

Registered Number: 05134436

Annual Report and Financial Statements 2022
Allianz Holdings plc

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Company Information

Directors

- C W T Dinesen (ceased 10 April 2023)
- F K Dyson (ceased 29 May 2023)
- P J Evans
- C J Holmes (appointed 22 February 2022)
- U Lange (appointed May 30 2023)
- D J Larnder
- S C McGinn (appointed 22 February 2022; ceased on 30 April 2023)
- R M Murison (ceased 25 September 2022)
- T Robson-Capps (appointed 13 April 2022)
- D A Torrance
- C G Townsend
- S Treloar
- J R Vazquez (appointed 1 June 2022)

Company secretary C M Twemlow

Registered Office 57 Ladymead
Guildford
Surrey
GU1 1DB

Registered Number 05134436

Independent Auditors PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Strategic Report for the Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Principal activities

Allianz Holdings plc (“AZH”, “the Company”) is a holding company. The principal activity of its subsidiary undertakings continues to be the transaction of most classes of general insurance business.

The Company and its subsidiary undertakings, listed in note 10, are collectively referred to as “Allianz” or “the Group”.

Business review

The results for the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 15. The profit for the year amounted to £112,634k (2021: £161,020k). The decrease in the year is a result of a decrease in the amount of dividends received during the year combined with higher impairment charges incurred, offset by a decrease in administrative expenses.

Key performance Indicators (“KPIs”)

The financial key performance indicators monitored by the Company are profit before tax, dividends received and total equity. The profit before tax for the year is £112,512k (2021: £161,108k) with the Company receiving dividends of £115,000k (2021: £170,320k). At the year end, the Company had total equity of £2,425,508k (2021: £2,412,874k).

The Company does not monitor any non-financial key performance indicators.

Principal risks and uncertainties

The principal risk facing the Company is the performance of its subsidiary undertakings, listed in note 10.

Future outlook

No changes to the principal activities are anticipated in the foreseeable future. The Company will continue to consider suitable investment opportunities as and when they arise.

The Group is in a strong position despite the ongoing competitive market conditions in the UK and the challenges presented by the economic environment. The Group is well equipped through its diverse portfolio and robust financial position to manage these challenges

Going concern

The Directors, having undertaken an assessment, are confident in the Company's ability to continue as a going concern.

Section 172(1) Companies Act 2006 Statement

Section 172 (1) of the Companies Act 2006 requires the Directors of a Company to act in a way that promotes the success of the company for the benefit of its members as a whole. The Directors of the Company are committed to promoting a healthy corporate culture and understand that striving to achieve the Company's strategic aims will ultimately increase the value of the Company, its parent, the Group and the wider Allianz SE Group.

This statement sets out how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when performing their duties. The Directors have acted in a way that they considered, both individually and collectively, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and in doing so have had regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 in the decisions taken during the year.

The Company is the principal holding Company within the Group and is responsible for governance, oversight and strategy of the wider Group. The Board of the Company (the “Board”) meets at least quarterly alongside the board of Directors of other key regulated entities and holding companies within the Group (collectively, the “Boards”). The Boards have adopted the same terms of reference by which they operate, and the Directors of the Boards are the same. The governance framework applied to the key regulated entities and holding companies within the Group and the combined approach to governance, ensures that the Company's Board has regard to the overall strategy, interests and direction of the Group as a whole, when taking decisions and in its discussions. This includes considering the impact on the broader stakeholders of the Group, the environment in which the Company and the Group operate and the long-term success of the Company and the Group as a whole. Considerations in this report therefore refer both to the Company and also the wider Group.

Strategic Report for the Year Ended 31 December 2022 (continued)

The Board is collectively responsible for the long-term success of the Company. The Board is responsible for setting the Company's strategic aims and ensuring that the necessary resources are in place to meet its objectives. The Boards set the Group's purpose, strategy, culture values and standards and ensure that their obligations to stakeholders and others, as well as other matters set out under section 172 of the Companies Act 2006, are considered when taking decisions and in their discussions.

The Board receives information from across the business in the form of Board reports and presentations when making decisions and these reports include information about how stakeholder interests have been considered. Information is also presented, where relevant, regarding any impact on the Company's or Group's reputation, impact on the environment or the communities in which the Company or Group operate and other matters set out in section 172 of the Companies Act 2006.

The Board has undertaken a review of its effectiveness during the year and is in the process of implementing actions to further improve Board governance arrangements. An external review of the governance was undertaken in 2023, and its outcome has been shared with the Board and resulting actions for improvement will be reported back to it at quarterly meetings.

Stakeholder engagement

This section of the Company's report explains the Company's engagement activities in relation to the Group's customers, suppliers, employees, regulators, shareholder and other stakeholders relevant to the Company.

The Board and individual Directors engage with some stakeholders directly on specific issues. However, due to the size of the Group and how it operates, stakeholder engagement more regularly takes place at an operational level. This allows the Group to be responsive to stakeholder needs. As described above, the Company's Board receives reports when making decisions or where matters are escalated and these reports include information about how stakeholder interests have been considered. The reporting templates for the Board include consideration around stakeholder engagement. This provides the Board with an overview of stakeholder interests when making decisions even where they have not engaged directly with those stakeholders themselves.

Customers

The Group is committed to ensuring good outcomes for its customers. Customer centricity is fundamental to the Company's growth and development and is one of five important themes underpinning the Allianz SE business strategy which the Group has adopted. The Group's focus is on maintaining high levels of service, and supporting our customers. Throughout 2022, as the country recovered from the effects of the pandemic and faced a cost of living crisis, the Company and the Group's employees continued to support customers, suppliers and communities through what continues to be a difficult time for many.

In addition, on a day-to-day basis the Group's customer facing people engage and foster relationships with our brokers and customers directly. Direct and indirect feedback received from brokers and customers is collated and reviewed, together with other data such as complaints received and the number of complaints referred to, and upheld by, the Financial Ombudsman Service. This information is fed back to the Customer & Conduct Committee of the Board for its consideration.

The Customer & Conduct Committee is responsible for overseeing customer conduct matters for the Group. The Customer & Conduct Committee receives reports on a variety of matters including reports from the business, including customer dashboards, metrics which help it to understand the customer experience and reports which enable it to understand customer value underpinned by metrics around conduct risk, customer experience and customer culture for the Company. The Customer & Conduct Committee reports into the Boards, ensuring that the Directors have sight of customer engagement metrics to factor into decision making and ensuring good outcomes for customers. During the year, the Board approved the Consumer Duty implementation plan and performance against the plan is reported to the Customer & Conduct Committee.

