

Registered number: 05134436

Annual Report and Financial Statements 2023
Allianz Holdings plc

Contents

	Page
Company Information	1
Strategic Report	2 to 8
Directors' Report	9 to 11
Statement of Directors' responsibilities in respect of the financial statements	12
Independent Auditors' Report	13 to 15
Statement of Profit and Loss and Other Comprehensive Income	16
Statement of Changes in Equity	17
Statement of Financial Position	18
Statement of Cash Flows	19
Notes to the Financial Statements	20 to 31

Allianz Holdings plc

Company Information

Directors

- O R P Corbett (appointed 1 November 2023)
- C W T Dinesen (resigned 10 April 2023)
- F K Dyson (resigned 29 May 2023)
- P J Evans
- C J Holmes
- U Lange (appointed 30 May 2023)
- D J Larnder
- S C McGinn (resigned 30 April 2023)
- T Robson-Capps
- D A Torrance (resigned 31 March 2024)
- C G Townsend
- S Treloar (resigned 30 June 2023)
- J R Vazquez

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 2023

The Directors present their strategic report for the year ended 31 December 2023.

Principal activities

Allianz Holdings plc ("AZH", "the Company") is an investment 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 3, 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 16. The profit for the year amounted to £177,779k (2022: £112,634k). The increase was a result of the higher amount of dividends received during the year combined with lower impairment charges incurred and the release of the provision held in relation to the letter of support.

Key performance Indicators ("KPIs")

The financial KPIs monitored by the Company are profit before tax, dividends received and total equity. The profit before tax for the year amounted to £178,588k (2022: £112,512k), with the company receiving dividends of £166,000k (2022: £115,000k). At the year end, the Company had total equity of £2,603,287k (2022: £2,425,508k). The Company does not monitor any non-financial KPIs.

Principal risks and uncertainties

The principal risk faced by the Company is the performance of its subsidiary undertakings, listed in note 3.

Future outlook

No changes in the principal activity 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.

Non-Financial and Sustainability Information ("NFSI") statement

The information presented here, including the sections referred to, represent our non-financial and sustainability information statement as required by sections 414CA and 414CB of the Companies Act 2006.

Purpose and strategy

The Group's climate strategy is fully aligned with our corporate purpose statement of "We secure your future". The strategy focuses on providing insurance solutions to help customers respond to a changing climate and facilitate the development of the low-carbon economy.

The Group has targeted transitioning to net-zero by 2050, and has interim targets for our business operations by 2030.

The Group is committed to an intermediate target to reduce Greenhouse Gas ("GHG") emissions per employee by 70% as of year-end 2030, against a 2019 baseline across Scope 1, Scope 2, and selected Scope 3 emissions. Key levers for GHG emission reduction will be the areas of Renewable Electricity, Buildings, as well as Fleet, Business Travel, and Procurement. In the area of Renewable Electricity, the Group source 100% renewable electricity from 2023 onwards and implement energy efficiency measures. We aim to achieve a 40% reduction of GHG emissions from travel activities by 2025 compared to a 2019 baseline.

For Procurement, the Group will ask 100% of global framework vendors in its supply chain that provide services globally to establish a public commitment to net-zero GHG emissions in line with the 1.5°C path by 2025.

Strategic Report for the Year Ended 31 December 2023 (continued)

Non-Financial and Sustainability Information ("NFSI") statement (continued)

Governance and Board Oversight

The Group's Board ("The Board") is responsible for the climate strategy, targets and determining the risk appetite. The Group's Risk Strategy and Appetite statements covers both underwriting and investments climate risk and is approved by the Board annually. The Board routinely reviews key initiatives, risks, action plans and progress. This includes reviews and monitoring of climate change related risks and opportunities.

The Executive Committee has decision-making responsibility for steering, delivering and embedding the climate strategy, including identified climate risks and opportunities, supported by Governance forums. The Chief Financial Officer is the responsible Executive Committee member for sustainability and leads a sustainability team to manage activity and identify opportunities.

Executive remuneration and performance management processes include climate targets, climate responsibilities and climate risk management. They are included in the Statements of Responsibilities for relevant individuals.

Climate Risk Management

The Group is working to fully ensure that management of risks and opportunities resulting from climate change are embedded in our overall business plans and corporate strategy.

Qualitative and quantitative scenario assessments, and horizon-scanning exercises were performed to identify and assess climate-related risks and opportunities, which are reported regularly to the Board. The qualitative assessment identifies low, medium and high risk areas across the business, driven by physical and transitional climate change risk drivers, over a short/ medium term (up to 2030) and long term time horizon (up to 2050). The quantitative assessment considers various scenarios including a net-zero achievement by 2050 as well as delayed transition scenarios. Across all scenarios the Group has been found to be resilient.

The Group takes sustainability in our own operations seriously and aims to reduce operational carbon footprint and emissions over time. Principal identified climate-related risks, over a short (up to 3 years), medium (3-10 years) to long (ten years plus) time-frame, are extreme weather, water stress and drought, transport difficulties and supply chain interruptions.

