Tear Sheet:

Vienna Insurance Group AG Wiener Versicherung Gruppe

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Primary contact

Manuel Adam
Frankfurt
49-693-399-9199
manuel.adam
@spglobal.com

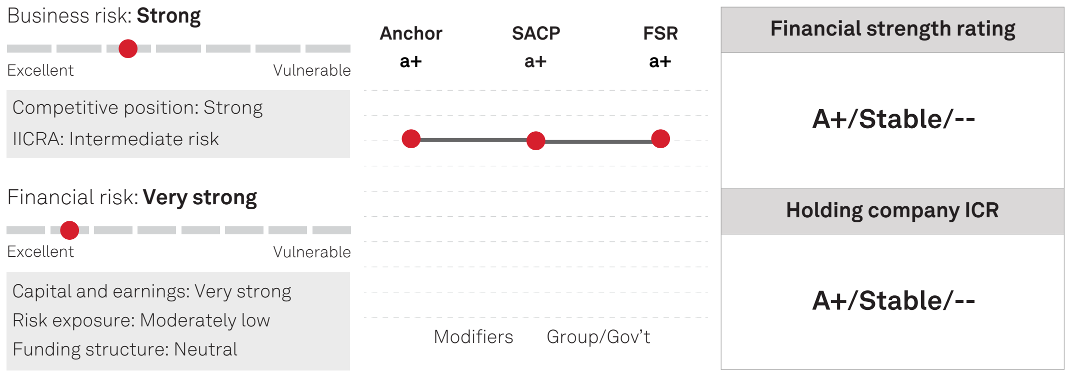
Secondary contact

Johannes Bender
Frankfurt
49-693-399-9196
johannes.bender
@spglobal.com

This report does not constitute a rating action.

What's new: Vienna Insurance Group (VIG) delivered a solid start to 2025, with insurance revenue increasing 8.1% to €3.1 billion. Profit before taxes rose by 7.5% to €261 million. The group recorded strong growth, especially across Central and Eastern Europe (CEE) and within its special market segment, primarily in Türkiye. Austria now contributes just 35% of total profit before taxes (compared to about 50% in 2023; and about 38% in 2024), reflecting the group's ongoing diversification. In the property and casualty segment, the combined ratio improved to 92.3% from 92.7% in first-quarter 2024, thanks to a series of initiatives to enhance claims efficiency and a reduced impact from natural disasters.

Why it matters: VIG continues to be a market leader in Austria and numerous CEE countries. In the first quarter of 2025, the group continued to demonstrate resilience, despite capital market volatility, thanks to its conservative investment allocation and well-diversified revenue base across Austria and the wider CEE region. This diversification remains a cornerstone of VIG's business model, supporting stable earnings. VIG's solid performance is further reflected in its strengthened solvency ratio, which rose to 252% in first-quarter 2025 from 240% (excluding transitionals) in first-quarter 2024, highlighting VIG's prudent capital management. Given this foundation, we expect VIG will achieve net income above €600 million, with a gradual upward trajectory through 2027. We also anticipate the combined ratio will remain healthy at 92%-94% over 2025-2027, assuming normalized losses from natural catastrophes.



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

Outlook

The stable outlook reflects VIG's leading market positions in Austria and CEE, which will allow it to achieve strong and resilient group earnings in 2025-2027. We expect the group will continue to tap growth opportunities while not compromising its capital adequacy, which we assume will remain at least above our 99.95% confidence model. This is despite current uncertainty about significant macroeconomic and capital markets developments, as well as VIG's needs arising from organic expansion, potential acquisitions, and dividend payments in the next two-to-three years.

Downside scenario

Although we currently see it as unlikely, we could lower the ratings over the next two years if VIG's:

- Operating performance does not meet our earnings expectations for a prolonged period, 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 over the next two years if VIG's:

- Full integration of AEGON's CEE entities significantly and sustainably increases its earnings diversity outside Austria, the Czech Republic, and Slovakia, and earnings materially and consistently exceed our base-case assumptions; and
- Capital adequacy sustainably exceeds our 99.95% confidence level.

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: Principles Of Credit Ratings, Feb. 16, 2011

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

Ratings Detail (as of June 03, 2025)*

Operating Companies Covered By This Report	
Vienna Insurance Group AG Wiener Versicherung Gruppe	
Financial Strength Rating	
Local Currency	A+/Stable/--
Issuer Credit Rating	
Local Currency	A+/Stable/--
Junior Subordinated	A-
Senior Unsecured	A
VIG RE zajist'ovna a.s.	
Financial Strength Rating	
Local Currency	A+/Stable/--
Issuer Credit Rating	
Local Currency	A+/Stable/--
Domicile	Austria

*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.