Having engaged an independent third party during 2021 to undertake a review of culture across the Group, including, amongst other things, how the culture supports the delivery of good customer outcomes, the Board reviewed the findings and actions were put in place to ensure it continues to receive relevant and useful information in relation to culture. As a result, a new iteration of the culture dashboard was implemented in 2022 to help the Boards better monitor culture, including metrics to measure customer outcomes. A common set of values has been agreed by the Board and rollout of these has commenced, supporting the further embedding of a customer-centric culture.

Employees

The Company does not have any employees. During the year, Allianz Management Services Limited ("AMS") and Liverpool Victoria General Insurance Group Limited ("LVGIG"), companies within the Group, provided administration services and staff resources to the Company and to other Group companies. AMS and LVGIG have a high level of resources and expertise which benefit the Company and the Group. Employee engagement is led by the Chief Human Resources Officer of the Group, with the Human Resources team working directly across the Group. The approach

Strategic Report for the Year Ended 31 December 2022 (continued)

taken across the Group to employee engagement is explained below. However, there are some variances in methods used across AMS and LVGIG, where appropriate or required.

Engaged people are key to the success of the business, not only do they create positive experiences for customers and colleagues but they help our business thrive. Each year we invite our people to complete a confidential survey to provide feedback. It remains a key priority to ensure that employees are fully engaged as Allianz continues to develop during 2023.

The Group seeks feedback and measures the engagement of employees in a variety of ways. Engagement methods include the Allianz Engagement Survey ("AES") and additional 'pulse' surveys sent to employees on various topics, Town hall presentations (which have been virtual following the impact of COVID-19) and newsletters via the employee intranets.

In 2022, the AES continued to provide a valuable employee feedback platform and remains an important indicator of the Group's corporate culture and employee engagement. The AES results include the 'Inclusive Meritocracy Index' which covers aspects of leadership, performance, collaboration, trust and respect, and is derived from the responses to a specific set of questions in the annual AES. A Work Well Index plus is also used to measure the quality of the work environment, practices and opportunities. 'Inclusive Meritocracy' describes the Group's target culture. This is underpinned by four People Attributes with underlying target behaviours, helping employees understand what is expected of them.

In 2022, AZH ranked 14th in the Inclusive Top 50 UK Employers 2022/23 list.

Having a strong focus on Diversity and Inclusion enables our organisation to better understand the customers we serve and our people. The Group has a clear Diversity and Inclusion strategy, which covers 'our people', 'our customers' and 'our brand and reputation'. In 2022, Allianz embarked on several initiatives in support of its aim to foster an inclusive environment where a valued and diverse workforce can be heard, contribute, grow and feel a sense of belonging.

The Group understands the importance of continuing to have flexible working options available to all its employees, as they adapt to new work-life balances. To make sure that the Group and the Allianz SE Group are evolving their approach and to keep encouraging talent to join the business, a working group has been set up to foster a flexible working culture. Our aim is to encourage more uptake in flexible working options, especially amongst men who currently only make up a small proportion of those benefiting from flexible working patterns. A number of wellbeing initiatives are also in place.

The Board has considered the impact of the global uncertainty arising from the aftermath of the pandemic and the Russian invasion of Ukraine on the Group's employees which has informed its decisions. Allianz engages regularly with Unite, a trade union for some staff within the Group, which exists to protect and improve employee interests. Discussions with Unite are escalated to the Board and its committees as appropriate. We are committed to making sure our people are rewarded fairly through regular review of pay levels to ensure they are competitive with market rates. All our people are paid at least the Living Wage Foundation rates of pay. Allianz understands that the needs of its employees are different, so through a flexible benefits platform employees are given the opportunity to select the benefits most suited to their individual needs and lifestyles.

Suppliers

Significant Group supplier contracts, either strategic or by reason of size and significance, which are relevant to the Company, are considered by the Boards following engagement between procurement and business teams, supported by senior management where appropriate. In 2022, significant supplier contracts, supported by summary documents, were provided to the Boards to enable an informed decision to be made covering areas such as performance, cost, risk and strategic alignment. Suppliers are required to comply with the Group's Vendor Code of Conduct, which ensures standards are met in relation to ethics, labour and, more recently in 2022, environmental sustainability.

In addition, the sourcing process itself is governed across the Group by adherence to requirements laid out in the Allianz Global Standard for Procurement, via the Local Procurement Standard. As a consequence, in 2022, the Boards gave due consideration to significant intended supplier arrangements and their suitability and ability to meet the Group's requirements including but not limited to areas such as information security, data privacy, risk, protection and resilience. Once a supplier relationship is in place, in line with Allianz's Supplier Relationship Management Framework, relevant executives assume responsibility for approving and overseeing procedures to effect significant contracts and for their ongoing monitoring and performance. Regular reports on supplier performance, inclusive of inputs from fellow safeguarding functions such as Information Security, Operational Resilience, and Risk, were made available to the Board in the course of 2022 to ensure effective oversight and control.

All of these measures come together to form a productive, secure, and mutually beneficial working relationship with each supplier. This has been especially important in 2022 given the turbulent economic environment. These strong working relationships with suppliers have enabled the organisation to manage costs, mitigate risk, and work collaboratively to support strategic organisational objectives.

Strategic Report for the Year Ended 31 December 2022 (continued)

Regulators

While the Company itself is not regulated, some of its principal subsidiaries are authorised and regulated by the Financial Conduct Authority ("FCA") and the Prudential Regulation Authority ("PRA"). Maintaining a good relationship with the Company's regulators is a priority for the Group and the Board and regulatory considerations are given close scrutiny when making decisions.

Shareholder

The Company has regard to the interests of its immediate shareholder, Allianz (UK) Limited and the wider Allianz SE Group when making decisions. The Company's strategy is aligned with the Group's strategy and the Allianz SE strategy. Allianz SE nominate a non-executive Director to the Board of the Company. In 2022, the Board received regular updates from the Allianz SE Group on key matters being considered within the wider group. Shareholder views have been factored into various decisions made by the Board during the year including those on strategy, budget, investments, distributions and Board appointments.

