Research Update:

Allianz SE Outlook Revised To Positive From Stable On Ongoing Strong Performance

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Overview

- Allianz's operating performance has improved materially as the group capitalizes on strong momentum across all major segments to sustainably position its operating performance in the upper quartile of GMI peers.
- Allianz maintains firm balance sheet strength, with robust capital levels exceeding the 99.99% threshold in our capital model.
- We think the group is well-positioned to leverage its leading retail P&C franchise, high-growth and disciplined market-leading asset management operations, and steadily growing life segment. We expect this combination to deliver resilient net income in the €11 billion-€14 billion range for 2026-2028, with a return on equity (ROE) exceeding 17%.
- We therefore revised our outlook on Allianz SE and its core and highly strategic subsidiaries to positive from stable. At the same time, we affirmed our 'AA' issuer credit and insurer financial strength ratings on Allianz SE and its core entities.
- The positive outlook reflects our expectation that management will continue to pursue profitable growth while maintaining excellent operating performance, risk selection, and capitalization over the next two years.

Rating Action

On Oct. 23, 2026, S&P Global Ratings revised its outlooks on global multiline insurer (GMI) Allianz SE (Allianz or the group) and its core and highly strategic subsidiaries to positive from stable. At the same time, we affirmed all ratings across the group, including our 'AA' long-term issuer credit and insurer financial strength ratings on Allianz and its core entities. We also affirmed our issue ratings on all hybrid and senior debt instruments issued by Allianz and affiliated entities.

Rationale

Allianz's operating performance has improved significantly over the past few years, with the group now delivering robust and growing results that places it among the best-performing GMIs. In first-half 2026, Allianz delivered very strong growth in net income of 15.5% to nearly €6.4 billion, resulting in a trailing 12-month ROE of above 19%--at the higher end of our performance expectations. Allianz's earnings improvement comes from sound technical performance and strong momentum across all major segments, namely property and casual (P&C), life, and asset management. Allianz's operating performance remains materially ahead of most of its 'AA' rated peers. Specifically, we think the group's business exhibits greater segment diversity than, for instance, Chubb, AIA, and Prudential PLC. This enables Allianz to navigate more challenging operating or underwriting environments while continuing to deliver on its performance targets. Under our base-case scenario, we expect the group's operational strengths will position it excellently to capture sustained top-line growth across both its insurance and asset management operations. We think the group will maintain robust margins, which, combined with the current momentum, will allow its results to consistently sit in the upper quartile of its GMI peers and drive steady earnings growth over the next two years.

We expect Allianz's nonlife insurance segment to benefit from sustained strength in its retail lines, while its exposure to softening commercial lines remains materially lower than that of some 'AA' rated GMI peers. As a global leader in P&C retail lines, the group is leveraging its robust balance sheet and superior operational capabilities to capitalize on market opportunities. Its retail franchise exhibits exceptional strength, even relative to historical performance. In Germany, this franchise has been systematically enhanced through a disciplined focus on pricing, efficiency, targeted digitalization, and the development of additional ecosystems--efforts that have enabled Allianz to outpace domestic competitors and capture market growth over the past 18 months while maintaining firm margins. Beyond its home market, the group has persistently worked over the past decade to strengthen and consistently expand its international footprint through a series of targeted, accretive acquisitions that have materially enhanced its scale, scope, and local competitiveness. This strategic execution has resulted in an exceptionally strong retail franchise, which we expect will continue to propel growth and maintain robust margins. In our view, the retail franchise will allow Allianz to tap strong business growth, maintain underwriting discipline, and employ conservative underwriting risk selection, thereby sustaining robust underwriting margins to further scale its nonlife earnings. Furthermore, the group's nonlife commercial portfolio is well-positioned to remain resilient with its exposure increasingly weighted toward complex casualty, specialty, and large corporate risks, complemented by a market-leading position in trade credit via Allianz Trade. Consequently, we expect the combined nonlife operations to continue delivering very strong and stable underwriting margins, with a combined (loss and expense) ratio at or below 93% in 2026-2028.

