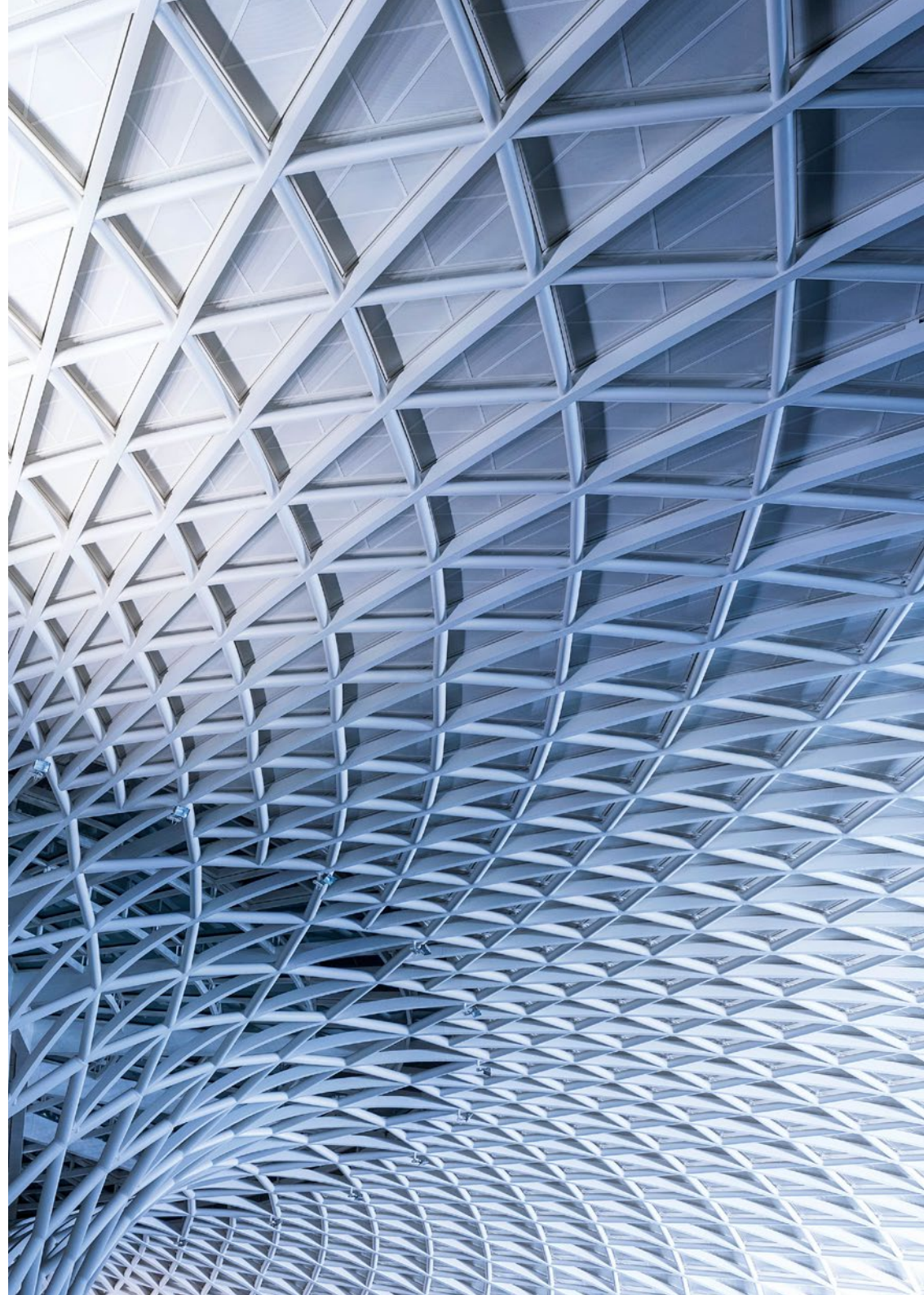




Tax Transparency Report 2020



Welcome

The outbreak and spread of Covid-19 in 2020 has dramatically affected all of our lives. As the pandemic swept the globe, it caused an unprecedented global health crisis, which posed challenges to politics, the economy and each individual like never before¹.

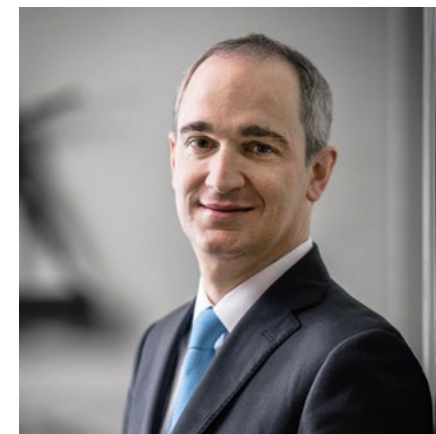
With over 100 million customers in more than 70 countries worldwide, Allianz is one of the world's largest insurers, investors and assistance providers. Guided by our purpose 'We secure your future', 150,269 Allianz employees all over the world were proud to support our customers during the pandemic and continue to do so. Despite these challenges, Allianz was able to deliver solid economic results and prove once again that Allianz is a reliable partner for all of its stakeholders.

All over the world taxes are the most important part of government funding. In 2020 the total tax contribution of the whole Allianz Group, including taxes borne and taxes collected amounted to 16,294 billion Euros. This contribution is an important part of our wider economic and societal impact and therefore play a key role in the development of the countries in which we operate.

