

Vienna Insurance Group AG Wiener Versicherung Gruppe

December 17, 2025

This report does not constitute a rating action.

Business risk: **Strong**

Excellent  Vulnerable

Competitive position: Strong

IICRA: Intermediate risk

Financial risk: **Very strong**

Excellent  Vulnerable

Capital and earnings: Very strong

Risk exposure: Moderately low

Funding structure: Neutral

Anchor
a+

SACP
a+

FSR
A+

Financial strength rating

A+/Positive/--

Holding company ICR

A+/Positive/--

Modifiers Group/Gov't

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

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Credit Highlights

Overview

Key strengths

Market leader in Austria and numerous Central and Eastern European (CEE) markets.

A well-diversified insurance portfolio across regions and segments, complemented by strong distribution capabilities and an exclusive bancassurance agreement with Erste Group Bank AG (A+/Positive/A-1).

A solid capital buffer at the 99.99% confidence level as per our risk-based capital model, supported by the group's resilient earnings.

Key risks

Geopolitical and economic risks and capital market volatility could still lead to some fluctuations in the group's earnings.

Ongoing bolt-on acquisition strategy and potentially higher-than-expected integration costs owing to the NUERNBERGER purchase could pressure capitalization.

Vienna Insurance Group AG Wiener Versicherung Gruppe's (VIG's) leading position in Austria and CEE reflects its broad geographical presence, the diversity of products and distribution channels, and its well-known local brands. VIG has further diversified its business and expanded its scale and earnings in recent years, driven by strong performance in CEE. The group's growth remained strong in the first nine months of 2025 (9M 2025), with gross premiums

written (GPW) expanding to €12.5 billion (based on International Financial Reporting Standard 4 [IFRS 4]) and insurance revenue to €9.7 billion (based on IFRS 17), both up by 8.6%.

In our view, the balanced growth across business segments reflects VIG's strong market standing and diversified product offering. Notably, we expect that premium growth will remain strong this year, at 7%-9%, despite muted economic growth in Europe.

We believe the Germany-based NUERNBERGER's acquisition has the potential to improve VIG's diversification over time. The transaction represents the strategic expansion of VIG's footprint in the German insurance market. It will further enhance VIG's scale and earnings resilience, significantly increase its market share in Germany, and deepen its product offering as NUERNBERGER's life biometric expertise may develop into a competence center for the entire group.

On a pro forma basis for 2024, combining VIG's €15.2 billion in GPW with NUERNBERGER's €3.7 billion (based on local Generally Accepted Accounting Principles) would result in a business that will likely exceed €20 billion GPW in its first year of consolidated financial results in 2026. The acquisition's close is planned for the second half of 2026 and still dependent on regulatory and competition authority approvals.

VIG benefits from resilient earnings while bolstering its prudently managed capital position.

The group recorded strong profit before tax of €873 million for 9M 2025, up 31% from a year earlier. We expect VIG will further improve its earnings diversification allowing for net income of around €700 million in 2025 with a gradual increase thereafter.

In the property and casualty (P/C) segment, the net combined ratio improved to 92.1% from 94.3% thanks to a series of initiatives to enhance claims efficiency and the reduced impact of natural disasters.

We expect the net combined ratio will remain at 91%-94% over 2025-2026. A stronger solvency ratio--267% in 9M 2025 versus 237% (excluding transitionals) in 9M 2024--highlights VIG's disciplined capital management and further reflects its solid performance.

The combination of strong business risk and very strong financial risk profiles leads to an anchor of 'a+/a'. We take the higher anchor a+, reflecting our view of VIG's market-leading positions in P/C and life insurance across Austria and CEE markets. We think this dominant presence enables VIG to capitalize on economies of scale, maintain disciplined pricing and underwriting, and respond more effectively to competitive pressures.

Outlook

The positive outlook reflects our view of improving earnings and broader geographic diversification, which continue to reduce VIG's reliance on its traditional core markets Austria and Czech Republic. The group's expanding footprint across CEE is making its earnings base more balanced and resilient.

Downside scenario

We could revise the outlook back to stable over the next 24 months if:

- The group's earnings are consistently weaker or more volatile than our base-case assumptions, and do not continue to diversify for greater earnings resilience;
- NUERNBERGER's earnings recovery is below expectations or execution risks materialize; or

- Capital adequacy falls below our risk-based capital model's 99.95% confidence level for an extended period.