We expect Allianz's strong momentum in its asset management operations to keep the group on track to reach its target of €4 billion in operating profit from asset management by year-end 2027. Allianz's third-party asset management operations recorded a record €171 billion in new asset inflows over the first half of 2026. Coupled with favorable margins, this drove a substantial 13% growth in operating profit from asset management, which reached €1.8 billion in first-half 2026. These inflows are coming from both PIMCO and Allianz Global Investors (AGI). PIMCO's persistent outperformance continues to cement its market reputation and consistently capture significant new assets. AGI's inflows--which had previously been more volatile--have also strengthened due to enhanced distribution, a broader investment offering, and an expanded geographic footprint. Furthermore, the recently announced acquisition in Singapore is expected to further bolster AGI's assets under management. We expect the group's leading asset

management market position, characterized by deep expertise, a diversified product offering, and expanding geographic reach, to continue attracting strong money inflows. As the group further scales asset management, we expect it to maintain a relatively defensive posture, prioritizing disciplined product innovation and conservative expansion over aggressive growth. This should enable Allianz to consistently deliver on investor commitments while upholding a premium market reputation, ultimately providing significant earnings enhancement for the group.

Allianz's financial risk profile remains conservative with the group continuing to display excellent capitalization, which we expect to continue. At midyear 2026, the group's capital adequacy, under S&P Global Ratings' insurance capital model, maintained a sizable buffer above the 99.99% confidence level, while its regulatory solvency ratio further strengthened to 225%. We think Allianz is well-capitalized with limited sensitivities to underwriting and investments stresses, so it remains very well-positioned to navigate changing credit conditions, including potential stress should the economic landscape shift. We expect the group will continue to distribute at least 75% of its net income to shareholders on average from 2026-2028. We think Allianz's existing capital buffers provide solid strategic flexibility for both organic and inorganic expansion. Even in the event of these developments, we expect the group to maintain robust capitalization above the 99.99% level in our capital model.

Outlook

The positive outlook reflects our view that Allianz's market-leading operations and excellent brand reputation across its nonlife and life insurance, as well as asset management segments, position the group to continue delivering robust operating performance over the next 24 months. We expect Allianz to deliver earnings growth that keeps group results in the upper quartile of GMI peers. We also expect the group to continue leveraging its market-leading asset management business, supporting group earnings stability, propelling growth, and continuing to bolster Allianz's group credit profile. Finally, the outlook assumes the group will maintain a conservative capital position sustainably exceeding the 99.99% confidence level in the S&P Global Ratings insurance capital model, supported by excellent earnings capacity, superior risk management capabilities, and a disciplined approach to growth across all business segments.

Downside scenario

We could revise outlook to stable if Allianz's:

- Operating performance falls short of our base-case assumptions or shows reduced outperformance versus that of peers;
- Business model showed signs of deterioration, impairing the group's ongoing expected growth path or earnings capacity, for instance because of unfavorable geopolitical developments; or
- Capitalization weakens, with capital levels falling to a 99.95% confidence level over a prolonged period.

Upside scenario

We could raise the ratings one notch over the next 24 months if Allianz demonstrates:

- Sustainably excellent underlying operating performance and consistent earnings growth that maintains group results in the upper quartile of GMI peers;

- Further benefits from its market-leading asset management franchise, providing strong and growing support to group earnings and operations; and
- A capital position that sustainably and comfortably exceeds the 99.99% confidence level in the S&P Global Ratings insurance capital model.

Rating Component Scores

Business Risk Profile	**Very Strong**
Competitive position	Excellent
IICRA	Intermediate risk
Financial Risk Profile	**Excellent**
Capital and earnings	Excellent
Risk exposure	Moderately low
Funding structure	Neutral
Anchor	**aa**
Modifiers	
Governance	Neutral
Liquidity	Exceptional
Comparable rating analysis	0
Current Credit Rating	
Local currency financial strength rating	AA/Stable/--
Foreign currency financial strength rating	--
Local currency issuer credit rating	AA/Stable/A-1+
Foreign currency issuer credit rating	AA/Stable/A-1+

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: 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: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Ratings List