In the short- to medium-term, occupational heat stress is not assessed as a significant risk for our employees in the UK due to the nature of work, but attention may be required in the longer term.

Climate change may require additional management attention and investment to improve cooling in workspaces and ensure data centres are resilient to increasing frequency and severity of natural disaster and weather events.

Risk management processes are in place for our investment portfolio covering all major asset classes, including analysis of climate scenarios, assessment of risks based on quantitative KPIs and portfolio monitoring.

Product level and underwriting risks are managed continuously by; developing and adjusting financial products and services; updating policies and processes; setting targets and limits; and applying rigorous standards and products assessments to ensure there is no "greenwashing".

The business reviews quarterly accumulation exposure analysis at an individual portfolio and aggregated insurance level, including climate perils. An Accumulation Committee reviews progress against portfolio change expectations. This Committee oversees the geospatial flood exposure and monitoring across the portfolios and recommends actions for change where necessary.

We no longer invest in or underwrite new single-site or stand-alone oil and selected gas risks, oil and gas activities related to the Arctic and the Antarctic or extra-heavy oil and ultra-deep-sea risks.

The Group controls its exposure to individual risks and defines reinsurance requirements based on risk appetite and its capital position.

The Group conducts stress-scenario analysis on NatCat risks like hail or windstorms to be used in risk steering. Nat Cat models are regularly updated with the latest scientific information, and we increasingly include global NatCat hazard information, including climate, in underwriting decisions.

Strategic Report for the Year Ended 31 December 2023 (continued)

Non-Financial and Sustainability Information ("NFSI") statement (continued)

At a Corporate level, opportunities arising from climate change include transitioning the employee fleet to electric vehicles and consolidating the property portfolio in line with remote working possibilities. Climate related product opportunities identified include the growth in the electric vehicle market, growth in renewable energy insurance, development of products for sustainably minded customers and investment in renewable technologies.

Climate related KPIs

The Group have identified the following key performance targets to support the overall climate strategy for our operations:

- 65% Greenhouse Gas ("GHG") emissions reduction by 2025 in Own Operations, against a 2019 baseline
- Reduction of 40% GHG emissions deriving from travel activities by 2025 against a 2019 baseline
- Fully electric corporate car fleet by 2030
- Sourcing 100% renewable electricity since 2023

Further information in respect of carbon emissions is included in the Streamlined Energy and Carbon Reporting ("SECR") section on page 10 of the Director's Report.

The Executive Committee is updated quarterly on performance against key KPIs for Investments, Insurance and Business Operations. These include:

Business Operations

- GHG emissions in tonnes per employee, year on year reduction measured
- Energy (MJ), water (L), paper usage (Kg) usage per employee, year on year reduction measured
- Travel emissions in tonnes per employee, year on year reduction measured
- Supplier and tender sustainability commitments

Insurance

- Number of Sustainable Solutions including revenue growth
- Electric vehicle market share, measured in % on motor retail vehicles insured.
- Green part usage (second hand or repair part usage), measured in Kg of green part savings and growth in % of use of green parts
- Repair vs. replace target (ratio of number of green parts used compared to new parts), month by month development measured.

Investments

- GHG emissions in tonnes in corporate bonds, year on year reduction measured.

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 high standards of business conduct, 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.

Strategic Report for the Year Ended 31 December 2023 (continued)

The Company is the principal holding Company within the Group and is responsible for governance, oversight and the 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.

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.

An independent governance review was carried out by Deloitte LLP in 2023 which had included within its scope assessing the effectiveness of the Board and its committees. Recommendations from the review were tracked through to completion with outputs reported to the Board at its quarterly meetings.

Stakeholders statement

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.

Customers

Whilst the Company does not have any customers, the Group is committed to ensuring good outcomes for 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 its customers.

On a day-to-day basis the Group's customer facing people engage and foster relationships directly with its brokers and customers. 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 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 business reports on customer experience and the 'voice of the customer', conduct risk, product governance including fair value assessment outcomes and new product reviews, and vulnerable customers. 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.

Employees

Whilst the Company does not have any employees, the Boards value engagement with the workforce across the Group. During the year, Allianz Management Services Limited ("AMS") and 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.

Strategic Report for the Year Ended 31 December 2023 (continued)

Employee engagement is led by the Chief People and Culture Officer of the Group. Methods of engagement included townhalls in which senior executives joined the chief executive officer ("CEO") to discuss important topics and answer questions raised by employees; leadership conference meetings to further share important messages and facilitate discussion and debate; the Allianz Engagement Survey ("AES") seeking valuable employee feedback; additional 'pulse' surveys sent to employees on various topics; and newsletters circulated via the employee intranets. During 2023, the Board engaged with key talent within Allianz through talent pool meetings, fireside chats and lunches.