Upside scenario

We could raise the ratings on VIG by one notch over the next 24 months if:

- VIG continues to expand profitably in its chosen core region and diversify group earnings in line with those of higher rated peers;
- The acquisition of NUERNBERGER proceeds as planned, with profitability sustainably recovering over time, and thereby further strengthening the group's business and earnings diversification and adding a new, significant earnings contributor; and
- VIG maintains capital adequacy sustainably well above the 99.95% confidence level, effectively balancing investment risk, business growth, and capital generation.

Assumptions

- Interest rates in the eurozone are projected to stay around 3.2% during 2025-2027. We anticipate that interest rates in local currencies of CEE will be notably higher than those in Austria or the broader eurozone.
- Real GDP growth in Austria and Czechia is expected to stagnate at 0.1% and 2% in 2025, respectively. However, we foresee a recovery of 1.5%-2.5% in 2026-2027.
- Unemployment rates in Austria are likely to hover between 5.1% and 5.3% throughout 2025-2027, while in Czechia, we predict low unemployment levels of around 2.4% to 2.6% during the same period.
- Inflation is expected to remain elevated in 2025, at about 3.1% in Austria, gradually decreasing to about 2.3% in 2026 and 2.0% in 2027. For Czechia, we anticipate inflation to be around 2.4% in 2025, followed by a slight decline to approximately 2.3% in 2026 and 2.0% in 2027.

VIG--Key Metrics^

	2026f	2025f	2024a	2023a	2022a
	IFRS 17	IFRS 17	IFRS 17	IFRS 17	IFRS 4
S&P Global Ratings capital adequacy	99.99%	99.99%	99.99%	99.99%	Excellent**
Gross premium written* (mil. €)	>17,100	>16,400	15,226	13,784	12,559
Insurance revenue (mil. €)	>13,600	>13,000	12,138	10,922	N/A
EBITDA*	N/A	N/A	1,060	960	727
Net income (mil. €)	~750	~700	666.9	576.2	464
Return on shareholders' equity (%)	9-11	9-11	10.6	9.8	9.8
P/C : Net combined ratio (%)	91-94	91-94	93.4	92.6	94.8
EBITDA fixed-charge coverage* (x)	>8	>8	14.8	10.8	7.5
Financial leverage including pension deficit as debt (%)	29-35	29-35	29.6	32	43.4
Financial obligations/EBITDA (x)	<3	<3	2.5	2.8	4.3

*Gross premiums written (GPW) in accordance with IFRS 4. GPW includes the saving proportion from unit-linked and index-linked life insurance. **The designation is based on the former criteria. ^Excluding the acquisition of NUERNBERGER Group.

a--Actual. f--Forecast. N/A--Not applicable. P/C--Property/casualty. IFRS--International Financial Reporting Standards.

Business Risk Profile

Thanks to its widespread operations, VIG continues to benefit from strong geographical diversification. Its market-leading position in Austria and CEE reflects a broad presence, a comprehensive product range, and well-recognized local brands. Extensive distribution networks, a focus on customer service, and the effective sharing of best practices underpin these strengths.

In addition, VIG benefits from a longstanding and exclusive bancassurance partnership with [Erste Group Bank AG](#) across Austria and CEE. Its reinsurance arm VIG Re (direct and third-party channels; €983 million GPW in 2024) further provides geographical and business diversification. It adds to VIG's global reach through third-party channels in markets such as South Korea, Japan, Taiwan, Spain, France, and Italy, where VIG does not underwrite primary insurance.

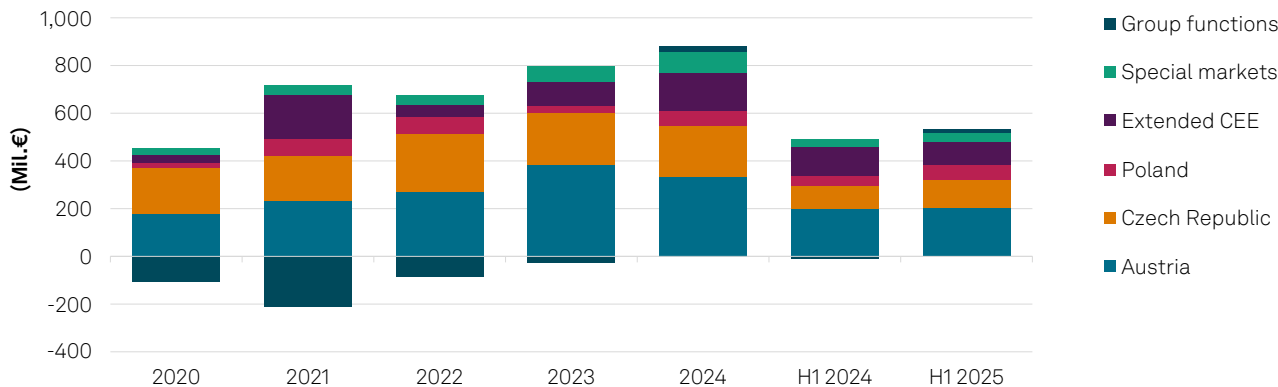
VIG's profitable and diversified growth has contributed to a more resilient earnings profile, broadening its earnings base and reducing reliance on its traditionally most earnings-generative markets: Austria and the Czech Republic. For 9M 2025, profit before tax increased by 31% to €873 million, reflecting strong underlying performance.