In addition, because fair, effective and stable tax systems are beneficial to both governments and businesses, Allianz acts transparently and responsibly on all tax issues and works closely with tax authorities to ensure that we pay our fair share of taxes.

Back in 2018, Allianz was one of the first companies to sign the B Team's Tax Transparency Principles², which continue to be an essential basis for this tax transparency report. Furthermore we are adopter of the tax-related management disclosures of the Global Reporting Initiative and provide in addition certain Country-by-Country data. In the Dow Jones Sustainability Index 2020, Allianz was ranked first in the insurance industry in the tax strategy criterium as assessed through the S&P Global Corporate Sustainability Assessment³.

Since the political discussion, especially at the European level, is towards increasing publication requirements, with this fourth Tax Transparency Report (TTR) we are once again expanding our information on taxes. This includes taxes we paid and where we have paid them including a more detailed overview of the main facts influencing the Group's effective tax rate. Furthermore, we continue to strive for improving the quality and granularity in the TTR.



Guided by our purpose "We secure your future", Allianz serves over 100 million customers in more than 70 countries worldwide.

With the taxes we pay, we make a meaningful contribution to the economic and social development of the countries in which we operate.

Giulio Terzariol
Chief Financial Officer
Allianz Group

¹ For details concerning COVID 19 impacts related to business environment, employee matters, consumer matters, etc. we refer to the respective information and explanations given in the Allianz Group Annual Report 2020.

² <https://bteam.org/assets/reports/A-New-Bar-for-Responsible-Tax.pdf>

³ Valid as of April 2021.

1. Allianz Tax Strategy and Principles

Tax Strategy

The Allianz Group's tax strategy is closely aligned to our business strategy¹ and to our sustainability goals². It is approved by the Board of Management and comprises the following main strategic priorities:

- Full compliance with tax regulations, accurate and timely reporting and effective tax risk management.
- Safeguarding of the Group's reputation as a responsible taxpayer.
- Existence of a sound organizational set-up for appropriate tax management.
- Full compliance of tax planning and optimization activities with tax laws, supported by solid business reasons to sustain a credible long-term reputation with tax authorities.
- Disclosure of meaningful tax information in a transparent way.
- Continuous improvement and harmonization of tax processes through simplification and digital solutions.

Tax Principles

Our strategic priorities provide the basis for the Allianz Standard for Tax Management which represents our framework and minimum requirement for all tax-relevant processes, methods and structures.

This standard defines:

- General rules for the performance of tax activities.
- Roles and responsibilities in the tax area throughout the Group.
- Organizational aspects and interaction between local tax functions and the Group tax function.
- Consultation requirements and reporting lines.

All Group entities have to adhere to the standard when conducting their tax activities.

Tax Automation

We aim to continuously improve our tax processes through simplification. Up-to-date digital solutions are implemented to enhance quality and speed of the reporting process and to add value to the handling of all tax-relevant topics.

In order to manage the DAC 6 reporting³ obligations which have been introduced by the EU, Allianz Group tax function implemented in 2020 a web-based reporting tool across the Group. Together with Group uniform guidance developed by leading professionals with in-depth expertise accompanied by trainings and regular monitoring, the tool ensures a reporting process in line with our strategy and principles set out above. DAC 6 reporting obligations are predominately stemming from standardized structures in the investment (product) area.

COVID-19

As a global insurer, we uphold the principle of solidarity. Pooling risks is at the heart of our business model, and we have a keen interest in supporting stable communities. With the COVID-19 pandemic impacting the lives, health and livelihood of people in many countries worldwide, the subject of social responsibility has assumed even greater importance for Allianz in 2020. This has strengthened our conviction that businesses can thrive best in equitable societies. We approach our social responsibilities with a long-term view on relevant developments, and we dedicate our time, skills, and money to social issues both within company walls and beyond.

The COVID-19 pandemic also impacted the tax environment. Examples are changes to existing tax regulations in relation or in reaction to the COVID-19 pandemic or potentially different tax assessments due to pandemic related changed circumstances of the facts. We are analysing the respective impacts carefully and are giving internal advice and guidance striving for compliance with the tax regulations in this new and exceptional situation in line with our tax strategy and tax principles. In case of beneficial impacts we are carefully considering whether to take advantage of them.

“Economic growth depends on fair and effective tax systems. Responsible tax is a crucial part of this and helps build a future where everyone can truly thrive.”

Oliver Bäte
CEO
Allianz Group

¹ Please refer to [Strategy \(allianz.com\)](https://www.allianz.com) for further information on our strategy.

² Please refer to our [Sustainability Report](#) for further information on Allianz's approach to sustainability.

³ EU directive that introduces reporting obligations for a wide range of cross-border tax arrangements.

2. Tax Risk Management and Tax Governance

At Allianz processes are in place to identify, assess, monitor, manage and report tax risks. The tax function is embedded in the finance function and is within the responsibility of the Chief Financial Officer of Allianz Group.

Tax Risk Management

The Allianz approach to tax risk management is consistent with and embedded in Allianz's general approach to risk management¹. We actively and continuously identify, assess, monitor and manage tax risks to ensure that they remain in line with our business and strategic objective, taking into account Allianz's appetite towards tax risks.

Effective tax risk management is ensured via the following means:

- All tax-related topics are handled by tax experts that are highly qualified, with an in-depth tax and business expertise.
- Allianz implemented a governance framework that ensures appropriate processes and organizational structures to identify, assess, monitor and manage tax risks at different levels of the Allianz Group.
- Group uniform and well-established reporting processes ensure Group internal communication of any tax risks within different risk categories (strategic, financial, operational or reputational risk).
- The efficiency of the tax risk management process is continuously monitored by the Group tax function via institutionalized oversight processes.