Having a strong focus on Diversity and Inclusion enables Allianz to better understand its customers and people. The Group has a clear Diversity and Inclusion strategy, which covers 'our people', 'our customers' and 'our brand and reputation'. The Group 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 Boards and its committees as appropriate. The Group is committed to making sure its people are rewarded fairly through regular review of pay levels to ensure they are competitive with market rates.

Suppliers

Proposed significant supplier contracts, material either strategically or by reason of size and significance to the Company, are considered by the Boards on behalf of the Group, following initial meetings and negotiations by procurement and commercial teams and direct engagement with senior management. In 2023, significant supplier contracts, supported by summary documents, were provided to Boards which ensures standards are met in relation to ethics, labour and 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 through the Local Procurement Standard. As a consequence, in 2023, the boards gave due consideration to significant intended supplier arrangements and their suitability and ability to meet the Group's requirements including areas such as information security, data privacy, risk, protection and resilience. Alongside this, work was undertaken in 2023 to support greater oversight and resilience of the Group's third parties following the PRA's SS2/21 statement regarding the management and oversight of the same, further increasing the governance and control of new and existing relationships.

In line with the Group's Supplier Relationship Management Framework, relevant executives assume responsibility for approving and overseeing procedures to affect 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 and its committees in the course of 2023 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. These strong working relationships with suppliers have enabled the Group to manage costs, mitigate risk, and work collaboratively to support strategic organisational objectives.

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 Group'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 closely aligned with the Group's strategy and the Allianz SE Group strategy. Allianz SE nominate a non-executive director to the Board of the Company. In 2023, the Board received regular updates from 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.

Strategic Report for the Year Ended 31 December 2023 (continued)

Community and the Environment

The Group aims to be a leader in sustainability, and a committed corporate citizen. The focus is on promoting the transition to a low-carbon economy, social inclusion and ensuring the integration of Environmental, Social, Governance (ESG) into all aspects of our businesses. A transition plan to consider ways of decarbonising the Group's business was launched during the year, detailing plans for reaching net zero. During the year, the Boards considered the ESG 2025 plan and 2023 objectives and targets for each functional area working on ESG matters, including the opportunities and risks that climate change poses. The ESG strategy was reviewed by the Board, analysing the Global Allianz strategy in relation to ESG and reviewing how that strategy is implemented in the UK.

The Group participated in an activity coordinated by the Allianz SE Group to help following the earthquake in Turkey and Syria and employees also took part in a global initiative, the Allianz World Run, which donated to the German Red Cross. Examples of other initiatives undertaken by the Group include its range of charitable giving programmes, including partnerships with mental health charities such as Mind, Scottish Action on Mental Health and Family Action. Allianz also undertakes some initiatives in its communities, which complement the activities of the Group.

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.

During the year the Directors took the following principal decisions:

Capital injections and applications for shares

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: Shareholder, regulator

During the year the Board agreed to capital injections totaling £160,000,000 to its subsidiary company LVGIG in return for the allotment to it of additional shares in LVGIG. In approving the capital injections, the directors considered the impact on the Company as well as the wider Group; the views of the Company's shareholder and the regulator. In addition to the need to effectively deploy capital across the Group to ensure its continued success, the Board considered the regulatory requirements brought to bear on its regulated subsidiary companies to maintain a sufficiently robust solvency capital ratio with a buffer above the management ratio. The Board also considered the views of the Company's shareholder, and its ultimate parent company, Allianz SE, who require group companies to be sufficiently capitalised to withstand foreseeable stresses and to comply with local regulatory requirements, safeguarding the long-term success and viability of the Allianz SE Group as a whole. The capital injections were approved by the Board subject to another Group company obtaining non-objection confirmations from the regulator on earlier dividend payments to the Company which had funded the capital injections. In making the decision, the Board considered the interests of key stakeholders who 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 long-term requirements. After considering these factors, the directors concluded that the approval of the capital injections into its subsidiary company would promote the success of the Company for the benefit of its members.

System of Governance Annual Review

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

Stakeholders: Customers, regulators, shareholder

Strategic Report for the Year Ended 31 December 2023 (continued)

Board decision making (continued)

During the year the Board (together with the Boards) approved the review of the Group's 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 that 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 included the approval of a Statement of Accountability executed by the Group CEO and Group CFO to confirm that an effective system of governance exists with all appropriate processes and controls. The Review set out its findings and introduced activities planned for 2024 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.

Allianz Target Culture

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

Stakeholders: customers, regulators, employees

During the year the Board considered and approved the Allianz UK Group 2025 Target Culture. This articulated how the Target Culture will look as the Group moves forward on its journey. In reaching the decision to approve the Target Culture, the Board considered the need to create an environment that supports innovation whilst allowing growth, diversification and simplification. The Target Culture is underpinned by a well-defined set of values, which are aligned across the businesses. In setting the Target Culture the Board considered the needs of a number of stakeholders including the employees and customers, who are at the core of a strong and inclusive people and customer care culture, as well as the regulator, which continues to focus on culture as a key area of regulatory oversight. Measuring progress against embedding the Target Culture remains a priority and is subject to regular updates at Board meetings. The culture dashboard is a regular report to the Board on performance against key culture metrics and has helped the Board with maintaining oversight of progress on embedding the Target Culture.