All segments except Extended CEE recorded double-digit earnings growth. Adjusting for the goodwill impairment in Hungary, earnings in the Extended CEE segment too would have increased, by 27%. This broad-based improvement is consistent with the strong growth pattern observed in recent years, underscoring that all segments continued to support the group's earnings momentum and reinforcing the overall resilience and diversification of VIG's operations (see chart 1).

Chart 1

VIG has consistently strengthened and diversified its earnings over the past years

Profit before tax split by segment



Extended Central and Eastern Europe (CEE): Albania including Kosovo, Baltic states, Bosnia and Herzegovina, Bulgaria, Croatia, Moldova, North Macedonia, Romania, Serbia, Slovakia, Ukraine, and Hungary. Special markets: Germany, Georgia, Liechtenstein, and Turkey. Group functions: VIG Holding, VIG Re, Wiener Re, VIG Fund, corporate IT service providers, one asset management company, and an intermediate holding company. Data until 2022 based on IFRS 4, and for 2023-2024 on IFRS 17. IFRS--International Financial Reporting Standards. Source: S&P Global Ratings. Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

Aligned with its focus on diversified growth, VIG's planned acquisition of NUERNBERGER reflects its strategic expansion in the German insurance market.

That said, NUERNBERGER faced significant pressures in its P/C insurance portfolio, driven by claims inflation and adverse underwriting results. This led to a consolidated net loss of €77 million in 2024. However, its performance improved markedly in the first half of 2025, supported

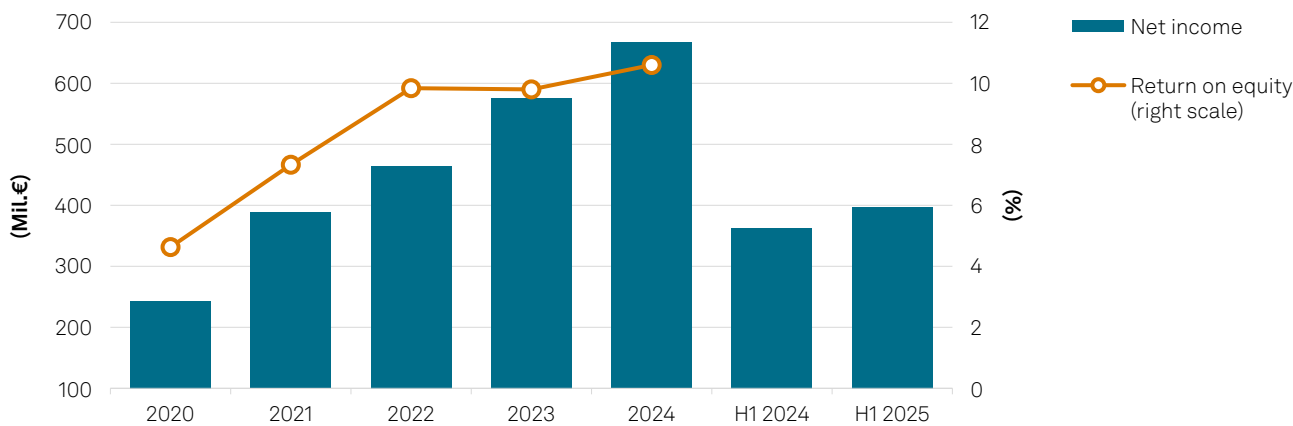
by a restructuring program: its combined ratio dropped to 90.8% (from 110% in first-half 2024) and net income increased to €48 million, indicating meaningful progress and signaling the business’ prospective contribution to VIG’s consolidated results.