Allianz's appetite for tax risks is low and we therefore seek to minimize tax risks, especially through efficient control-based and IT-supported processes. If necessary, we seek external advice.

Tax Governance

Board of Management

The Allianz SE Board of Management is responsible for the Group's tax strategy. The tax function is embedded in the finance division and is therefore within the responsibility of the Chief Financial Officer of Allianz Group. The Chief Financial Officer regularly informs the Board on key strategic tax topics, including updates on tax developments within the Group and on the tax risk assessment.

Regular updates on all material tax topics and their current and future impact on Allianz Group's financials are provided by the Group tax function to the Chief Financial Officer of Allianz Group via institutionalised tax committee meetings.

Tax functions

The local day-to-day responsibility for tax is upheld by our local tax functions.

In key markets with business engagement of more than one Allianz entity, we install centralized local tax functions that are hosted at the local finance function.

Our Group tax function oversees compliance with the Group's tax strategy, ensures coherence in the approach to tax matters across the Group, coordinates the local tax functions within the Group and focuses on tax matters that directly concern the Group as a whole.

Interaction and coordination

Regular country-specific and international tax-expert meetings facilitate the continuous interaction and coordination between the Group and our local tax functions. Together with standardized tax risk reporting procedures, this also ensures that local tax risks are assessed from a Group perspective and are appropriately reported to and overseen by the Group tax function.

Framework

The Allianz Standard for Tax Management which represents the framework and minimum requirement for all tax-relevant processes applies throughout the Group to all our internal and outsourced tax processes and is effectively communicated and published. The Board of Management takes notice of the periodically reviewed standard.



¹ As published in our Group Annual Report 2020 (p. 101).

3. Tax Compliance, Stakeholder Dialogue and Tax Advocacy

As a responsible taxpayer, Allianz supports the fairness and integrity of all tax systems.

Transparent and trustworthy dialogue with all stakeholders is fundamental to our corporate policy.

Tax Compliance

In over 70 countries we act not only as a taxpayer but also as a tax collector. Taxes and compliance with the relevant laws are part of our overall Group business principles and codes.

All key operating entities have a tax team of leading professionals with in-depth tax expertise. Their professional development and continuous learning as well as a continuous exchange with internal stakeholders are secured.

In applying the laws, we take into account both the letter and the spirit of the law. Accordingly, no artificially fragmented structures or contracts are used for the purpose of avoiding taxable presence in countries where we do business.

The complete, accurate and timely preparation and submission of all required tax returns is subject to clear internal rules and processes. This is equally true for the correct and timely payment of taxes. For the German companies, the tax compliance management system was officially certified by an external auditor.

We constantly aim for security in our tax positions and seek internal or external advice to review and validate our position where appropriate. In cases in which our assessment and that of the authorities do not match, we give early notice of possible divergent opinions in order to prevent misunderstandings.

If we seek decisions from tax authorities to confirm applicable tax treatment, we do so on the basis of full disclosure of all relevant facts and circumstances.

Allianz has committed itself to trustworthy and transparent communication with the tax administration. Possible violations of the Allianz Code of Conduct as well as laws or regulations including tax laws can be reported anonymously (whistleblowing).

Stakeholder Dialogue and Advocacy

Taxes represent an essential basis for the economic and social development of all countries. For this, both compliance with responsible tax practices by companies and the sustainability and efficiency of tax systems are of particular importance.

Allianz has therefore always welcomed the work at national and international levels for a transparent and fair tax system. Being engaged in several associations, including Business at OECD and Insurance Europe, as well as national insurance associations in France, Germany, Great Britain, Italy, Spain, Switzerland, the USA and other jurisdictions, either directly or through our subsidiaries, we develop our tax positions in dialogue with key stakeholders and present them transparently.

In recent years, a number of national and international regulations have led to significant enhancements in corporate tax transparency. In addition to the Country-by-Country Reporting, this also includes the implementation of the European DAC 6 Directive. However, the implementation of such regulations is associated with considerable implementation effort for companies. We therefore strongly advocate for regulations to strike a fair balance between the interests of governments and the associated administrative burdens for companies and tax payers.



4. Tax Planning

Our tax activities are conducted with the clear understanding that all facts and circumstances have to be disclosed to the tax authorities.

Efficient Tax Planning

We seek efficiency in tax matters, including the prevention of double-taxation to pay the tax due, following reasonable interpretation and application of tax rules. We do not engage in aggressive tax planning or artificial structuring that lacks business purpose or economic substance.

Our tax activities are conducted with the clear understanding that all facts and circumstances must be disclosed to the tax authorities.

We refrain from discretionary tax arrangements.

If jurisdictions offer tax incentives that are publicly available and rule-based, for example to promote a country's economic development and our business activity is within their scope, they are carefully considered. Yet, it depends on the specific needs of our business operations and the overall fit with our investment or business strategy whether such tax incentives are eventually claimed.

Transfer Pricing

International activities and transactions with and between Group subsidiaries are disclosed to the relevant tax authorities as part of our tax returns or other filing requirements. For instance, in many countries cross-border business relations with affiliated parties are subject to detailed documentation requirements, including their pricing and comparison basis known as master file, local

file and Country-by-Country Reporting. We ensure that the pricing for intra-group activities is consistent with the OECD arm's length principle¹ as well as with local transfer pricing rules to pay adequate tax on profits where the value is created. We are committed to complying with the regulations of every tax jurisdiction in which we operate regarding the transfer pricing documentation and notification requirements.