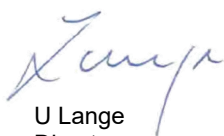
Sale of Guildford Office

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, employees

During the year the Board considered and approved the sale of its Guildford head office site, relocating to a significantly smaller site in Guildford. The sale resulted in a projected £2m annual saving between 2025 and 2034. In addition to the annual saving, the relocation to a smaller premises which is right-sized for modern hybrid and flexible working patterns, has helped remove the estimated £5-£10m maintenance and upgrade spend which would have been required to bring the old premises up to more modern and energy efficient standards over the next ten years, therefore contributing towards a projected £18-£28m total saving. The sale was part of the ongoing strategy to accelerate the consolidation of office locations and reduce the total footprint by 2026.

On behalf of the Board



U Lange
Director

26 June 2024

Directors' Report for the Year Ended 31 December 2023

The Directors present their audited annual report and financial statements for the year ended 31 December 2023. 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 statements

Details of how the Board has had regard to the need to foster the Company's business relationships with customers, employees, 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:

O R P Corbett (appointed 1 November 2023)

C W T Dinesen (resigned 10 April 2023)

F K Dyson (resigned 29 May 2023)

P J Evans

C J Holmes

U Lange (appointed 30 May 2023)

D J Larnder

S C McGinn (resigned 30 April 2023)

T Robson-Capps

D A Torrance (resigned 31 March 2024)

C G Townsend

S Treloar (resigned 30 June 2023)

J R Vazquez

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 16. A review of the Company's business activities and any likely future developments can be found in the Strategic Report on page 2.

No interim dividend was paid for the year ended 31 December 2023 (2022: £100,000k). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: £nil).

Future outlook

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

Directors' Report for the Year Ended 31 December 2023 (continued)

Going concern

These financial statements have been prepared on a going concern basis. The Board has reviewed the Company's forecasts for the next 12 months and beyond. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing the financial statements.

Internal Audit

The Audit Committee has reviewed and confirmed that the internal audit function had sufficient resources to enable it to act in an independent and effective manner.

Streamlined Energy and Carbon Reporting ("SECR")

The Company fulfils the statutory requirements for SECR which includes disclosure of the Company's 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 several entities within the Group as this is the lowest level of granularity for which the data is collected. Information relating to the Company alone is not available and identical disclosure has been made by all Companies meeting the reporting requirement.

The SECR statement covers the reporting period 1 January 2023 to 31 December 2023 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 2023 was 13,075,114.53kWh (2022: 16,034,389.25kWh) equating to 2,999.841 tCO₂e (2022: 3,432.989 tCO₂e).

	2023	2022
Emissions from combustion of gas (Scope 1)	511.645 tCO ₂ e	187.573 tCO ₂ e
Emissions from combustion of fuel for transport purposes (Scope 1)	1,342.881 tCO ₂ e	1,454.868 tCO ₂ e
Emissions from purchased electricity (Scope 2)	899.530 tCO ₂ e	1,005.318 tCO ₂ e
Emissions from third party purchased natural gas (Scope 2)	-	443.209 tCO ₂ e
Emissions from Transmission and Distribution (Scope 3)	58.212 tCO ₂ e	55.235 tCO ₂ e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	187.573 tCO ₂ e	129.351 tCO ₂ e

Carbon intensity: Emissions of tCO₂e/full-time equivalent during 2023 was 0.694 tCO₂e (2022: 0.786 tCO₂e).

However, the Company's strategy has been to purchase renewable energy backed by Renewable Electricity Guarantees of Origin ("REGO") certificates. Through this strategy, within the above 2023 total energy consumption, the Company has sourced a total of 3,931,652.06 kWh (2022: 5,124,261.79 kWh) of REGO backed (zero emission) electricity for use within buildings, equating to 100% (2022: 98.57%) of total building electricity consumption.

'Market Based' Method

The total energy consumption for 2023 was 13,075,114.53 kWh (2022:16,034,389.25 kWh) equating to 2,134.876 tCO₂e (2022: 2,388.140 tCO₂e).

Directors' Report for the Year Ended 31 December 2023 (continued)

'Market Based' Method (continued)

	2023	2022
Emissions from combustion of gas (Scope 1)	511.645 tCO _{2e}	345.008 tCO _{2e}
Emissions from combustion of fuel for transport purposes (Scope 1)	1,342.881 tCO _{2e}	1,454.868 tCO _{2e}
Emissions from purchased electricity (Scope 2)	85.385 tCO _{2e}	14.388 tCO _{2e}
Emissions from third party purchased natural gas (Scope 2)	-	443.209 tCO _{2e}
Emissions from Transmission and Distribution (Scope 3)	7.391 tCO _{2e}	1.316 tCO _{2e}
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3)	187.573 tCO _{2e}	129.351 tCO _{2e}

Carbon intensity: Emissions of tCO_{2e}/full-time equivalent during 2023 was 0.494 tCO_{2e} (2022: 0.547 tCO_{2e}).

