

Research Update:

# Triglav Group's Core Entities Upgraded To 'A+' On Improved Economic Resilience; Outlook Stable

June 11, 2025

## Overview

- On June 6, 2025, we upgraded Slovenia to 'AA' to reflect the strength and resilience of its small and open economy, prudent fiscal management, and comfortable external buffers.
- Because of Triglav Insurance Co. PLC's strong link with, and important role for, the government of Slovenia, we assume the insurer will benefit from the sovereign's improved creditworthiness.
- We also consider Triglav's comparably strong underwriting and operating performance over the past 18 months, alongside the group's market-leading position in Slovenia and continued profitable expansion internationally to safeguard performance, further diversify its earnings streams, and increase prospective earnings capacity of Triglav.
- We therefore raised our issuer credit and financial strength ratings on Triglav Insurance Co. Ltd and Triglav Re to 'A+' from 'A'. At the same time, we raised our rating on Triglav's two junior subordinated instruments to 'A-' from 'BBB+'.
- The stable outlook reflects our expectation that Triglav will sustain strong performance, a very robust capital position, and a leading position in Slovenia, while continuing to profitably expand abroad.

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## Rating Action

On June 11, 2025, S&P Global Ratings raised to 'A+' from 'A' its long-term issuer credit and financial strength ratings on Slovenia-based Triglav Insurance Co. PLC and its core operating subsidiary Triglav Re. The outlook is stable. We also raised our ratings to 'A-' from 'BBB+' on two of Triglav's junior subordinated bonds outstanding.

## Rationale

**The upgrade of Triglav and Triglav Re follows a similar action on Slovenia.** (See "[Slovenia Long-Term Ratings Raised To 'AA' On Strong Public Finances And Sustained Growth; Outlook Stable](#)," published June 6, 2025, on RatingsDirect.) We regard Triglav as a government-related entity

(GRE), with a strong link with, and an important role for, the Slovenian government, and that the group maintains a moderately high likelihood of receiving government support if needed). We continue to assess at 'a' Triglav's stand-alone credit profile, but now we factor into our group credit profile of Triglav a one-notch uplift to reflect the benefits from the sovereign's improved creditworthiness.

**We think the expected strength and resilience of Slovenia's economy supports further development of Triglav Group.** Comparably favorable economic growth in Slovenia in 2021-2024 allowed Triglav to capitalize on domestic opportunities and materially scale operations. We assume the group's Slovenian operations--Zavarovalnica Triglav, which is the largest insurance group in Slovenia with market share exceeding 40%--will see similar benefits over the coming few years, with continued solid top and bottom-line development while solidifying the group's already very conservative risk profile.

**Triglav maintains very solid stand-alone operational and financial strengths.** Throughout 2024 and into 2025, the group reestablished a track record of comparably very strong underwriting and operating performance. The group's reported combined (loss and expense) ratio stood at 93.6% at end-2024, then further improved in first-quarter 2025 to 88.5%. Also, Triglav retains very solid new business margins in life insurance, growing contractual service margins, as well as solid fee contribution from its asset management business. The group's ROE in 2024 was 14%, before it increased to 19.8% in first-quarter 2025. This is favorable among EMEA insurers. Overall, we expect earning before tax in the range of €130 million-€150 million for 2025, then to gradually increase until 2027. This would result to a prospective ROE of 12%-13% in 2025-2027.

**Triglav's strong balance sheet and robust capital position, alongside the growing absolute size of capital, will likely remain among the group's key rating strengths.** Triglav's capital position has sizable buffers above the 99.99% threshold, according to our risk-based capital model at end-2024. This was also confirmed at end-2024 by very solid regulatory solvency levels of around 225%, which was in the mid of its targeted capital range. During 2024, Triglav's capital buffers became even firmer, because of very strong performance over the year and only moderate dividend payment. In addition, the group in the second half 2024 issued a capital qualifying hybrid capital in amount of €100million.

