decade, its natural catastrophe exposure has increased meaningfully over time, and we consider it to be moderately high. Natural catastrophe risks in Spain remain largely mitigated by the Consorcio de Compensacion de Seguros, a national scheme covering significant catastrophe events. Still, the 37% of the business outside of Spain--spread among other European countries, including France, Germany, Austria, Switzerland, Italy, and Portugal--has been exposed to severe events in recent years that affected the company's earnings.

NRe's investment strategy focuses on short-duration and liquid assets, consistent with a strict asset-liability management policy. NRe has a stable strategic asset allocation, with about 79% of assets in fixed-income investments and money market instruments, 11% in unlisted financial participations, 8% in real estate, 4% in equities, and 3% in alternative investments. NRe's average credit quality in its fixed-income portfolio remains solid at 'A-' level. Higher interest rates since 2022 have allowed NRe to reduce credit risk without sacrificing investment returns. Net investment yields improved to 4.5% in 2025, from 3.4% in 2024, mainly driven by the extraordinary dividends received from the company's participation in Credito y Caucion. We expect the higher interest rate environment will support NRe's investment result, reflected in a net investment yield of about 4% over our forecast horizon.

Chart 4

NRe's net income has meaningfully improved over the past couple of years



Sources: Company data, S&P Global Ratings' forecast.

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NRe has no debt and a long-established strategy of self-financing organic growth.

Other Credit Considerations

Governance

NRe has an effective governance framework in place. The management team and shareholders are committed to gradually strengthening NRe's market position outside Spain, taking advantage of its established expertise as a service-led coverage provider for small and midsize companies. Risk management is ingrained in NRe's culture, with continual efforts to embed risk-based decisions at all levels of the organization.

Liquidity

Liquidity is adequate. NRe's assets are predominantly liquid assets. However, we view as illiquid the strategic unlisted financial participation in Credito y Caucion that represents about 11% of the portfolio, as well as real estate assets and alternative assets that account for 8% and 3%, respectively.

Factors specific to the holding company

NRe is primarily owned by Corporacion Europea de Inversiones (CEI), which holds 57.9% of the company. We consider CEI acts as a financial sponsor, and as such not as a group parent. Investment vehicles account for an additional 20.6% ownership, while 13 Spanish insurance companies collectively hold 15%. The remaining 6.5% shares are distributed among private investors.

Climate And Other Evolving Factors

Our analysis of NRe considers its exposure to natural catastrophe events, which are broadly in line with that of reinsurance peers. Environmental factors are a moderately negative

consideration in our analysis, making the reinsurer more vulnerable to capital and earnings volatility. However, the company can partially mitigate that risk with its retrocession strategy as well as its ability to reprice contracts annually.

Rating Component Scores

Business Risk Profile	**Strong**
Competitive position	Strong
IICRA	Low risk
Financial Risk Profile	**Strong**
Capital and earnings	Very strong
Risk exposure	Moderately high
Funding structure	Neutral
Anchor	**a***
Modifiers	
Governance	Neutral
Liquidity	Adequate
Comparable rating analysis	0
Current Credit Rating	
Local currency financial strength rating	A/Stable/--
Foreign currency financial strength rating	--
Local currency issuer credit rating	A/Stable/--
Foreign currency issuer credit rating	--

IICRA--Insurance Industry And Country Risk Assessment.
*We choose the higher anchor due to NRe's unique and leading position in Spain and its capital adequacy reaching our 99.99% confidence level.

Related Criteria

- Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions, Nov. 15, 2023
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Insurance | General: Insurers Rating Methodology, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Global Reinsurance Sector View 2026: Reinsurers Face Balancing Act, Sept. 2, 2026
- Nacional de Reaseguros S.A. 'A' Ratings Affirmed; Outlook Stable, July 30, 2025

Ratings Detail (as of November 19, 2026)*

Operating Company Covered By This Report
Nacional de Reaseguros S.A.
Financial Strength Rating

Ratings Detail (as of November 19, 2026)*

Local Currency	A/Stable/--
Issuer Credit Rating	
Local Currency	A/Stable/--
Domicile	Spain

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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