Energy Efficiency actions taken during 2023:

As the Company consolidates the office portfolio, the Allianz Buildings Minimum Performance Criteria has been utilised to select the most energy efficient office space available. Part of this strategy also entails the installation of electric vehicle charging points and donating any excess office furniture to local charities and schools.

- As part of the consolidation, refurbishment and new office fits outs, the following actions were taken across several sites (3 sites in total): Adapted landlord energy efficient LED light fittings and PIR controls (movement sensors) have been updated.
- During the fit out of the new Bristol Victoria Street office, further actions were taken: Adapted landlord energy efficient air-con and heating systems were installed. Also, adapted landlord energy efficient LED light fittings and PIR controls (movement sensors).

The Company is committed, via an interim target, that by 2025 we will aim to reduce GHG emissions per employee by 50% versus a 2019 baseline across Scope 1, Scope 2, and selected Scope 3 emissions. For year-end 2030, the Company target GHG emission reductions of 70% and for year-end 2029, to reduce emissions by 65% against a 2019 baseline. Key levers for GHG emission reduction will be the areas of Renewable Electricity, Buildings, as well as Fleet, Business Travel, and Procurement. In the area of Renewable Electricity, the Company source 100% renewable electricity from 2023 onwards and implement energy efficiency measures. For Fleet and Business Travel, we aim to shift to a fully electric corporate car fleet by 2030 at the latest, achieve a 40% reduction of GHG emissions from travel activities by 2025 compared to a 2019 baseline. For Procurement, the Company will ask 100% of global framework vendors in our supply chain that provide services globally to establish a public commitment to net-zero GHG emissions in line with the 1.5°C path by 2025.

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

26 June 2024

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 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 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.

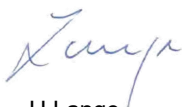
The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the Board



U Lange
Director
26 June 2024

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 2023 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 (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2023; the Statement of Profit and Loss and Other Comprehensive Income, the Statement of Changes in Equity, and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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

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.

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 2023 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.

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 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 the accounting estimates and judgemental areas of the financial statements such as the valuation of investment in group undertakings. Audit procedures performed by the engagement team included:

- Discussions with the Audit Committee, management, internal audit, senior management involved in the Risk and Compliance functions and the Legal function, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Obtaining management's impairment analysis for the valuation of investment in group undertakings and challenging the assumptions made;
- Reviewing relevant meeting minutes including those of the Board of Directors, Audit Committee and the Risk Committee;
- Identifying and testing journal entries, in particular any journal entries that are determined to demonstrate fraud characteristics; and
- Designing audit procedures to incorporate unpredictability around the nature, timing and 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.

We have no exceptions to report arising from this responsibility.



Sue Morling (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 June 2024

**Statement of Profit and Loss and Other Comprehensive Income
For the Year Ended 31 December 2023**

	Note	2023 £'000	2022 £'000
Dividends received		166,000	115,000
Investment income		494	485
Impairment charge	3	(2,642)	(8,685)
Administrative expenses	4	<u>14,736</u>	<u>5,712</u>
Profit before tax		178,588	112,512
Income tax (charge)/credit	5.1	<u>(809)</u>	<u>122</u>
Profit and total comprehensive income for the year wholly attributable to the equity holder		<u>177,779</u>	<u>112,634</u>

There has been no other comprehensive income in the year ended 31 December 2023 (2022: £nil).

The accounting policies and notes on pages 20 to 31 are an integral part of these financial statements.

**Statement of Changes in Equity
For the Year Ended 31 December 2023**

	Note	Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2022		1,977,796	435,078	2,412,874
Profit for the year		-	112,634	112,634
Dividends paid	6	-	(100,000)	(100,000)
At 31 December 2022		1,977,796	447,712	2,425,508
		Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2023		1,977,796	447,712	2,425,508
Profit for the year		-	177,779	177,779
At 31 December 2023		1,977,796	625,491	2,603,287

The accounting policies and notes on pages 20 to 31 are an integral part of these financial statements.