Engagement in Tax Havens

As a general rule Allianz does not engage in tax haven jurisdictions. Exceptions can be made if there is a valid business reason for the engagement. The achievement of tax advantages and avoidance of paying our fair tax share on activities taking place elsewhere are not to be seen as valid business reasons.

The EU has published a "black list" and a "grey list" with countries outside the EU including jurisdictions that grant foreign enterprises opportunities to engage in tax avoidance/evasion. Allianz regards the fact that a country is included in those lists and has a statutory income tax rate of below 10% as an indication for a tax haven.

Contemplated acquisitions or investments in tax haven jurisdictions need preclearance from Allianz Group Taxation in line with the predefined conditions set out in the respective internal Group Standard.

Consolidated participations

Subsidiaries in nil or low taxed jurisdictions carry out operative insurance, reinsurance or asset management activities, including insurance-related administrative or assistance services. The choice of residence in these jurisdictions is not tax but business or regulatory driven. The fact that fully consolidated

entities located in tax havens contributed less than 1% to the Group's profit before income taxes in 2020 makes this obvious.

Non-consolidated investments

Our insurance companies hold diversified investment portfolios that also include so-called alternative assets: equity, debt, or fund investments in real estate or infrastructure. These are asset classes that are particularly beneficial for the policyholder during low-interest periods.

These investments can include fund products that are structured with various legal entities in different jurisdictions, which can contain low or nil tax countries. In these cases our investment will rarely exceed 10% of the total fund volume. Regardless of the lower-tier tax burden, income from such an investment is subject to further taxation in the country of residence of the investing Allianz entity.

Our asset management entities, PIMCO and Allianz Global Investors, have fund-related entities in various jurisdictions. In accordance with international practice, most of them are established in countries that do not impose an additional layer of taxes on the fund itself.

This ensures that, when the investment return is taxed at the customer's level in his country of residence, their tax position is the same as if they had made the investment directly. Regardless of where the fund invests, tax will be paid in accordance with the tax rules of those countries; it is not intended that Allianz Group companies derive tax advantages from the fund jurisdictions. This procedure also applies in those cases where, due to commercial and regulatory reasons, the fund-related entities are established in tax haven jurisdictions.

¹ Arm's length principle: amount one related party charges to another for a product/service is the same as if the parties were not related.

5. Tax Reporting

5.1 Overview 2020

General remarks

Tax reporting intends to provide meaningful information to internal and external stakeholders about where, for what and to what amount we are taxed. To increase understandability and to avoid misinterpretations we provide necessary context and verbal explanations. In order to be able to provide meaningful tax information it is decisive that tax reporting follows the principles of accuracy and timeliness and is compliant with internal and/or external reporting obligations (e.g. based on local, IFRS, or Solvency II regulations).

Taxation of Allianz business activities

Our total tax contribution can be split into taxes borne by Allianz (as a taxpayer) and taxes collected by Allianz and remitted to tax authorities specifically for our policyholders, employees or service providers. Accordingly, taxation of our business activities can be described as the following:

Taxes borne by Allianz

We mainly generate taxable profits from insurance and asset management activities.

As an insurance company, we are offering policyholders insurance coverage for payment (i.e. premiums) whereby the most common forms of insurance coverage relate to life/health and property/casualty insurance. Our taxable profits stem from premiums received and investment income generated, less administration/commission expenses and settled claims/guarantees.

Under the umbrella of our Allianz asset management units, we also manage client funds through active investment strategies. Here, our taxable income results especially from fees received for asset management activities.

The profits from our insurance and asset management operations are subject to tax at the income tax rates applicable in the country in which such profits are generated. Additional costs result from other taxation e.g. non-recoverable value added tax (VAT) on purchased services, employer share in wage taxes, financial transaction tax, stamp duties and other taxes.

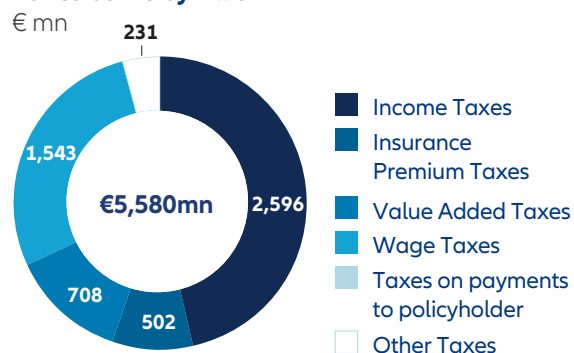
Taxes collected and remitted by Allianz

We are obliged to collect and remit taxes for certain activities. The most relevant taxes collected and remitted relate to purchased insurance services by the policyholder (insurance premium taxes), salaries paid to our staff (wage taxes) and annuity/pension payments to policyholders (policyholder taxes).