VIG has a long track record of operating a multi-brand strategy in multiple markets with strong, decentralized local management teams. Leveraging its group-wide corporate functions, including IT capabilities and expertise in mergers and acquisitions, VIG is in a good position to sustainably enhance NUERNBERGER’s profitability in P/C insurance, modernize its IT platform, and reduce its above-average cost ratios.

VIG has steadily strengthened its underwriting performance and achieved a net combined ratio of 92.9% on average over the past three years (2022-2024) under IFRS 17. This trend continued into 9M 2025, with the combined ratio improving further to 92.1%, supported by a more favorable claims environment, benign weather conditions, and overall enhanced underwriting discipline. We anticipate the group’s net combined ratio will remain strong at 91%-94% over 2025-2026, assuming normalized losses from natural catastrophes.

Chart 2

We expect VIG's performance will remain resilient



Note: Data until 2022 based on IFRS 4, data for 2023-2024 based on IFRS 17. IFRS--International Financial Reporting Standards.
Source: S&P Global Ratings.
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VIG’s return on equity improved to 10.6% in 2024, from 9.8% in 2023 (11.2% in 2024 and 10.3% in 2023, excluding the restricted tier 1 capital from shareholders’ equity). Despite several geopolitical and macroeconomic challenges, we expect VIG will further enhance its earnings diversification and record net income of around €700 million in 2025 and about €750 million in 2026. We forecast the broadening of revenue streams and robust operational performance will result in a sustained return on equity of 9%-11% over 2025-2026.

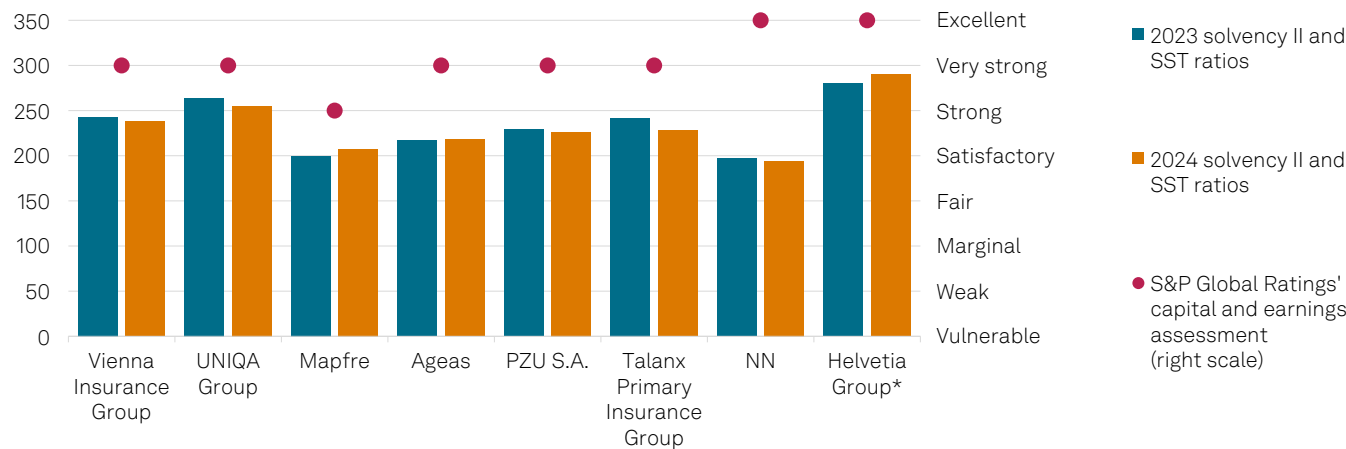
Financial Risk Profile

We believe that high retained earnings, comfortable reserving, and management’s commitment will enable VIG to retain at least a very strong capital and earnings position over 2025-2026. We believe that VIG’s resilient earnings will support moderate dividend payments and its balanced organic and inorganic growth strategy. The group’s solvency ratio supports our view: it improved

to 267% in the first nine months of this year from 237% for 9M 2024 (excluding transitionals), underscoring that VIG's prudent capital management compares well with that of peers.

Chart 3

We anticipate VIG will maintain a solid and resilient capital base



Solvency II ratio without transitional measures for VIG, UNIQA, Mapfre, Ageas, PZU, Talanx, and NN. SST--Helvetia's Swiss Solvency Test. Sources: Company reports, S&P Global Ratings.

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Higher interest rates have reduced asset-liability mismatch and alleviated the pressure on VIG's legacy Austrian life insurance book, which comprises traditional-with-profit participation products. At the same time, the CEE life insurance portfolio remains capital-light.