Allianz Holdings plc

Statement of Financial Position As at 31 December 2023

	Note	2023 £'000	2022 £'000
Assets			
Investment in group undertakings	3	2,602,620	2,410,262
Current tax assets	5.3	-	549
Other receivables	7	4,135	33,098
Cash and cash equivalents	9	-	1
Total assets		<u>2,606,755</u>	<u>2,443,910</u>
Equity and liabilities			
Equity attributable to equity holders of the parent			
Share capital	10	(1,977,796)	(1,977,796)
Retained earnings		<u>(625,491)</u>	<u>(447,712)</u>
Total equity		<u>(2,603,287)</u>	<u>(2,425,508)</u>
Liabilities			
Provisions for other liabilities and charges	11	(2,366)	(17,103)
Current tax liabilities	5.3	(791)	-
Other payables	12	<u>(311)</u>	<u>(1,299)</u>
Total liabilities		<u>(3,468)</u>	<u>(18,402)</u>
Total equity and liabilities		<u>(2,606,755)</u>	<u>(2,443,910)</u>

These financial statements on pages 16 to 31 were approved by the Board of Directors on 19 June 2024 and signed on its behalf by:



U Lange
Director
26 June 2024

Allianz Holdings plc
Registered Number: 05134436

The accounting policies and notes on pages 20 to 31 are an integral part of these financial statements.

**Statement of Cash Flows
For the Year Ended 31 December 2023**

	Note	2023 £'000	Restated 2022 £'000
Cash flows from operating activities			
Profit before tax		178,588	112,512
adjusted for			
Impairment	3	2,642	8,685
Decrease in letter of support provision	11	(14,737)	(6,812)
Dividends received ⁽¹⁾		(166,000)	(115,000)
Increase in indemnity provision	11	-	318
		493	(297)
Changes in working capital			
Decrease in amounts due from group undertakings	8	28,963	30,609
(Decrease)/increase in amounts due to group undertakings	8	(988)	573
Cash generated from operations		28,468	30,885
Dividends received		166,000	115,000
Income tax received/(paid)	5.2	531	(1,534)
Net cash flows generated from operating activities		194,999	144,351
Cash flows from financing activities			
Dividends paid	6	-	(100,000)
Additional investment in subsidiary	8	(195,000)	(44,350)
Net cash flows used in financing activities		(195,000)	(144,350)
Net (decrease)/increase in cash and cash equivalents		(1)	1
Cash and cash equivalents at the beginning of the year		1	-
Cash and cash equivalents at end of year		-	1

⁽¹⁾ It has been determined that the presentation of dividends received in the statement of cash flows in 2022 was incorrect. Dividends received within non-cash items has been restated from £nil to £(115,000) and dividends received within cash flows from operating activities was restated from £nil to £115,000.

The accounting policies and notes on pages 20 to 31 are an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2023

1 ACCOUNTING POLICIES

1.1 Company and its operations

Allianz Holdings plc ("the Company") is a public limited company, 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 have been prepared on a going concern basis. For more information on the going concern assessment please refer to Going Concern within the Strategic Report on page 2.

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 2023. 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").

New amendments to existing standards not yet adopted by the Company

Amendments to IAS 1 'Presentation of Financial Statements'

Amendments to the classification of liabilities as either current or non-current, and non-current liabilities with covenants, clarify that the classification of liabilities as either current or non-current is based solely on the Company's right to defer settlement for at least 12 months at the reporting date. The right needs to exist at the reporting date and must have substance. The amendments also aim to improve the quality of information the Company provides related to liabilities subject to these conditions. These amendments are not expected to have any impact on the Company.

**Notes to the Financial Statements for the Year Ended 31 December 2023
(continued)**

1 ACCOUNTING POLICIES (CONTINUED)

1.4 Summary of material accounting policy information

The Company has identified the accounting policies that are most significant to its business operations and the understanding of its results. 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 material accounting policy information adopted in the preparation of the financial statements is set out in the following paragraphs:

(a) 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 the Statement of Profit and Loss and Other Comprehensive Income 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.

(b) Income taxes

Income tax on profit or loss for the year comprises current tax. Income tax is recognised in the income tax 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.

(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 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.

**Notes to the Financial Statements for the Year Ended 31 December 2023
(continued)**

1 ACCOUNTING POLICIES (CONTINUED)

1.4 Summary of material accounting policy information (continued)

(e) 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.

The Company recognises a provision for onerous contracts when the expected benefits to be derived from contracts are less than the unavoidable costs of meeting the obligations under the contracts.

The Company recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the shareholders after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practise that has created a constructive obligation.

(f) Other payables

Other payables 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.

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.

Notes to the Financial Statements for the Year Ended 31 December 2023
(continued)

3 INVESTMENT IN GROUP UNDERTAKINGS

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

Name of subsidiary	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	Investment Holding and Management Services	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 2023
(continued)

3 INVESTMENT IN GROUP UNDERTAKINGS (CONTINUED)

All subsidiaries listed above were held during the period from 1 January 2022 to 31 December 2023. The sale of Allianz Business Services Limited ("ABSL") completed on 31st May 2024, please refer to note 18 for further details.

On 3 May 2023 the Board decided that Home and Legacy Insurance Services Limited ("Home & Legacy"), a subsidiary of the Company, is to be wound up as it is not core to the Group's strategy. The carrying amount exceeded the recoverable amount in Home and Legacy. The recoverable amount was deemed to be £nil due to the company being wound up.