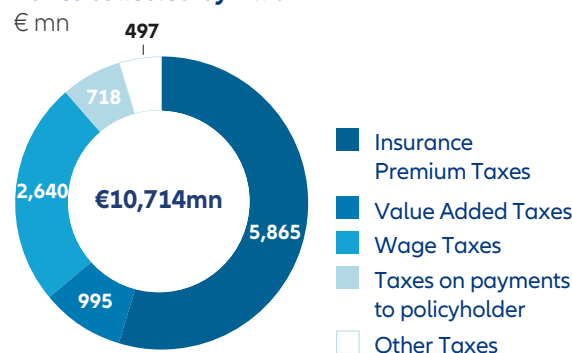
Enhancing reporting of taxes borne and collected by Allianz

We are continuously improving our reporting processes in order to be able to increase our transparency with respect to taxes borne and taxes collected split by countries. In 2020 the reporting granularity was increased for insurance premium taxes and other taxes.

Taxes borne by Allianz



Taxes collected by Allianz



5. Tax Reporting

5.2 Income Taxes 2020

Income taxes according to IFRS Group financials 2020

In the following, we give an overview of the profit before income taxes, expected income tax expense¹, effective income tax expense² based on our IFRS Group financials³ as well as income taxes paid for our five most significant countries. An overview for certain countries including total income, full time equivalents (FTE) and the Allianz Group in total, can be found in the table provided in section 5.4.

Significant (> 5%-p) deviations of the effective tax rate from the expected tax rate⁴ arise in the five countries most contributing to Group profit before income taxes especially due to the following reasons:

- USA: the low effective tax rate of 13, 3% compared to the expected tax rate of 21% is driven by tax benefits resulting from tax credits for windfarm investments and tax rate benefits from tax loss carry backs to years with a tax rate of still 35%⁵.
- Germany: the high effective tax rate of 59, 8% compared to the expected tax rate of 31% is based on add backs for trade tax purposes, non-creditable withholding taxes, tax expenses related to previous years, tax rate differentials from foreign branches and non-tax deductible impairments on equity investments.
- Italy: the high effective tax rate of 31, 7% compared to the expected tax rate of 24% results predominantly from local income taxes (IRAP).
- Spain: the main reason for the low effective tax rate of 8, 6% compared to the expected tax rate of 25% is the tax free sale of shares in Allianz Popular SL to an external party.

Income taxes paid

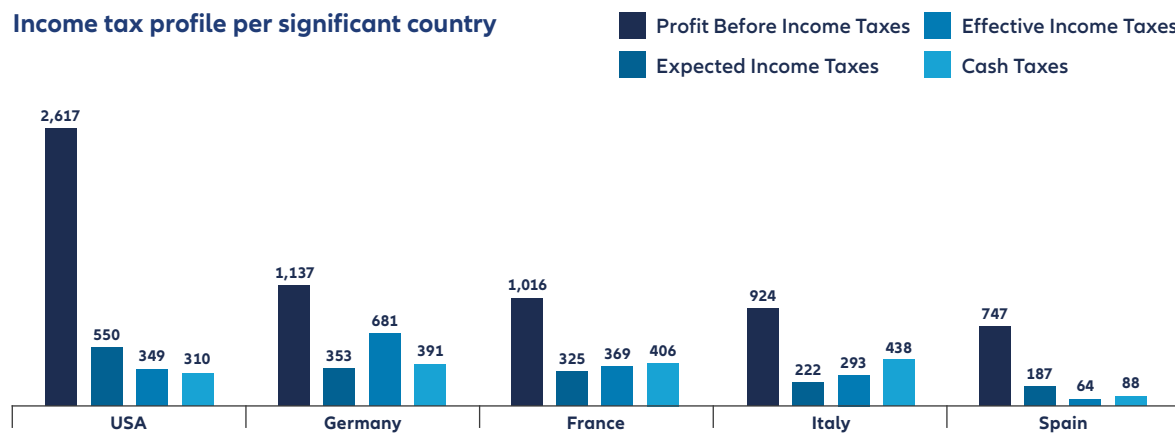
The 2,691 million Euro of income taxes paid in 2020 are not equal to the income tax expense of 2,471 million Euro recorded in our 2020 IFRS Group financials. This is due to a number of reasons:

The income tax expense is based upon the accrual accounting concept that allows for the allocation of a tax expense to the same period in which the underlying taxable item is realized. Contrary to that, income taxes paid during a financial year may include payments or refunds relating to prior financial years, and may exclude final payments or refunds that occur in the next financial year.

Furthermore, the profit before income taxes in our financial statements may differ from the taxable income reported in tax returns. These differences result in deferred taxes in the financial statements to reflect any future taxable events (2020: deferred tax expense 207 million Euro).

Additionally, certain income taxes have to be booked directly in equity in case the underlying results have been recognized in equity as well.

Income tax profile per significant country



¹ The expected income tax expense is calculated by multiplying the profit before income taxes with the country specific corporate income tax rate.

² Income tax expense according to IAS 12 (current and deferred income taxes) based on Allianz IFRS Group Financials 2020; total income and profit before income taxes based on consolidated figures without intercompany profit/loss elimination.

³ Please note that under IFRS countries can include entities/investments/branches situated in other countries.