Community and the Environment

An Environmental, Social, Governance ("ESG") strategy ensures the Group is a leader in sustainability, and a committed corporate citizen with responsible and trusted businesses. The Group focuses on promoting the transition to a low-carbon economy, social inclusion and ensuring the integration of ESG into all aspects of our businesses. The Board has reviewed the ESG strategy, analysing the Global Allianz strategy in relation to ESG and reviewing how that strategy is implemented in the UK. The Group is fully committed to ESG principles and consideration of our impact in these areas is an important part of Company and Group discussions. Examples of initiatives undertaken by the Group include partnerships with the mental health charities, Mind and Scottish Action on Mental Health, which benefit people across the UK as well as the Group's employees as the partnership has been utilised to expand the employee mental health support resources that are in place.

The Group participated in an activity coordinated by the Allianz SE Group to help Ukraine including making a global corporate donation to the German Red Cross, supporting our employees who were hosting Ukrainian families and offering temporary car insurance. Employees also took part in a global initiative, the Allianz World Run, which donated to the German Red Cross.

During the year, the Board considered the ESG 2025 plan and 2022 objectives and targets for each functional area working on ESG matters, including the opportunities and risks climate change poses.

Board decision-making

This part of the section 172 statement describes how the Board has had regard to the Company's and the Group's stakeholders and other matters considered under section 172(1) of the Act in some of the key decisions taken by the Board during the year.

The Board continues to review its processes to ensure that a formal analysis is carried out of how the significant decisions that it is required to approve will impact the Company's key stakeholder groups.

Board decision-making (continued)

During the year the Directors took the following principal decisions:

Dividend

Section 172 considerations: promoting the success of the Company for the benefit of the Company's members, long-term consequences, maintaining a reputation for high standards

Stakeholders: Shareholders, customers (policyholders), regulators

During the year, the Board approved the payment of an interim dividend of £100,000k in aggregate in respect of the year ended 31 December 2022, to its immediate shareholder, Allianz (UK) Limited. In approving the payment of the interim dividend the Directors considered the impact on the Company and the views of its stakeholders. Amongst other things, the Directors considered the needs and views of the Company's immediate shareholder and its ultimate parent company, Allianz SE, who require dividends to be paid to ensure the long-term success and viability of the Allianz SE Group as a whole. The Board noted that the distribution was subject to the prior receipt of dividends from some of its subsidiaries. In addition, while the Company is not itself regulated, the Board took into account the regulatory environment and the views of the regulators in paying a dividend in the current economic climate as the dividend flowing through the Group structure impacted regulated entities.

Strategic Report for the Year Ended 31 December 2022 (continued)

The interests of wider stakeholders such as employees, customers and policyholders were also considered. These stakeholders need the Company and the Group as a whole to maintain a reputation for high standards in decision making and to hold sufficient capital to meet its requirements to them in the long-term. After considering these factors, together with other considerations when paying dividends, the Directors concluded that the payment of the dividends would promote the success of the Company for the benefit of its members.

Culture Dashboard

Section 172 considerations: maintaining a reputation for high standards, consequences of decisions in the long term, interests of employees, the impact of operations fostering relationships with customers and suppliers

Stakeholders: customers, regulators, employees

During the year, the Board received regular updates on performance against the culture action plan including development of the culture dashboard. Culture remains an essential component which underpins how Allianz operates and encompasses a broad range of topics affecting most key stakeholder groups. It is recognised by the regulator that a healthy culture is essential to consumer protection and well-functioning markets. The Board considers it an essential element to defining the Company's purpose, strategy and expectations for employees. A new culture dashboard was rolled out in 2022 as a key deliverable within the culture action plan which encompassed a range of cross-functional projects and actions for embedding good customer outcomes on performance, reward and talent management policies across the Group. The new culture dashboard was first considered by the Board in May 2022 and has been further developed throughout the year striving to build a consistent view of measures against four drivers of culture identified by the FCA namely purpose, governance, people policies and leadership, to support the delivery across the business of good customer outcomes. The dashboard aims at presenting a trend view of key metrics for the business, which is an aggregated view of a number of sub-component metrics and provides the Board with visibility and understanding of the culture within Allianz and any changes. The Board has oversight of and reviews progress made under the culture action plan, including the culture dashboard, underpinning its duty to foster good customer outcomes, to consider the interests of employees and to maintain a reputation for high standards of business conduct.

System of Governance Annual Review

Section 172 considerations: maintaining a reputation for high standards, long term consequences of decisions

Stakeholders: customers, regulators, shareholder

During the year the Board (together with the boards of a number of other key Group entities) approved a review of the System of Governance ("Review"). The System of Governance is designed to ensure that the Group has sound and prudent management of its business. This is in place due to UK and EU regulatory requirements, and also to ensure the Group's business and risk profile aligns with the Allianz SE Group. The Review was considered by the AZH Executive Committee and Risk Committee before receiving Board approval and involved approval of a Statement of Accountability to confirm an effective system of governance with all necessary processes and controls remaining in place. The Review set out its findings for consideration by the Board and introduced activities for 2022 to further strengthen the Group's governance framework. The Review was considered a key decision in light of the Board's duty to ensure the Company maintains a reputation for high standards of business conduct and assure Allianz SE Group that the Company and the Group has a sound and prudent system of governance. In overseeing this important matter, the Board had regard to the requirements of the Company's regulators and interests of the shareholder as well as the potential long term consequences of any decisions made.

2022 Governance Effectiveness Review

Section 172 considerations: maintaining a reputation for high standards, long term consequences of decisions

Stakeholders: employees, shareholder, regulators

During 2022, the Board undertook a review of Board governance effectiveness (the "Governance Review"), led by the Chair of the Board in conjunction with the Chief Legal Officer and Company Secretary. The Governance Review covered the Boards and committees of the Company and the other key entities within the Group, and was facilitated with the help of an independent third party.

The Governance Review encompassed Board and Committee effectiveness in all respects, and considered specific areas such as ensuring that customer outcomes and conduct risks were fully considered in major decisions. Reports from the Governance Review were considered at the September 2022 Board and Committee meetings and action plans drawn up to address any opportunities for improvement. In taking the decision to accept the findings and approve the action plan, the Board considered the interests of the shareholder, regulators and employees in ensuring the effective governance of the Company and key Group entities.

The Governance Review found an overall improvement in the effectiveness of the Board and its Committees relative to the outcomes from the 2021 review, and progress against the embedding of actions is tracked at quarterly intervals.