An annual impairment test has been carried out for all subsidiaries. The results of the impairment test, where an impairment has been recognised, are summarised below:

31 December 2022	ABSL	Home & Legacy	Total
	£'000	£'000	£'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 2023	Home & Legacy	Total
	£'000	£'000
Previous carrying amount	2,642	2,642
Recoverable amount	-	-
Impairment loss recognised	2,642	2,642

4 ADMINISTRATIVE EXPENSES

	2023	2022
	£'000	£'000
Administrative expenses	(14,736)	(5,712)
Total administrative expenses	(14,736)	(5,712)

Total administrative expenses are income due to the release of a provision relating to a potential liability under the letters of support, for further details, please refer to note 11.

Notes to the Financial Statements for the Year Ended 31 December 2023
(continued)

5 INCOME TAX

5.1 Income tax recognised in profit and loss

	2023 £'000	2022 £'000
Current tax		
In respect of the current year	110	(120)
In respect of the prior years	699	(2)
Total current tax charge/(credit)	809	(122)

The income tax expense for the year can be reconciled to the accounting profit as follows:

	2023 £'000	2022 £'000
Profit before tax	178,588	112,512
Income tax expense calculated at 23.50% (2022:19%)	41,968	21,377
Effect of income that is exempt from taxation	(39,010)	(21,850)
Effect of prior year adjustment	699	(2)
Effect of expenses not deductible for tax purposes	621	1,650
Effect of the release of provision held in relation to letters of support	(3,463)	(1,294)
Effect of imputed transfer pricing adjustments	(6)	(3)
Income tax charge/(credit) recognised in profit and loss	809	(122)

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.

The Organisation for Economic Co-operation and Development ("OECD") Pillar Two model rules

The Allianz SE Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in the UK, the jurisdiction in which the company is incorporated, and will come into effect from 1 January 2024. Since the Pillar Two legislation was not effective at the reporting date, the Allianz SE Group has no related current tax exposure. The Allianz SE Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Allianz SE Group is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Rules ("GloBE") effective tax rate per jurisdiction and the 15% minimum rate. The Allianz SE Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect. Due to the complexities in applying the legislation and calculating GloBE income, the quantitative impact of the enacted or substantively enacted legislation cannot yet be reliably estimated. Therefore, even for those entities with an accounting effective tax rate above 15%, there might still be Pillar Two tax implications. The Allianz SE Group is currently engaged with tax specialists to assist it with applying the legislation.

Notes to the Financial Statements for the Year Ended 31 December 2023
(continued)

5 INCOME TAX (CONTINUED)

5.2 Tax paid for cash flow purposes

	2023 £'000	2022 £'000
Current tax (receivable)/payable at 1 January	(549)	1,107
Amounts charged/(credited) to the statement of comprehensive income	809	(122)
Tax received/(paid) during the year	531	(1,534)
Current tax payable/(receivable) at 31 December	791	(549)

5.3 Current tax (liabilities)/assets

	2023 £'000	2022 £'000
Current tax assets	-	549
Current tax liabilities	(791)	-

6 DIVIDENDS

No interim dividend was paid for the year ended 31 December 2023 (2022: £100,000k). The Directors do not recommend the payment of a final dividend for the year ended 31 December 2023 (2022: £nil).

7 OTHER RECEIVABLES

	2023 £'000	2022 £'000
Amounts due from related parties	4,135	33,098
Total other receivables	4,135	33,098

Amounts due from related parties include £3,723k (2022: £33,098k) 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).

Other receivables approximate to fair value. All other receivables are due within 12 months of the Statement of Financial Position date.

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

Notes to the Financial Statements for the Year Ended 31 December 2023
(continued)

8 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 transactions carried out during the year with related parties are as follows:

	2023	2022
	£'000	£'000
Dividends received	166,000	115,000
Shares purchased in subsidiaries	195,000	44,350
Dividends paid	-	100,000
	<u> </u>	<u> </u>

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

	2023	2022
	£'000	£'000
Due from related parties at 31 December		
Subsidiaries	412	-
Other related parties	3,723	33,098
Total due from related parties	<u>4,135</u>	<u>33,098</u>

	2023	2022
	£'000	£'000
Due to related parties at 31 December		
Subsidiaries	311	1,299
Total due to related parties	<u>311</u>	<u>1,299</u>

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

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

Key management compensation

	2023	2022
	£'000	£'000
Salaries and other short term employee benefits	6,886	6,109
Share-based payments*	1,206	485
Termination payments	-	2,237
Long-term benefits**	310	1,049
Post-employment benefits	80	43
Joining bonus	280	-
Total compensation of key management personnel	<u>8,762</u>	<u>9,923</u>

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

**2022 amounts include payments made to an individual who ceased to be a director in 2021.

Notes to the Financial Statements for the Year Ended 31 December 2023
(continued)

9 CASH AND CASH EQUIVALENTS

	2023 £'000	2022 £'000
Cash and cash equivalents	-	1
Total cash and cash equivalents	-	1

10 EQUITY

Share capital - allotted, called up and fully paid

	2023		2022	
	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>

11 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Indemnities £'000	Letter of support £'000	Total £'000
At 1 January 2022	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
Amount credited to the Statement of Profit and Loss and Other Comprehensive Income	-	(14,737)	(14,737)
At 31 December 2023	2,366	-	2,366
Current	597	-	597
Non-current	1,769	-	1,769

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 2023 is considered to be reasonable.