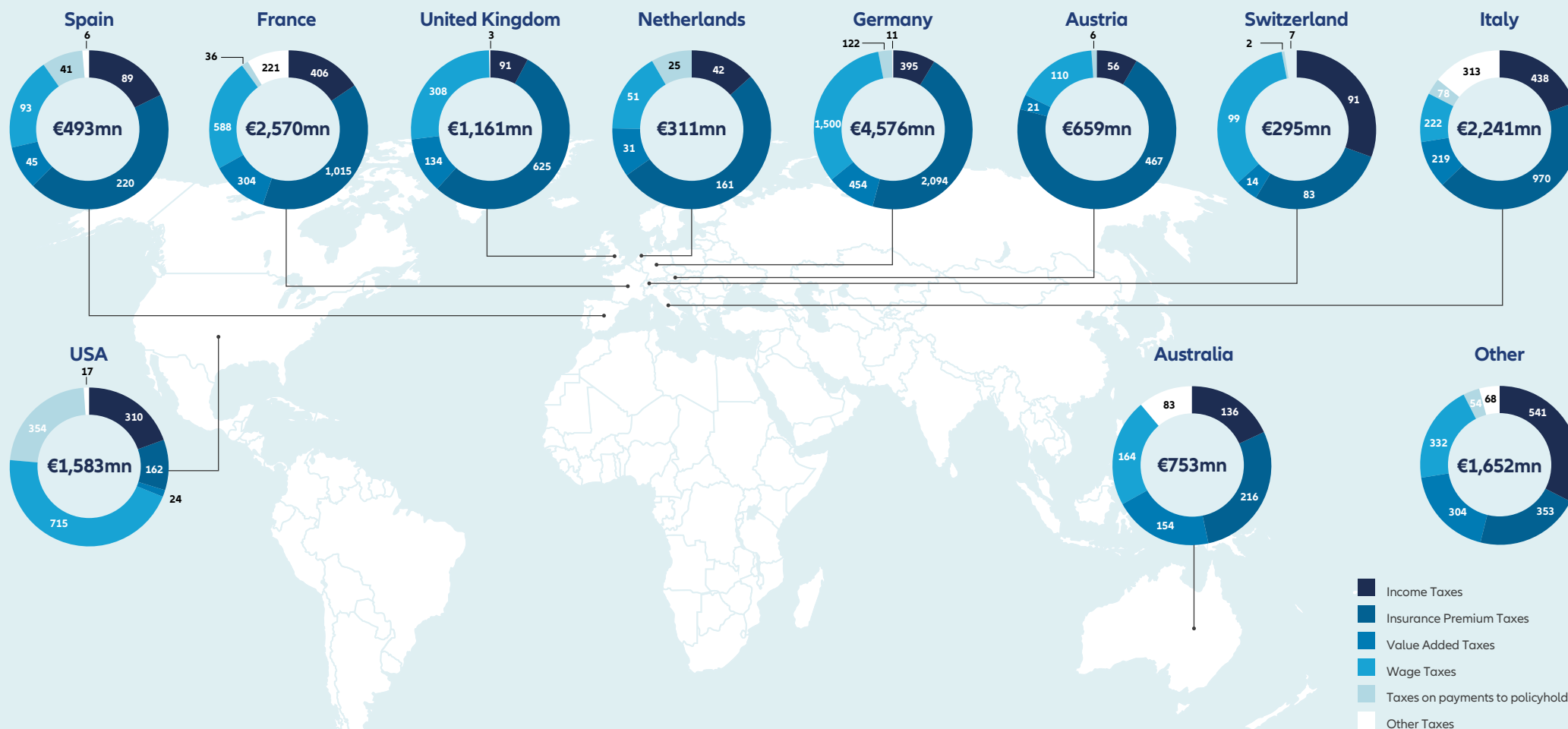
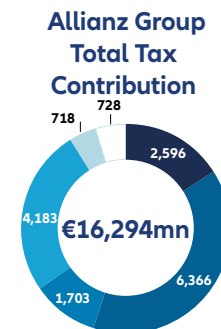
⁴ The expected tax rate is the country specific corporate income tax rate. In general, the country specific corporate income tax rate does not include local income taxes (e.g. state taxes in the US). For Germany the local trade tax ("Gewerbesteuer") is included in the expected tax rate.

⁵ Tax loss carry back possibilities were introduced by the US Coronavirus Aid, Relief and Economic Security Act.

5. Tax Reporting

5.3 Total Tax Contribution 2020

These figures include income taxes, insurance premium taxes, wage taxes, value added taxes, taxes on payments to policyholder and other taxes borne and collected for our 10 countries most contributing to the Group's total tax contribution.



5. Tax Reporting

5.4 Country-by-Country data

In this table we provide an overview of the total income, profit before income taxes, income tax expense, effective income tax rate, expected income tax rate, income tax paid and FTE per certain countries and the Group in total¹.

Country	Revenue (unrelated)		Profit before income taxes € mn	Income tax expense € mn	Effective income tax rate %	Expected income tax rate %	Income tax paid € mn	FTE
	Total income € mn							
USA	16,270.0		2,617.4	-348.9	13.3%	21.0%	-310.3	7,709.9
Germany	55,353.8		1,137.4	-680.7	59.8%	31.0%	-391.2	34,334.5
France	14,074.8		1,015.5	-369.0	36.3%	32.0%	-406.1	12,400.2
Italy	6,279.3		924.2	-292.8	31.7%	24.0%	-438.2	5,707.1
Spain	2,857.9		746.2	-64.1	8.6%	25.0%	-88.7	4,000.7
Switzerland	3,678.7		429.8	-53.5	12.5%	19.0%	-91.2	2,736.6
Luxembourg	1,338.7		311.6	8.8	-2.8%	24.9%	-99.8	117.3
United Kingdom	3,840.7		275.4	-79.9	29.0%	19.0%	-91.3	10,253.3
Netherlands	1,860.8		265.1	-60.2	22.7%	25.0%	-41.5	1,488.9
Turkey	1,204.1		215.6	-42.0	19.5%	22.0%	-56.0	2,674.0
Malaysia	848.6		145.3	-38.6	26.5%	24.0%	-32.3	2,020.0
Austria	1,750.0		145.0	-36.8	25.3%	25.0%	-55.9	2,622.1
Slovakia	602.0		120.3	-31.7	26.4%	21.0%	-33.1	1,226.0
Thailand	1,208.7		117.9	-21.8	18.4%	20.0%	-7.5	3,385.8
Taiwan	854.6		115.0	-23.4	20.4%	20.0%	-41.5	832.0
Indonesia	442.7		109.6	-25.4	23.1%	22.0%	-16.8	1,435.0
Poland	573.2		88.4	-20.3	23.0%	19.0%	-18.7	1,577.1
Australia	3,001.1		76.6	-32.3	42.2%	30.0%	-135.9	5,269.0
Mexico	354.4		71.9	-18.0	25.0%	30.0%	-13.0	1,162.4
Czechia	575.1		68.7	-16.2	23.6%	19.0%	-14.3	956.0
Argentina	281.9		67.0	-27.1	40.5%	30.0%	-14.6	408.5
Portugal	532.4		51.6	-15.0	29.0%	31.5%	-19.2	736.7
Romania	262.1		41.5	-6.0	14.6%	16.0%	-4.2	1,986.4

