

Research Update:

Milli Reinsurans Outlook Revised To Positive From Stable; 'B' Rating Affirmed; National Scale Rating Raised To 'trA'

September 26, 2025

Overview

- Over the past 12 months, Milli Reasurans T.A.S. (Milli Re) has significantly improved its shareholder's equity while maintaining its market position and improved operating performance.
- We consider Milli Re to be a moderately strategically important subsidiary of its parent, IsBank (not rated), and we think the parent has capacity to provide financial support to Milli Re, if needed.
- We therefore revised our outlook on Milli Re to positive from stable and affirmed our 'B' issuer credit and financial strength ratings. We also raised our Türkiye national scale rating on Milli Re to 'trA' from 'trBBB+'.
- The positive outlook reflects our expectation that Milli Re will continue to improve its competitive position and capital adequacy over the next two years.

Rating Action

On Sept. 26, 2025, S&P Global Ratings revised its outlook on Milli Reinsurans T.A.S. (Milli Re) to positive from stable.

At the same time, we affirmed our 'B' long-term issuer credit and insurer financial strength ratings on Milli Re. We also raised our Türkiye national scale rating on Milli Re to 'trA' from 'trBBB+'.

Rationale

Over the past 12 months, Milli Re has significantly improved its shareholders' equity on an absolute basis to Turkish lira (TRY) 26.3 billion at year-end 2024, from TRY15.2 billion at year-end 2023. By June 30, 2025, this had climbed further to TRY31.7 billion (approximately \$792 million). This increase has also resulted in improvement in Milli Re's capital adequacy, measured

Primary Contact

Sachin Sahni

Dubai
971-4-372-7190
sachin.sahni
@spglobal.com

Secondary Contact

Tatiana Grineva

London
44-20-7176-7061
tatiana.grineva
@spglobal.com

Research Contributor

Rahul Iyer

CRISIL Global Analytical Center,
an S&P Global Ratings affiliate
Mumbai

according to our models. We also believe the company has adequate retrocession protection, backed by highly rated international reinsurers to cover its high natural catastrophe exposure. We therefore expect that, over 2025-2027, Milli Re's capital adequacy will remain above the 99.50% level, according to our risk-based capital model.

Milli Re's net combined (loss and expense) ratio (on a consolidated level) has also improved significantly to 115% in 2024 from 135% in 2023. Historically, high inflation and the weakening Turkish lira have kept Milli Re's underwriting performance highly volatile, such that net combined ratios often exceed 100%. (Lower combined ratios indicate better profitability. A combined ratio of greater than 100% signifies an underwriting loss.) The underwriting loss is offset by the company's high investment income, supported by high interest rates and the revaluation of invested assets and affiliates. Therefore, on a net income basis, Milli Re has consistently reported positive net income over the past five years, and we expect this to continue for the next two years.

Milli Re's concentration of investments in Türkiye heightens its risk exposure. The company holds most of its investments in local financial institutions, the credit quality of which is predominantly speculative grade. As a result, the average asset quality of its portfolio is low. In addition, while Milli Re's management aims to manage foreign-exchange-volatility risk by holding some long positions in foreign-currency-denominated assets that match its liabilities, the rampant depreciation of the lira in recent years continues to affect underwriting performance.

We consider Milli Re to be moderately strategically important to its parent IsBank, one of the largest commercial banks in Türkiye, which owns an 87.6% stake in Milli Re. We think IsBank has capacity to provide financial support to Milli Re, if needed. That said, our ratings on Milli Re are based on its stand-alone credit profile of 'b'.

Outlook

The positive outlook reflects our expectation that Milli Re will continue to improve its competitive position and capital adequacy over the next two years.

Downside scenario

We could revise the outlook to stable in the next 12 months if:

- There is a significant deterioration in Milli Re's capital and earnings or competitive position, or
- Our view of IsBank's creditworthiness weakens or Milli Re's strategic importance to the parent diminishes.

Upside scenario

We could raise our ratings over the next 12 months if:

- There is an improvement in Milli Re's capital adequacy (as per our models) or competitive position, or
- We observe an improvement in IsBank's creditworthiness and its continued ability to support Milli Re, when required.

Rating Component Scores

Business Risk Profile		Weak
Competitive position		Satisfactory
IICRA		High Risk
Financial Risk Profile		Weak
Capital and earnings		Fair
Risk exposure		High
Funding structure		Neutral
Anchor		b
Modifiers		
Governance		Neutral
Liquidity		Less than adequate
Comparable rating analysis		0
Current Credit Rating		
Local currency financial strength rating		B/Positive/--
Foreign currency financial strength rating		--
Local currency issuer credit rating		B/Positive/--
Foreign currency issuer credit rating		--

Related Criteria

- [Criteria | Insurance | General: Insurer Risk-Based Capital Adequacy--Methodology And Assumptions](#), Nov. 15, 2023
- [General Criteria: National And Regional Scale Credit Ratings Methodology](#), June 8, 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

- [Turkiye-Based Milli Re Assigned 'B' Rating; Outlook Stable](#), Nov. 5, 2024
- [Milli Re Turkiye National Scale Rating Raised To 'trBBB+' From 'trBBB-', Sept. 2, 2024](#)

Ratings List

Ratings List

Ratings Affirmed; Outlook Action		
	To	From
Milli Reasurans T.A.S.		
Issuer Credit Rating		
Local Currency	B/Positive/--	B/Stable/--

Milli Reinsurans Outlook Revised To Positive From Stable; 'B' Rating Affirmed; National Scale Rating Raised To 'trA'

Ratings List

Financial Strength Rating		
Local Currency	B/Positive/--	B/Stable/--

Upgraded

	To	From
Milli Reasurans T.A.S.		
Issuer Credit Rating		
Turkey National Scale	trA/--/--	trBBB+/--/--

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, www.spglobal.com/ratings (free of charge), and www.ratingsdirect.com (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at www.spglobal.com/usratingsfees.

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.