**Notes to the Financial Statements for the Year Ended 31 December 2023
(continued)**

11 PROVISIONS FOR OTHER LIABILITIES AND CHARGES (CONTINUED)

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. AMS reported net assets as at 31 December 2023 of £26,054k (2022: £23,380k net assets). As at 31 December 2023, there were net current assets of £50,060k (2022: net current liabilities of £14,365k). As a result, no provision has been recognised for the year ended 31 December 2023.

Liverpool Victoria Insurance Management Limited ("LVIM"), an indirect subsidiary of the Company, has reported net liabilities for several years. As at 31 December 2023, LVIM reported net liabilities of £29k (2022: £372k) and as such no provision has been recognised for the year ended 31 December 2023.

12 OTHER PAYABLES

	2023	2022
	£'000	£'000
Amounts due to related parties	311	1,299
Total other payables	311	1,299

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

13 EMPLOYEE RELATED COSTS

The Company has no employees (2022: nil) and as such incurs no employee related costs.

14 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 (2022: £nil).

	2023	2022
	£'000	£'000
Fees payable to the Company's auditors and its associates	49	49

Notes to the Financial Statements for the Year Ended 31 December 2023
(continued)

15 DIRECTORS' EMOLUMENTS

The directors' remuneration for the year was as follows:

	2023	2022
	£	£
Emoluments ⁽¹⁾	4,521,087	5,867,982
Company pension contributions to defined contribution schemes	3,981	-
Number of Directors accruing benefits under defined contribution scheme	1	-

In respect of the highest paid Director:

	2023	2022
	£	£
Emoluments	<u>1,290,985</u>	<u>2,422,866</u>

⁽¹⁾Emoluments include £609,636 (2022: £84,600) of payments received by two Directors' following the exercise of Restricted Stock Units ("RSUs") under the Equity Incentive Scheme ("EIS") of the Company's ultimate parent company, Allianz SE. Payments of £nil (2022: £217,396) were received as a Mid-Term Bonus as the 3 year deferred incentive plan has been discontinued.

The emoluments also include £180,000 (2022: £624,500) of payments received during 2023 for a Director relating to the vesting of LVGIG Long Term Incentive Plans ("LTIPs"). That Director also has a deferred payment of £130,000 (2022: £130,000) receivable in future years from the vesting of the LTIPs.

An individual who was previously a Director of the Company received a payment of £333,742 (2022: £177,409) following the exercise of RSU's relating to a grant in a previous year when they were in office as a Director. The individual received £nil (2022: £206,612) under the Mid-Term Bonus scheme.

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. 10 Director's emoluments were paid by AMS, a fellow Allianz Holdings plc subsidiary, on behalf of the Group. One Director's emoluments were paid by Allianz SE with costs borne by AMS and one Director's emoluments were paid by LVGIG, a fellow Allianz Holdings plc subsidiary, on behalf of the Group.

16 RISK MANAGEMENT POLICIES

Capital management

The Company's capital risk is determined with reference to the requirements of the Group. 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 2023 the Company had £2,603,287k (2022: £2,425,508k) of total capital employed.

**Notes to the Financial Statements for the Year Ended 31 December 2023
(continued)**

16 RISK MANAGEMENT POLICIES (CONTINUED)

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.

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.

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 other receivables 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.

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 other payables. All payables are deemed to be payable within 12 months of the Statement of Financial Position date.

17 PARENT AND ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is Allianz (UK) Limited, a company registered in England and Wales. The ultimate parent and controlling party, Allianz SE, is incorporated in Germany and is the parent of the largest and smallest group of undertakings for which financial statements are drawn up and of which the Company is a member. Copies of the Allianz SE Group financial statements are available upon request from the ultimate parent's registered address, Allianz SE, Königinstrasse 28, 80802 München, Germany

18 SUBSEQUENT EVENTS

After reviewing the overall composition and future growth ambitions of the Group, the Directors of the Company concluded that ABSL was not core to the Group's strategy. The sale of ABSL has subsequently been agreed on 12 March 2024 and completed on 31 May 2024.

AMS entered into a further pensioner buy-in early 2024. As a result, AMS has moved into a negative net asset position and a letter of support to the Directors of AMS from the Company is required.

On 4 June 2024 the Directors of AZI approved a dividend of £100,000k subject to non-objection from the PRA which was subsequently received. Upon receipt, the Company will pay a dividend of the same amount to its shareholder.