Strategic Report for the Year Ended 31 December 2022 (continued)

Application For Shares In Respect Of Pension Deficit Financing Transaction

Section 172 considerations: maintaining a reputation for high standards, fostering relations with customers, long term consequences of decisions

Stakeholders: employees, shareholder, pension scheme participants

During the year, the Board approved an application by the Company for 44,350,000 shares in AMS for an aggregate consideration of £44,350,000, being a pension deficit contribution due to the Allianz Retirement and Death Benefits Fund. The Board considered carefully the long term interests of past and present employees in taking the decision, which was aimed at ensuring that the pension fund remains adequately funded to meet its future obligations to employees while balancing the interests of the shareholder.

Operational Resilience – Self Assessment Questionnaire

Section 172 considerations: maintaining a reputation for high standards, consequences of decisions in the long term

Stakeholders: customers, regulators

During the year the Board continued its oversight of the operational resilience project, initiated to ensure compliance with the regulatory policies on Operational Resilience, issued jointly by the PRA and FCA, applicable to certain of the Company's subsidiaries. In 2022, the Board considered a response to the FCA's Operational Resilience self-assessment questionnaire which the regulator had issued to a number of firms, including certain regulated entities in the Group. The questionnaire was issued to enable the regulator to assess the level of operational resilience maturity within firms, and contributed to the FCA's aim of ensuring that regulated firms are proactively managing risks to minimise impacts during major disruptive event incidents. The Board reviewed Allianz's responses to the questionnaire at its February and March meetings seeking additional assurance from the second line prior to confirming the response. The Board noted the use of subject matter experts throughout the process for providing responses to the questionnaire with a record of responses being maintained. Implementing the policies on Operational Resilience in the right way for the business and its stakeholders is critical to the success of the Company and important in maintaining the Company's reputation for high standards with the regulator and putting customers at the heart of the business

Consumer Duty Implementation Plan

Section 172 considerations: maintaining a reputation for high standards, fostering relations with customers, long term consequences of decisions

Stakeholders: customers, regulators, shareholder

Following the introduction of the FCA's new Consumer Duty, which sets rigorous and transparent standards for consumer protection across financial services, Allianz has focused significant resources in ensuring readiness for the new standards, the primary purpose of which is to deliver good outcomes for customers. The new Consumer Duty, which comes into effect on 31 July 2023 for new and existing books of business, is applicable to the Company's regulated subsidiaries and requires that firms put in place and document an implementation plan to deliver against the requirements. During the year, a Consumer Duty Implementation Plan was therefore presented to the Board for review, challenge and approval and a Board member appointed as Consumer Duty champion in order to maintain close oversight of the implementation at Board level. As part of the plan, monthly updates are provided to the AZH Executive Committee to ensure the implementation remains on track to deliver in line with regulatory deadlines, and the Customer & Conduct Committee also maintains close oversight of performance against the plan. In approving the Consumer Duty Implementation plan, the Board gave due regard to its duty to consider the interests of and ensure good outcomes for the Group's customers, as well as considering the interests of the regulator.

On behalf of the Board



U Lange
Director

22 June 2023

Directors' Report for the Year Ended 31 December 2022

The directors present their audited Annual Report and the financial statements for the year ended 31 December 2022.

As permitted by section 414C(11) of the Companies Act 2006, certain information is not included in the Directors' Report because it has instead been shown in the Strategic Report. This information is:

- Customers, suppliers and others statement;
- Results for the year;
- Principal activities of the Company; and
- Business review and Future prospects.

Stakeholder Engagement statement

Details of how the Board has had regard to the need to foster the Company's business relationships with customers, regulators, suppliers and other stakeholders and the effect of that regard on the principal decisions taken by the Company's Board is contained in the Section 172(1) statement on page 2.

Directors

The Directors, who held office during the year, and up to the date of signing the financial statements, were as follows:

C W T Dinesen (ceased 10 April 2023)

F K Dyson (ceased 29 May 2023)

P J Evans

C J Holmes (appointed 22 February 2022)

U Lange (appointed May 30 2023)

D J Larnder

S C McGinn (appointed 22 February 2022; ceased on 30 April 2023)

R M Murison (ceased 25 September 2022)

T Robson-Capps (appointed 13 April 2022)

D A Torrance

C G Townsend

S Treloar

J R Vazquez (appointed 1 June 2022)

Directors' liabilities

A qualifying third party indemnity was in force during the financial year and also at the date of approval of the financial statements.

Results and dividends

The results for the year are set out in the Statement of Profit and Loss and Other Comprehensive Income on page 15. A review of the Company's business activities and any likely future developments can be found in the Strategic Report on page 2.

An interim dividend was paid in the sum of £100,000k on 3 August 2022, for the year ended 31 December 2022 (2021: £120,000k). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: £nil).

Future outlook

The future outlook for the Company is outlined in the Strategic Report on page 2.

Going concern

The going concern assessment for the Company is outlined in the Strategic Report on page 2.

Directors' Report for the Year Ended 31 December 2022 (continued)

Streamlined Energy and Carbon Reporting ("SECR")

The Company fulfils the statutory requirements for SECR which includes disclosure relating to carbon emissions. Under the Companies Act 2006 and SECR Regulations, 'Large' companies are required to report their annual emissions in their Directors' report. It should be noted that the information disclosed relates to only some of the entities within the Group as this is the lowest level of granularity for which the data is collected. Information relating to LVGIG and its subsidiaries is reported separately and can be found in the annual report. Information relating to the Company alone is not available and appropriate disclosure has been made by all Companies meeting the reporting requirement.

The SECR statement covers the reporting period 1 January 2022 to 31 December 2022 and has been prepared in line with the requirements of the Streamlined Energy and Carbon Reporting regulations and the relevant areas of the Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard.

A 'Dual Reporting' methodology has been used to indicate emissions using UK electricity grid average emission factors (known as the 'Location based' method), and also emissions using supplier specific generation emission factors (the 'Market Based' method).

'Location Based' Method

The total energy consumption for 2022 was 16,034,389.25 kWh (2021: 16,645,135.03 kWh) equating to 3,432.989 tCO₂e (2021: 3,532.599 tCO₂e). Carbon intensity: Emissions of tCO₂e/full-time equivalent during 2022 was 0.786 tCO₂e (2021: 0.831 tCO₂e)

However, the Company strategy has been to purchase renewable energy backed by Renewable Electricity Guarantees of Origin ("REGO") certificates. Through this strategy, within the above 2022 total energy consumption, the Company has sourced a total of 5,124,261.79 kWh (2021: 4,768,921.54) of REGO backed (zero emission) electricity equating to 98.58% (2021: 92.44%) of total electricity use.

