Bulletin:

Vienna Insurance Group's Potential Acquisition Of NUERNBERGER Beteiligungs-AG Is In Line With Its Strategy

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FRANKFURT (S&P Global Ratings) Aug. 12, 2025--S&P Global Ratings said today that the announcement by Austrian multiline insurance group Vienna Insurance Group AG Wiener Versicherung Gruppe (A+/Stable; VIG) that it is considering acquiring a controlling majority stake in Germany-based insurance group NUERNBERGER Beteiligungs-AG is in line with VIG's acquisition strategy.

VIG aims to strengthen the diversification potential of its special markets segment in order to support its long-term growth ambitions in Central and Eastern Europe (CEE). VIG and NUERNBERGER have entered into an exclusive due diligence process, with VIG considering the acquisition of a controlling majority stake of more than 50% in NUERNBERGER. We expect the due diligence process to complete during the fourth quarter of 2025. We will assess the impact of the potential acquisition on VIG's business and financial risk profiles, specifically:

- VIG's strategic position in the German insurance market;
- VIG's plans for integrating NUERNBERGER;
- The preparedness of NUERNBERGER's large shareholders to sell stakes that allow VIG to acquire a majority stake in NUERNBERGER;
- The impact of the potential acquisition on VIG's capital position and earnings capacity; and
- VIG's plans for financing the potential transaction.

VIG has a long track record of operating a multi-brand strategy in multiple markets with strong, de-centralized local management teams. VIG's excess capital position according to our capital model was substantially above the 99.99% confidence level at year-end 2024, and its Solvency II ratio was a strong 252% (excluding transitional measures) at the end of the first quarter of 2025. Therefore, we do not expect the potential acquisition to put pressure on our rating on VIG.

NUERNBERGER focuses on the German insurance market. It has a longstanding, capital-efficient, and profitable focus on disability and unit-linked business in life insurance, as well as a motor-dominated property/casualty (P/C) insurance portfolio. Smaller health insurance, asset management, and private banking operations complement these activities.

NUERNBERGER's share price suffered in 2023 and 2024 but has partly recovered in the year to date. NUERNBERGER reported a consolidated net loss of €77 million in 2024, which was the result of material challenges in the P/C insurance portfolio due to claims inflation and NUERNBERGER targeting a stronger reserving position. NUERNBERGER is undertaking measures to recover P/C profitability, and in May 2025, NUERNBERGER's management announced that it was reviewing strategic options for the group.

Acquiring a controlling majority stake in NUERNBERGER will require VIG to enter negotiations with several holders of sizable stakes in the company. According to NUERNBERGER's 2024 annual report, shareholders as of Dec. 31, 2024, included Germany-based Munich Reinsurance group (19.10%), Neue SEBA Beteiligungsgesellschaft (18.84%), and Versicherungskammer Bayern (16.26%), and Japan-based Daido Life Insurance Co. (14.99%).

VIG made a solid start to 2025, with first-quarter insurance service revenue increasing by 8.1% to €3.1 billion. Profit before taxes rose by 7.5% to €261 million in the same period. VIG continues to be a market leader in Austria and numerous other CEE countries. In the first quarter of 2025, VIG remained resilient to capital-market volatility thanks to its conservative investment allocation and well-diversified revenue base across Austria and the wider CEE region.

VIG's solid performance is further evident from the increase in its solvency ratio to 252% in first-quarter 2025 from 240% (excluding transitional measures) in first-quarter 2024, highlighting VIG's prudent capital management. On this basis, we expect that VIG will achieve net income of above €600 million in 2025-2027, with a gradual upward trajectory throughout these years. We also anticipate that the combined ratio will remain healthy, at 92%-94% over 2025-2027, assuming normalized losses from natural catastrophes.

This report does not constitute a rating action.

Related Research

- Vienna Insurance Group's Proposed Junior Subordinated Callable Fixed-To-Floating Notes Rated 'A-', March 25, 2025
- Austria-Based Vienna Insurance Group Core Subsidiaries Affirmed At 'A+' Following Revised Capital Model Criteria, July 15, 2024

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