5. Tax Reporting

5.4 Country-by-Country data

Country	Total income € mn	Profit before income taxes € mn	Income tax expense € mn	Effective income tax rate %	Expected income tax rate %	Income tax paid € mn	FTE
Brazil	936.9	41.1	-33.0	80.4%	40.0%	-45.9	3,952.0
Russian Fed.	227.4	39.6	-8.7	21.9%	20.0%	-3.4	1,147.3
Bulgaria	182.4	38.5	-3.9	10.1%	10.0%	-5.1	890.8
Ireland	4,173.2	30.7	-23.6	76.8%	12.5%	16.9	1,928.0
Colombia	300.9	20.4	-6.5	31.8%	32.0%	3.8	910.0
India	44.4	11.9	-2.1	17.5%	34.7%	-1.5	7,835.0
Japan	71.3	8.4	-2.2	25.9%	23.2%	-17.5	378.2
Greece	122.7	7.3	-1.6	21.9%	24.0%	-0.8	492.5
Belgium	1,088.6	-22.8	-22.3	-97.9%	25.0%	-28.6	1,248.6
Other	3,497.8	271.4	-71.8			-187.5	13,556.8
Total	128,691.5	9,603.5	-2,470.6	25.7%	24.4%	-2,691.0	137,378.6

¹ Total income, profit before income taxes, income tax expense, effective income tax rate, expected income tax rate and FTE per IFRS country hierarchy on the basis of the consolidated IFRS Group financials without intercompany profit/loss elimination of €-9,183.5 mn. Income tax expense includes current and deferred income tax expense.