'Market Based' Method

The total energy consumption for 2022 was 16,034,389.25 kWh (2021: 16,645,135.03 kWh) equating to 2,388,140 tCO₂e (2021: 2,503.965 tCO₂e). Carbon intensity: Emissions of tCO₂e/full-time equivalent during 2022 was 0.547 tCO₂e (2021: 0.589 tCO₂e).

Energy Efficiency actions taken during 2022:

- During the refurbishment of the Milton Keynes office the following actions were taken: Adapted landlord energy efficient air-con system and added two energy efficient air-con wall mounted units in the Comms Room. Also adapted landlord energy efficient LED light fittings and PIR controls (movement sensors).

Over 90% of the Group's waste is recycled. The Group's aim is to divert 100% of waste from landfill. This includes office closures where the aim is to repurpose or recycle old office equipment or donate this to local charities.

The Group is committed, via a Science Based Target, to being net zero in operations by 2030. This means reducing emissions by 70%, versus the 2019 baseline, by strengthening environmental management and sourcing 100% renewable electricity by 2023. The key drivers to delivering the emissions reduction target will be the shift to a fully electric corporate car fleet by latest 2030 and a reduction of 40% GHG emissions deriving from travel activities by 2025.

Directors' responsibility to the Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Directors have taken all steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors; a resolution proposing the re-appointment of PricewaterhouseCoopers LLP will be submitted at the Annual General Meeting.

By order of the Board



C M Twemlow

Company secretary

22 June 2023

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board



U Lange
Director

22 June 2023

Independent auditors' report to the members of Allianz Holdings plc

Report on the audit of the financial statements

Opinion

In our opinion, Allianz Holdings plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements 2022 (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtaining the directors' going concern assessment and challenging the material assumptions made using our knowledge of the business and obtaining further corroborative evidence;
- Considering information obtained during the course of the audit that would contradict management's assessment of going concern;
- Assessing the disclosures made by management in the financial statements and checking the consistency of the disclosures without our knowledge of the company based on our audit.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Independent auditors' report to the members of Allianz Holdings plc

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report to the members of Allianz Holdings plc

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Uk Companies Act (2006), and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to management bias in accounting estimates and judgemental areas of financial statements such as the valuation of investment in subsidiaries. Audit procedures performed by the engagement team included:

- Discussions with the Board of Directors, management, internal audit, senior management involved in the risk and compliance functions and the Company's legal function, including consideration of known or suspected fraud;
- Obtaining management's impairment analysis and challenging the assumptions made;
- Reviewing relevant meeting minutes including those of the Board of Directors;
- Attending relevant meetings of the Audit Committee and reviewing minutes of the Risk Committee;
- Identifying and testing journal entries, in particular any journal entries posted by senior management; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

Independent auditors' report to the members of Allianz Holdings plc

We have no exceptions to report arising from this responsibility.

Matthew Nichols

Matthew Nichols (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
22 June 2023

**Statement of Profit and Loss and Other Comprehensive Income
For the Year Ended 31 December 2022**

	Note	2022 £ 000	2021 £ 000
Dividends received		115,000	170,320
Investment income	3	485	105
Realised losses		-	(1,723)
Impairment charge	10	(8,685)	(1,622)
Administrative expenses	4	5,712	(5,972)
Profit before tax		112,512	161,108
Income tax credit/(charge)	7.1	122	(88)
Profit for the year wholly attributable to the equity holder		112,634	161,020

There has been no other comprehensive income in the year ended 31 December 2022 (2021: £nil).

**Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Note	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	13	1,977,796	394,058	2,371,854
Dividends	9	-	(120,000)	(120,000)
Profit for the year		-	161,020	161,020
At 31 December 2021		1,977,796	435,078	2,412,874
	Note	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	13	1,977,796	435,078	2,412,874
Dividends	9	-	(100,000)	(100,000)
Profit for the year		-	112,634	112,634
At 31 December 2022		1,977,796	447,712	2,425,508

The accounting policies and notes on pages 18 to 26 are an integral part of these financial statements.

**Statement of Financial Position
As at 31 December 2022**

	Note	2022 £ 000	2021 £ 000
Assets			
Investment in group undertakings	10	2,410,262	2,374,597
Other receivables	11	33,098	63,707
Current tax assets	7.3	549	-
Cash and cash equivalents	12	1	-
Total assets		2,443,910	2,438,304
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	13	1,977,796	1,977,796
Retained earnings		447,712	435,078
Total equity		2,425,508	2,412,874
Liabilities			
Provisions for other liabilities and charges	14	17,103	23,597
Current tax liabilities	7.3	-	1,107
Accruals and other payables	15	1,299	726
Total liabilities		18,402	25,430
Total equity and liabilities		2,443,910	2,438,304

These financial statements on pages 15 to 26 were approved by the Board of Directors on 22 June 2022 and signed on its behalf by:



U Lange
Director

Allianz Holdings plc

Registered Number: 05134436

The accounting policies and notes on pages 18 to 26 are an integral part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 December 2022

	Note	2022 £ 000	2021 £ 000
Cash flows from operating activities			
Profit before tax		112,512	161,108
<i>Adjusted for non-cash items</i>			
Impairment	10	8,685	1,622
Net realised losses		-	1,723
Decrease in letter of support provision	14	(6,812)	6,330
Increase/(decrease) in provisions for other liabilities and charges		318	(433)
<i>Changes in working capital</i>			
Decrease/(increase) in amounts due from group undertakings		30,609	(6,304)
Increase in amounts due to group undertakings		573	-
Decrease in other receivables		-	1,312
Cash generated from operations		145,885	165,358
Income tax paid	7.2	(1,534)	(1,017)
Net cash flow generated from operating activities		144,351	164,341
Cash flows from investing activities			
Write-off investment		-	9
Net cash flow generated from investing activities		-	9
Cash flows from financing activities			
Dividends paid		(100,000)	(120,000)
Additional investment in subsidiary	18	(44,350)	(44,350)
Net cash flow used in from financing activities		(144,350)	(164,350)
Net increase in cash and cash equivalents		1	-
Cash and cash equivalents at the beginning of the year		-	-
Cash and cash equivalents at the end of the year		1	-

Notes to the Financial Statements for the Year Ended 31 December 2022

1. ACCOUNTING POLICIES

1.1. Company and its operations

Allianz Holdings plc ("the Company") is a public company limited by shares incorporated in England and Wales and domiciled in the United Kingdom, whose shares are not publicly quoted.