Further, we believe the group maintains comprehensive reinsurance coverage, as seen in 2024 when it effectively managed the impact of severe floods and elevated natural catastrophe losses. This demonstrated its capacity to source robust reinsurance protection. We believe this capability will reduce balance sheet volatility, helping stabilize results in the face of large claims events and adverse natural catastrophe exposures.

According to our capital model, VIG's excess capital position was substantially above the 99.99% confidence level at year-end 2024, allowing the acquisition of NUERNBERGER, valued at around €1.38 billion, to be fully financed from internal sources.

Despite the expected decline in the 99.99% capital buffer resulting from the acquisition of NUERNBERGER and its higher equity investment exposure compared with VIG, we anticipate that the combined group's financial risk profile will remain very strong.

We expect capital adequacy to substantially exceed the 99.95% confidence level according to our capital model. NUERNBERGER's robust Solvency II ratio of 247% (excluding transitionals), supported by its focus on capital-light biometric and unit-linked business in life insurance, underpins our view.

VIG has a well-diversified investment portfolio and maintains a conservative stance on its investments via relatively low-risk asset allocation, and prudent diversification by sectors and single obligors. In 2025, VIG's investment portfolio (excluding unit-linked) demonstrated stability with fixed-income investments comprising the majority (94% investment-grade bonds). While the portfolio includes a moderate exposure to illiquid real estate (10% of assets) and a small equity allocation (3%), NUERNBERGER's higher equity exposure introduces some increased market risk to the combined group.

Future focus will be on assessing how the integration affects VIG's established risk appetite and potential volatility in investment-related earnings.

We expect VIG will fund the acquisition through internal resources and therefore anticipate no material impact on the group's financial leverage and fixed-charge coverage. As a result, we forecast leverage will stay within 29%-35%, and fixed-charge coverage will remain comfortably above 8x through 2025-2026.

Other Credit Considerations

Governance

We consider VIG's governance stable and comparable with that of its international peers. Governance and disclosure standards in Austria are high. We consider VIG's management and governance assessment to be in line with that of its peers. VIG has demonstrated a clear path, particularly in terms of building up its strong market position in the Austrian and CEE insurance markets. The company also has a highly experienced management team that complements its operational needs.

Liquidity

VIG's liquidity profile is exceptional and stable thanks to the availability of liquid sources, such as premium income and a highly liquid asset portfolio. Larger risks are heavily reinsured. We see no refinancing risk, and we expect that the group would withstand severe liquidity stress, such as from unexpectedly large claims in the P/C business or a material increase in lapses and surrenders in its life business.

Factors specific to the holding company

Vienna Insurance Group AG Wiener Versicherung Gruppe, the ultimate holding company of VIG's operating entities, writes internal reinsurance and international corporate and large customer insurance business. Because we view it as an operating holding company with sizable excess capital and sound revenue from its own investments and underwriting activities, we equalize the ratings on the holding company with those on the group's core operating entities.

Environmental, social, and governance

ESG factors have no material influence on our credit analysis of VIG.

Accounting considerations

VIG reports its consolidated financial statements under IFRS. It began reporting its accounts under IFRS 17 and IFRS 9 from Jan. 1, 2023. We regard the group's financial communication and disclosures as sound and transparent.

Rating Component Scores

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

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 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: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Research Update: Vienna Insurance Group Outlook Revised To Positive On Improving Earnings And Diversification; 'A+' Ratings Affirmed](#), Oct. 23, 2025
- [Bulletin: Vienna Insurance Group's Potential Acquisition Of NUERNBERGER Beteiligungs-AG Is In Line With Its Strategy](#), Aug. 12, 2025
- [Vienna Insurance Group's Proposed Junior Subordinated Callable Fixed-To-Floating Notes Rated 'A-', March 25, 2025](#)
- [Tear Sheet: Vienna Insurance Group AG Wiener Versicherung Gruppe](#), June 3, 2025

Ratings Detail (as of December 17, 2025)*

Operating Companies Covered By This Report

Vienna Insurance Group AG Wiener Versicherung Gruppe

Financial Strength Rating

<i>Local Currency</i>	A+/Positive/--
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Issuer Credit Rating

<i>Local Currency</i>	A+/Positive/--
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Junior Subordinated	A-
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Senior Unsecured	A
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VIG RE zajist'ovna a.s.

Financial Strength Rating

<i>Local Currency</i>	A+/Positive/--
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Issuer Credit Rating

<i>Local Currency</i>	A+/Positive/--
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Domicile	Austria
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*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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