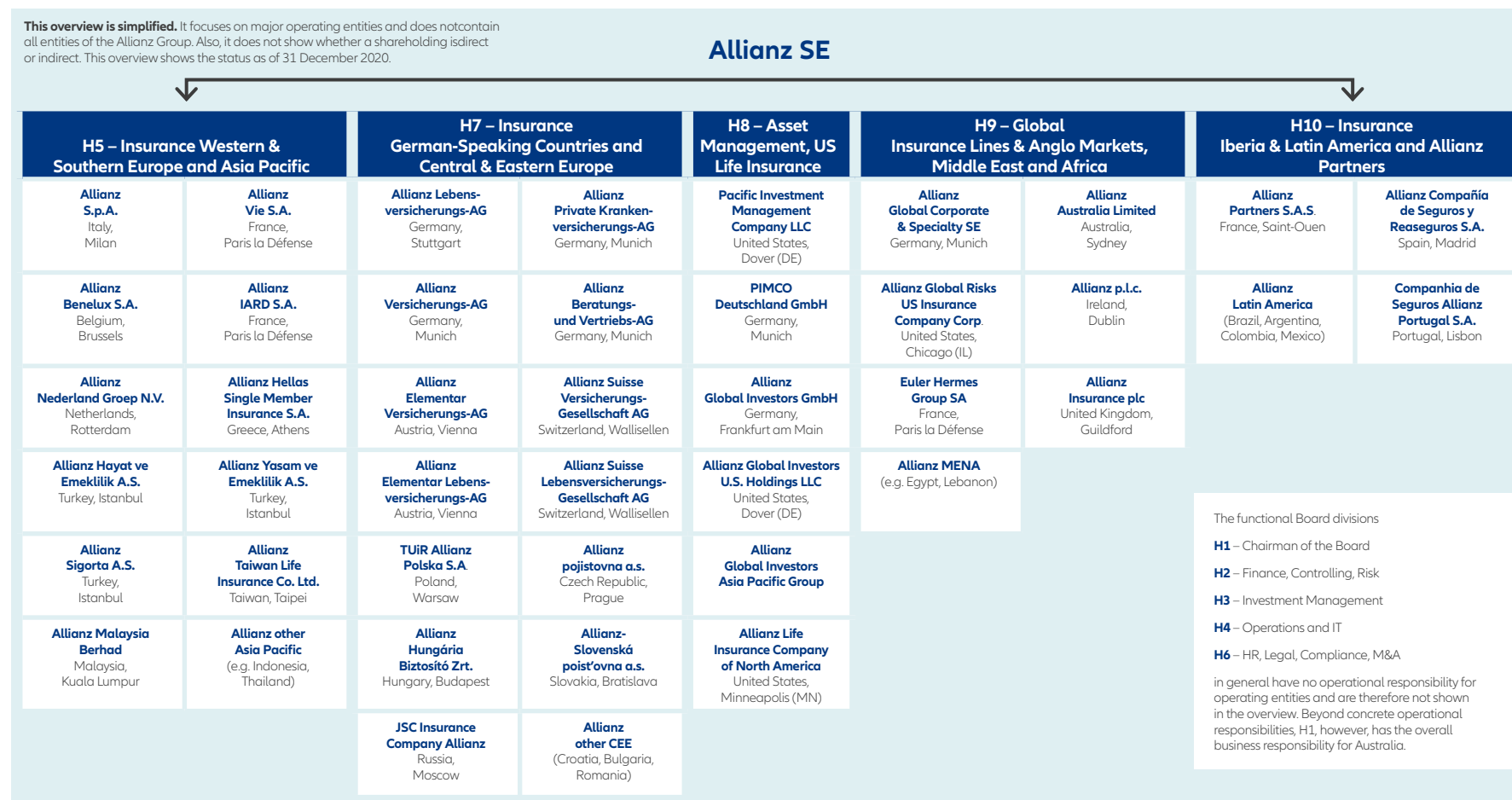
6. Allianz Group structure

Allianz SE is the holding company of the Allianz Group. Our Group comprises subsidiaries in more than 70 countries. Here, we show a simplified overview of the Group structure as of December 31, 2020, showing our global presence and operations with our major operating entities.

Approximately 1,000 subsidiaries are part of the consolidated Allianz Group. An overview of all fully consolidated entities including permanent establishments, addresses, business activities and Group's share, are listed [here](#).

Additionally, the "List of Group Subsidiaries" can be seen in our [Annual Report](#).

For more information, please refer to the Annual Report and the Sustainability Report.



Appendix: Glossary

1. Income taxes paid

Income taxes paid relate to taxes imposed on Allianz entities' income or profits (taxable income). Income tax generally is computed as the product of a local applicable tax rate times taxable income. Taxation rates differ from country to country.

2. Insurance Premium Taxes (IPT) collected

IPT is a type of indirect tax levied on insurance premiums. The IPT is charged to the policyholder and, in most countries, remitted by the insurer to the nominated tax office.

The IPT rates differ from country to country and depend on the type of insurance (motor, fire, etc.).

3. Insurance Premium Taxes (IPT) borne

IPT borne include IPT which is charged to Allianz entities for insurance services purchased. Additionally, in some countries IPT is levied on insurance premiums the insurance company is liable for.

4. Wage taxes collected

Wage taxes are collected on behalf of our staff and which we are required to withhold from wages; they are usually calculated as a percentage of the salaries we pay and include income taxes, social security contributions and health provisions (employee share).

5. Wage taxes borne

Wage taxes borne include income taxes, social security contributions and health provisions (employer share).

6. Value Added Tax (VAT) collected

VAT is a type of indirect tax levied on certain revenues of Allianz acting as entrepreneur and is remitted to the nominated tax office.

7. Value Added Tax (VAT) borne

Allianz Group incurs VAT and similar sales taxes on goods and services that it purchases. In most countries, insurance products are exempt from VAT and sales tax; therefore, our insurance businesses can usually only recover a small portion of the VAT and sales tax incurred, while the non-recoverable part results in a cost to the Group.

8. Taxes collected on payments to policyholders

In some countries, we are required to deduct tax from annuity/pension payments made to our policyholders and remit this to the relevant tax authority. The tax rates differ from country to country. In general, the policyholders are allowed to credit this tax on their personal income tax liability.

9. Other taxes collected

Other taxes collected include all other taxes collected not mentioned in one of the special categories above.

10. Other taxes borne

Other taxes borne include all other taxes borne not mentioned in one of the special categories above, e.g. property taxes, stamp duties and lump sum tax on dividends from fully consolidated entities.

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We would like to thank all of our colleagues and partners who have helped us to create this report.

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Disclaimer

This report is not audited nor signed off by the Group's external auditor.

Cautionary note regarding forward-looking statements

This document includes forward-looking statements, such as prospects or expectations, that are based on management's current views and assumptions and subject to known and unknown risks and uncertainties. Actual results, performance figures, or events may differ significantly from those expressed or implied in such forward-looking statements.

Deviations may arise due to changes in factors including, but not limited to, the following: (i) the general economic and competitive situation in the Allianz Group's core business and core markets, (ii) the performance of financial markets (in particular market volatility, liquidity, and credit events), (iii) the frequency and severity of insured loss events, including those resulting from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates, most notably the EUR/ USD exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions including and related integration issues and reorganization measures, and (xi) the general competitive conditions that, in each individual case, apply at a local, regional, national, and/or global level. Many of these changes can be exacerbated by terrorist activities.

No duty to update

The Allianz Group assumes no obligation to update any information or forward-looking statement contained herein, save for any information we are required to disclose by law.

We welcome your views

We warmly invite all our stakeholders to provide feedback and comments on our Tax Transparency Report: sustainability@allianz.com

For more information on Allianz Group, see the [Annual Report 2020](#).

For more information on key Human Resources facts and figures, achievements in 2020 and an outlook for 2021, see the [Allianz People Fact Book 2020](#).

For more information on how Allianz governs sustainability strategically and how it is integrated across its business activities and corporate operations, see the [Allianz Sustainability Report 2020](#).