1.2. Statement of compliance

The financial statements of the Company have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

1.3. Basis of preparation

The Company is exempt from the obligation to prepare and deliver group financial statements by virtue of the Companies Act 2006 (Section 401 1a) as it is a subsidiary undertaking of an EU parent (see note 17). The financial statements present information about the Company as an individual undertaking not about the Allianz Holdings plc Group.

The financial statements have been prepared on the historical cost basis.

The functional and presentational currency is British Pounds.

Going concern

The financial statements are prepared on a going concern basis. For more information on the going concern assessment please refer to the Directors' Report on page 8.

New standards and interpretations adopted by the Company

There are no new standards and interpretations affecting the Company that are mandatorily effective from 1 January 2022. The accounting policies have been consistently applied unless a new policy has been implemented.

New standards and interpretations not yet adopted by the Company

New standards and interpretations which are not mandatorily effective have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early; instead it will apply the standards from the effective date as determined by the date of UK Endorsement Board ("UKEB").

1.4. Summary of significant accounting policies

The Company has identified the accounting policies that are most significant to its business operations and the understanding of its results. The accounting policy which involves the most complex or subjective decisions or assessments relate to the valuation of the defined pension surplus. In each case, the determination of these is fundamental to the financial results and position and requires management to make complex judgements based on information and financial data that may change in the future periods. Since these involve the use of assumptions and subjective judgements as to future events and are subject to change, the use of different assumptions or data could produce significantly different results. Judgements made by management in the application of IFRSs that have a significant effect on the financial statements and estimates with a significant risk of significant adjustments in the next year are discussed in note 2.

The significant policies adopted in the preparation of the financial statements are set out in the following paragraphs:

(a) Income taxes

Income tax on profit or loss for the year comprises current tax. Income tax is recognised in the income tax credit/(expense).

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the Statement of Financial Position date, together with adjustments to tax payable in respect of prior years.

Group tax losses are utilised when available. Consideration paid for group relief is accounted for in the financial statements as though the payment has been made to the relevant tax authorities.

(b) Investment in group undertakings

Investments in group undertakings are shown in the Statement of Financial Position at cost less any impairment charges. The carrying value is reviewed for impairment annually, or whenever events or circumstances indicate that the carrying amount may not be recoverable. The impairment assessment compares the carrying amount of the investment in the subsidiary with the recoverable amount. The recoverable amount is the higher of fair value less costs to sell and value in use. Where the carrying amount is higher than the recoverable amount, an impairment is recognised in administrative

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

1. ACCOUNTING POLICIES (continued)

1.4. Summary of significant accounting policies (continued)

(b) Investment in group undertakings (continued)

expenses in the period in which it occurred. A reversal of an impairment loss shall be recognised immediately in the Statement of Profit and Loss and Other Comprehensive Income.

The Company is exempt from preparing group financial statements by virtue of the Companies Act 2006, as it is a subsidiary undertaking of an EU parent (see note 17). The financial statements present information about the Company as an individual undertaking and not about the Allianz Holdings plc Group.

(c) Other receivables

Other receivables are initially recognised and subsequently re-measured at amortised cost after taking into account any impairment losses. Other receivables shall be derecognised when the contractual right to receive cash flows expire or when the asset is transferred.

An expected credit loss (“ECL”) provision is assessed as at the Statement of Financial Position date and the carrying amount of the receivables balance is reported after deduction of any ECL.

The Company has adopted the “simplified approach” in determining the ECL. Under this approach, the ECL is calculated as the book cost of the receivables multiplied by a 1 year probability of default (“PD”), an appropriate loss given default (“LGD”) and the number of days to maturity as a fraction of a year (“tenor”).

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits with an original maturity of three months or less at the date of placement.

An ECL provision is assessed as at the Statement of Financial Position date and the carrying amount of the cash and cash equivalents balance is reported after deduction of any ECL.

The Company has adopted the “simplified approach” in determining the ECL. Under this approach, the ECL is calculated as the book cost of the cash and cash equivalents multiplied by a 1 year PD, an appropriate LGD and tenor.

(e) Accruals and other payables

Accruals and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. They are initially recognised and subsequently measured at cost because they are expected to be settled within twelve months and their carrying value is a reasonable approximation of fair value.

(f) Provisions for other liabilities and charges

A provision is recognised by the Company when a past event gives rise to a present legal or constructive obligation, in which the outflow of economic resources is probable and a reliable estimate of the amount of the obligation can be made. If the effect is significant, the provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects a current market assessment for the time value of money and, where appropriate, the risk is specific to the liability.

2. USE OF CRITICAL ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The company makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities. Estimates, assumptions and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company does not consider any particular accounting policy or estimate to be susceptible to significant changes in estimates and assumptions.

3. INVESTMENT INCOME

	2022	2021
	£ 000	£ 000
Interest income	485	105
Total investment income	485	105

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

4. ADMINISTRATIVE EXPENSES

	2022	2021
	£ 000	£ 000
Administrative expenses	(5,712)	5,972
Total administrative expenses	(5,712)	5,972

Total administrative expenses in 2022 are income due to a reassessment of potential liability under the letters of support £6,812k credit (2021: £6,330k), for further details, please refer to note 14.

5. EMPLOYEE RELATED COSTS

The Company has no employees (2021: none) and as such incurs no employee related costs (2021: £nil). AMS, a company within the Group, provides services and staff resources to the Company as well as to other Group Companies.

6. AUDITORS' REMUNERATION

The total remuneration payable by the Company excluding VAT, to its auditors in respect of the audit of these financial statements, is shown below. The Company's audit fees are borne by AMS. Other services supplied pursuant to legislation were £nil (2021: £nil).

	2022	2021
	£ 000	£ 000
Fees payable to the Company's auditors and associates	49	46

7. INCOME TAX

7.1 Income tax recognised in profit or loss

Tax (credited)/charged in the Statement of Profit and Loss and Other Comprehensive Income

	2022	2021
	£ 000	£ 000
Current taxation		
In respect of the current year	(120)	90
In respect of prior year	(2)	(2)
Total tax (credit)/charge recognised in the current year	(122)	88

The tax assessed on the year is lower (2021: lower) than the standard rate of corporation tax in the United Kingdom of 19% (2021: 19%).