Ratings List

Ratings Affirmed; Outlook Action

Ratings List

	To	From
AGCS Marine Insurance Co.		
Allianz Elementar Lebensversicherungs AG		
Allianz Elementar Versicherungs - AG		
Allianz Global Corporate & Specialty SE		
Allianz Global Risks U.S. Insurance Co.		
Allianz IARD		
Allianz Lebensversicherungs AG		
Allianz Life Insurance Co. of New York		
Allianz Life Insurance Co. of North America		
Allianz Private Krankenversicherungs - AG		
Allianz Suisse Lebenversicherungs - Gesellschaft		
Allianz Suisse Versicherungs - Gesellschaft		
Allianz Underwriters Insurance Co.		
Allianz Versicherungs AG		
Allianz Vie		
American Automobile Insurance Co.		
Chicago Insurance Co.		
Fireman's Fund Indemnity Corp.		
Fireman's Fund Insurance Co.		
Interstate Fire & Casualty Co.		
National Surety Corp.		
Issuer Credit Rating		
Local Currency	AA/Positive/--	AA/Stable/--
Allianz Australia Insurance Ltd.		
Allianz Insurance PLC		
Allianz PLC		
Allianz Reinsurance America Inc.		
Allianz Risk Transfer (Bermuda) Ltd.		
Allianz Risk Transfer AG		
Highway Insurance Co. Ltd.		
Liverpool Victoria Insurance Co. Ltd.		
Financial Strength Rating		
Local Currency	AA-/Positive/--	AA-/Stable/--
Allianz Australia Insurance Ltd.		
Allianz Insurance PLC		
Allianz PLC		
Allianz Risk Transfer (Bermuda) Ltd.		
Issuer Credit Rating		
Local Currency	AA-/Positive/--	AA-/Stable/--
Allianz Banque		
Issuer Credit Rating	AA-/Positive/A-1+	AA-/Stable/A-1+
Allianz France		

Ratings List

Issuer Credit Rating		
Local Currency	A+/Positive/A-1	A+/Stable/A-1
Allianz Risk Transfer (Bermuda) Ltd.		
Allianz Risk Transfer AG		
Financial Enhancement Rating		
Local Currency	AA-/Positive/--	AA-/--/--
Allianz Risk Transfer AG		
Issuer Credit Rating		
Local Currency	AA-/Positive/A-1+	AA-/Stable/A-1+
Allianz SE		
AGCS Marine Insurance Co.		
Allianz Elementar Lebensversicherungs AG		
Allianz Elementar Versicherungs - AG		
Allianz Global Corporate & Specialty SE		
Allianz Global Risks U.S. Insurance Co.		
Allianz IARD		
Allianz Lebensversicherungs AG		
Allianz Life Insurance Co. of New York		
Allianz Life Insurance Co. of North America		
Allianz Private Krankenversicherungs - AG		
Allianz Re Dublin DAC		
Allianz Suisse Lebenversicherungs - Gesellschaft		
Allianz Suisse Versicherungs - Gesellschaft		
Allianz Underwriters Insurance Co.		
Allianz Versicherungs AG		
Allianz Vie		
American Automobile Insurance Co.		
Chicago Insurance Co.		
Euler Hermes North America Insurance Co.		
Euler Hermes Reinsurance AG		
Euler Hermes S.A.		
Fireman's Fund Indemnity Corp.		
Fireman's Fund Insurance Co.		
Interstate Fire & Casualty Co.		
National Surety Corp.		
Financial Strength Rating		
Local Currency	AA/Positive/--	AA/Stable/--
Allianz SE		
Euler Hermes S.A.		
Issuer Credit Rating	AA/Positive/A-1+	AA/Stable/A-1+
Euler Hermes North America Insurance Co.		
Euler Hermes Reinsurance AG		
Issuer Credit Rating	AA/Positive/--	AA/Stable/--

Ratings List	
Ratings Affirmed	
Allianz Global Corporate and Specialty South Africa Ltd.	
Issuer Credit Rating	
Local Currency	BBB-/Positive/--
South Africa National Scale	zaAAA/--/--
Financial Strength Rating	
Local Currency	BBB-/Positive/--
Allianz SpA	
Issuer Credit Rating	
Local Currency	A+/Positive/--
Financial Strength Rating	
Local Currency	A+/Positive/--
Allianz SE	
Subordinated	A
Junior Subordinated	A+
Junior Subordinated	A
Allianz Finance II B.V.	
Senior Unsecured	AA
Allianz SE	
Allianz Banque	
Allianz Finance Corp.	
Commercial Paper	A-1+

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