**Despite a high degree uncertainty about the global economy, Triglav should continue to see moderate growth in existing markets.** The group's strategy envisages ambitious business development with focus on further internationalization until 2030. In 2024 and first-quarter 2025, the group demonstrated strong growth both domestically and internationally, driven by non-life, life, health insurance, reinsurance, and asset management operations. This growth resulted from price increases, new business expansion, as well as continued inflows into its asset management. While domestic operations in Slovenia continue to show strong growth, international primary insurance and reinsurance segments are experiencing even stronger growth as Triglav expands into selected markets and capitalizes on still-favorable reinsurance cycle. We anticipate that, alongside ongoing expansion in Slovenia, Triglav will sustain growth in existing international markets, giving way to a larger earnings capacity.

**The Triglav group's recently announcement entrance into the Italian motor insurance market through a partnership with Ageas Re should yield a substantial increase in the group's top-line premium.** Both partners to aim at leveraging the distribution capabilities of the rapidly growing Insurtech Prima, which has become the leading player in the Italian direct motor business since its inception in 2015. This move aligns well with Triglav's 2030 strategy, envisaging further internationalization of its operations and a pronounced increase of group earnings. New business

from Prima, in particular, should provide a notable boost to premiums in 2025-2026. Furthermore, over the longer term, the entry into Italian non-life business might provide some geographic and business diversification for Triglav, as well as enhance group earnings from international operations.

## Outlook

The stable outlook reflects our view that, over the next two years Triglav's important role for the Slovenian government will not change. We also consider that the group's operational and financial performance should remain strong, on the back of a market-leading position on its key Slovenian insurance markets alongside ongoing international expansion. We also expect that the group to continue to show robust capital position, with a capital buffer staying above our 99.95% threshold in 2025-2027.

### Downside scenario

We view a downgrade as a remote possibility in the next 12-24 months. Ratings downside might stem from:

- A downgrade of Slovenia to below 'AA' while Triglav's stand-alone credit profile stayed at 'a', for example due to international diversification efforts that lead to a material and prolonged weakened operating performance of the group; or
- Triglav's capital levels materially and protractedly declining below 99.95% levels.

### Upside scenario

We view an upgrade as unlikely over the next 12-24 months given Triglav's materially more limited geographic diversification than that of higher-rated peers.

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### Rating Component Scores

<b>Business Risk Profile</b>	<b>Strong</b>
Competitive position	Strong
IICRA	Intermediate risk
<b>Financial Risk Profile</b>	<b>Very Strong</b>
Capital and earnings	Very strong
Risk exposure	Moderately low
Funding structure	Neutral
<b>Anchor</b>	<b>a</b>
<b>Modifiers</b>	
Governance	Neutral
Liquidity	Exceptional
Comparable rating analysis	0
<b>Stand-alone credit profile</b>	<b>a</b>
<b>Support</b>	<b>+1</b>
Group support	0
Government support	+1
<b>Current Credit Rating</b>	
Local currency financial strength rating	A+/Stable/--
Foreign currency financial strength rating	--
Local currency issuer credit rating	A+/Stable/--
Foreign currency issuer credit rating	--

## Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Feb. 10, 2025
- [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: Rating Government-Related Entities: Methodology And Assumptions](#), March 25, 2015
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

## Related Research

- [Research Update: Slovenia Long-Term Ratings Raised To 'AA' On Strong Public Finances And Sustained Growth; Outlook Stable](#), June 6, 2025

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- [Research Update: Outlook On Triglav Group's Core Entities To Positive On Strong Performance In Improving Economic Conditions](#), Dec. 11, 2024
- [Triglav Group](#), Sept. 10, 2024
- [Slovenia-Based Triglav Insurance Co. PLC's Proposed Junior Notes Rated 'BBB+'](#), July 2, 2024

Ratings List

Ratings list

Upgraded; Outlook Action		
	To	From
<a href="#">Triglav Insurance Co. PLC</a>		
<a href="#">Triglav Re, Reinsurance Co. Plc</a>		
Issuer Credit Rating		
Local Currency	A+/Stable/--	A/Positive/--
Financial Strength Rating		
Local Currency	A+/Stable/--	A/Positive/--
Upgraded		
	To	From
<a href="#">Triglav Insurance Co. PLC</a>		
Junior Subordinated	A-	BBB+

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