The differences are reconciled below:

	2022	2021
	£ 000	£ 000
Profit before tax	112,512	161,108
Corporation tax at standard rate	21,377	30,611
Decrease from effect of revenues exempt from taxation	(21,850)	(32,360)
Decrease in current tax from adjustment for prior periods	(2)	(2)
Increase from effect of expenses not deductible in determining taxable profit	1,650	637
Decrease from Letter of support	(1,294)	1,202
Decrease from transfer pricing adjustments	(3)	-
Total tax (credit)/charge	(122)	88

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

7. INCOME TAX (continued)

7.2 Tax paid for cash flow purposes

	2022 £ 000	2021 £ 000
Current tax payable at 1 January	1,107	2,036
Amounts (credited)/charged to profit and loss	(122)	88
Tax paid during the year	(1,534)	(1,017)
Current tax (receivable)/payable at 31 December	(549)	1,107

7.3 Current tax assets/(liabilities)

	2022 £ 000	2021 £ 000
Current tax assets	549	-
Current tax liabilities	-	(1,107)

The UK Government announced its intention in the budget of 3 March 2021 to legislate to increase the rate of corporation tax from 19% to 25% with effect from 1 April 2023. This legislation was substantively enacted on 24 May 2021.

8. DIRECTORS' EMOLUMENTS

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Emoluments ⁽¹⁾	5,867,982	3,834,472

In respect of the highest paid director:

	2022 £	2021 £
Emoluments	2,422,866	1,283,589

⁽¹⁾ Emoluments include £84,600 (2021: £373,959) of payments received following the exercise of Restricted Stock Units under the Equity Incentive Scheme of the Company's ultimate parent company, Allianz SE and payments of £217,396 received as Mid-Term Bonus which is a 3 year deferred incentive plan and the cash awarded is subject to a multi-year sustainability assessment.

The emoluments also include £624,500 (2021: £361,167) of payments received during 2022 by the highest paid Director relating to the vesting of LVGIG Long Term Incentive Plans ("LTIPs"). That Director also has deferred payments of £130,000 (2021: £364,550) receivable in future years from the vesting of the LTIPs which are not included in the aggregate emoluments figures.

An individual who was previously a Director of the Company received a compensation for loss of office of £2,237,290. The individual also received a payment of £177,409 following the exercise of Restricted Stock Units relating to a grant in a previous year when they were in office as a Director. The individual also received a payment of £206,612 under the Mid-Term Bonus scheme.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

8. DIRECTORS' EMOLUMENTS (continued)

The Directors of the Company are also directors of fellow Allianz Holdings plc Group companies. The emoluments disclosed above were the total emoluments received by the Directors in relation to their Allianz Holding plc Group directorships. Save for one Director, the Directors' emoluments were paid by AMS, a fellow Allianz Holdings plc subsidiary, on behalf of the Group.

9. DIVIDENDS

An interim dividend was paid in the sum of £100,000k (representing 5.1p per share) on 3 August 2022, for the year ended 31 December 2022 (2021: £120,000k, representing 6.1p per share). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: £nil).

10. INVESTMENT IN GROUP UNDERTAKINGS

Shares in group undertakings are shown in the Statement of Financial Position at cost. The principal undertakings of Allianz Holdings plc are shown below. The registered office for all undertakings is 57 Ladymead, Guildford, Surrey, GU1 1DB.

Subsidiary undertakings of Allianz Holdings plc

	Country of incorporation	Primary business operation	Percentage holding
Held by Allianz Holdings plc:			
Allianz Insurance plc	England	General Insurance	100.00%
Liverpool Victoria General Insurance Group Limited	England	General Insurance Holding	100.00%
Allianz Management Services Limited	England	Management Services	100.00%
Allianz Engineering Inspection Services Limited	England	Engineering Inspections	100.00%
Home and Legacy Insurance Services Limited	England	Insurance Intermediary	100.00%
Allianz Business Services Limited	England	Insurance Intermediary	100.00%
Vet Envoy Limited	England	IT Data Services	100.00%
Held by Allianz Insurance plc:			
Trafalgar Insurance Limited	England	General Insurance	100.00%
Allianz Equity Investments Limited	England	Investing in Equity Shares	100.00%
Pet Plan Limited	England	Insurance Intermediary	100.00%
Allianz Properties Limited	England	Investing in Real Estate	100.00%
Allianz Pension Fund Trustees Limited	England	Pension Fund Trustee	100.00%
Held by Liverpool Victoria General Insurance Group Limited:			
Liverpool Victoria Insurance Company Limited	England	General Insurance	100.00%
LV Assistance Services Limited	England	Road Rescue	100.00%
LV Insurance Management Limited	England	Management Services	100.00%
Fairmead Insurance Limited	England	General Insurance	100.00%
Held by Liverpool Victoria Insurance Company Limited:			
LV Repair Services Limited	England	Repair Engineering Services	100.00%
Highway Insurance Group Limited	England	General Insurance Holding	100.00%
Held by Highway Insurance Group Limited:			
Highway Insurance Company Limited	England	General Insurance	100.00%
Held by Fairmead Insurance Limited:			
Buddies Enterprises Limited	England	Insurance Intermediary	100.00%

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

10. INVESTMENT IN GROUP UNDERTAKINGS (continued)

During 2022, Three Pillars Business Solutions Limited and Fairmead Distribution Services Limited were dissolved. All other subsidiaries listed above were held during the period from January 1, 2021 to December 31, 2022.

The carrying amount exceeded the recoverable amount in both Home and Legacy Insurance Services Limited (“Home & Legacy”) and Allianz Business Services Limited (“ABSL”). The recoverable amount was determined to be value in use using a forecasting method with a pre-tax discount rate of 11.36%. The results of the impairment test are summarised below.

31 December 2022	ABSL £ 000	Home & Legacy £ 000	Total £ 000
Previous carrying amount	6,349	7,638	13,987
Recoverable amount	2,660	2,642	5,302
Impairment loss recognised	3,689	4,996	8,685

31 December 2021	Home & Legacy £ 000	Total £ 000
Previous carrying amount	9,260	9,260
Recoverable amount	7,638	7,638
Impairment loss recognised	1,622	1,622

11. OTHER RECEIVABLES

	Note	2022 £ 000	2021 £ 000
Amounts due from related parties	18	33,098	63,707
Total other receivables		33,098	63,707

Amounts due from related parties consist of amounts due from the Allianz SE Group cash pool (an Allianz SE treasury service which optimises surplus cash returns by investing in short term money market instruments).

The carrying amounts disclosed above reasonably approximate fair values at year end. All of the Company's other receivables are due within 12 months of the Statement of Financial position date.

12. CASH AND CASH EQUIVALENTS

	2022 £ 000	2021 £ 000
Cash and cash equivalents	1	-
Total cash and cash equivalents	1	-

13. SHARE CAPITAL

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,977,796,234</u>	<u>1,977,796,234</u>	<u>1,977,796,234</u>	<u>1,977,796,234</u>

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

14. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Indemnities £ 000	Letter of support £ 000	Total £ 000
At 1 January 2021	2,481	15,219	17,700
Amount charged to the Statement of Profit and Loss and Other Comprehensive Income	-	6,330	6,330
Utilised in the year	(433)	-	(433)
At 31 December 2021	2,048	21,549	23,597
Amount credited to the Statement of Profit and Loss and Other Comprehensive Income	-	(6,812)	(6,812)
Charged in the year	318	-	318
At 31 December 2022	2,366	14,737	17,103
Current	2,082	-	2,082
Non-current	284	14,737	15,021

Indemnities

During 2013, indemnities were transferred to the Company from Allianz (UK) Limited. These indemnities relate to the sale of M.I. Group Limited to Sanlam Netherlands Holding BV (“Sanlam”), in particular, provisions against pensions mis-selling. Under the indemnity the Company will reimburse Sanlam if the costs of compensation and administrative expenses exceed agreed amounts. There is uncertainty regarding the future payments to be made under these indemnities but the provision at 31 December 2022 is considered to be reasonable.

Letter of support

AMS, a subsidiary of the Company, is the sponsoring employer for the Allianz Retirement and Death Benefits fund and reports the net asset or liability of this pension fund on its Statement of Financial Position. Largely as a consequence of the link to the pension fund, AMS has reported net liabilities for several years. Following injections of share capital in 2022 and 2021, AMS reported net assets as at 31 December 2022 of £23,380k (2021: £263k net assets). However, at as 31 December 2022, there were net current liabilities of £14,365k (2021: £21,549k) meaning that AMS may have insufficient liquid assets to settle all liabilities as they fall due.

Liverpool Victoria Insurance Management Limited (“LVIM”), a subsidiary of the Company, has reported a negative total equity position as a result of prior year adjustments relating to deferred and current tax which due to timing differences was yet to be allocated to fellow group undertakings as at 31 December 2022. LVIM reported net liabilities of £372k (2021: £173k net liabilities). meaning that LVIM may have insufficient liquid assets to settle all liabilities as they fall due.

The Company provides letters of support to the Directors of AMS and LVIM which are refreshed annually.

15. ACCRUALS AND OTHER PAYABLES

	Note	2022 £ 000	2021 £ 000
Amounts due to related parties	18	1,299	726
Total accruals and other payables		1,299	726

Accruals and other payables approximate to fair value. All of the liabilities are payable within 12 months of the Statement of Financial Position date.

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

16. RISK MANAGEMENT POLICIES

16.1 Financial Risk

The key financial risk is that proceeds from the realisation of assets are insufficient to meet obligations as they fall due. The most important aspects of financial risk comprise market risk, credit risk and liquidity risk

16.2 Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign currency exchange rates and equity prices will affect the value of the Company's assets and income. The Company is exposed to market risk through its investments in group undertakings insofar as the carrying amount exceeds the net asset value of the subsidiary and as such the investment is overstated.

16.3 Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts due to the Company in full when they fall due. The Company is exposed to credit risk through its amounts due from group undertakings and cash and cash equivalents. The Company deems this risk to be low as the amounts are due from fellow Allianz SE Group subsidiaries and as such are A rated and cash and cash equivalents which are A rated and are deemed to be current.

16.4 Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. The Company is exposed to liquidity risk through its amounts due to group undertakings and payables. Liquidity risk for the Company is mitigated as the Company largely finances through intercompany transactions and the Company has sufficient liquid assets to meet its liabilities as they fall due. All payables are deemed to be settled within 12 months of the Statement of Financial Position date.

Capital management

In managing capital, the Company seeks to maintain sufficient, but not excessive, financial strength to support the payment of dividends and the requirements of all stakeholders. The sources of capital used by the Company are equity shareholders' funds. At 31 December 2022 the Company had £2,425,508k (2021: £2,412,874k) of total capital employed.

17. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent is Allianz (UK) Limited, a company registered in the UK.

The ultimate parent undertaking, Allianz Societas Europaea ("Allianz SE"), is incorporated in Germany and is the parent of the largest and smallest group of undertakings for which Allianz SE Group financial statements are drawn up and of which the Company is a member.

The most senior parent entity producing publicly available financial statements is Allianz SE. These financial statements are available upon request from their registered office address of Allianz SE, Königinstrasse 28, 80802 München, Germany.

18. RELATED PARTY TRANSACTIONS

Transactions with and balances from or to related parties

The Company enters into transactions with fellow group undertakings and key management personnel in the normal course of business. Details of all transactions carried out during the year with related parties are as follows:

	2022	2021
	£ 000	£ 000
Dividends received	115,000	170,320
Shares purchased in subsidiary	44,350	44,350
Dividends paid	<u>100,000</u>	<u>120,000</u>

Notes to the Financial Statements for the Year Ended 31 December 2022 (continued)

18. RELATED PARTY TRANSACTIONS (continued)

Year-end balances arising from transactions carried out with related parties are as follows:

	2022	2021
	£ 000	£ 000
Due from related parties at 31 December		
Other related parties	33,098	63,707
Due to related parties at 31 December		
Subsidiaries	1,299	726

The Company has concluded that the ECL model has made no significant impact on the valuation of receivables reported in the financial statements.

Key management personnel of the Group includes all Executive and Non-executive Directors, and other members of the Allianz Holdings plc Executive Committee. The summary of the Compensation of key management personnel for the year is as follows:

	2022	2021
	£ 000	£ 000
Salaries and other short term employee benefits	6,109	5,763
Share Based payments	485*	1,090
Termination payments	2,237	-
Long-term benefits	1,049*	361
Post-employment benefits	43	12
Total compensation of key management personnel	9,923	7,226

*Includes payments made to an individual who ceased to be a director in 2021.

19. SUBSEQUENT EVENTS

On 3 May 2023 it was communicated that Home & Legacy, a subsidiary of the Company, is to be wound up as it is not core to the Group's strategy.

After the Statement of Final Position Date, Allianz Insurance plc ("AZI") approved and paid a dividend of £60,000k. The Company subscribed to £60,000k additional share capital in LVGIG.

At the time these financial statements are authorised, the Directors of AZI have approved a dividend of £100,000k subject to non-objection from the PRA. Upon receipt, the Company will subscribe to £100,000k additional share capital in LVGIG.