Atlas Insurance

Atlas Insurance PCC Limited

Annual Report & Audited Financial Statements *2024*

Our *Purpose*

Building a positive tomorrow, *together*.

At the heart of what we do is a genuine drive to support our customers to live positively while managing their risks. This inspires us to be better every day.

We try to see the bigger picture, sharing our knowledge and experience while providing a cover that measures up to the venture at hand. And when the time comes, we step in to support, swiftly and fairly, keeping in mind that behind every policy is a person with the right intentions chasing a dream. We take our responsibilities seriously and use our resources to empower a better tomorrow, for all.

Our *Principles*

We seek positive impact first.

We focus on what matters.

We empower and elevate.

Cover photo by:

Lisa Attard

From the **Centennial Chronicles: Celebrating Malta's Commercial Legacy** exhibition (2024), marking one hundred years of Atlas history

Contents

Chairperson's *Statement*

In the context of the wider economic environment, the year to 31st December 2024 was an excellent year for Atlas Insurance PCC Limited and the business substantially outperformed our initial expectations. This is both true for the results on the technical account and those relating to investments.

Economic Environment

Malta's economic growth continued to be remarkable in the European Union reaching 6% in real terms in 2024. The insurance and financial services sector continues to contribute to the country's wealth and its success and resilience is testament to the vision developed over successive governments since independence. Indeed, the gross value added of the sector increased by 12.4% in the first half of 2024 over the same period in 2023.

International outreach in this area has been largely successful and today the sector employs nearly 6% of the total employed persons on the island and continues to pay the highest average salaries. While tightness in the labour market is projected to dissipate over time with the GDP growth and inflationary pressures expected to ease somewhat, this is unlikely to be felt in this sector in the coming year or so.

Financial Results

2024 generated record profitability for the Company with profit before tax amounting to €26.8m (2023: €18.7m), with that accruing to Core shareholders amounting to €13.9m (2023: €10.7m).

Other key highlights of our performance include the premium written which has risen to €147.2m, with that pertaining to the core amounting to €67.1m. Investment income generated by the Core was €3.7m (2023: €4.4m) and earnings per share for the core shareholders stood at €1.9 in 2024. Total equity rose to €54.1m for the Core shareholders from €47.4m.

Total assets of the Company reached €154.7m on and the balance sheet continues to show high levels of capital surplus over regulatory requirements. As on 31 December 2024, the Core Solvency Ratio amounted to 297% (2023: 324%) acting as a strong base for an aggregated Solvency Ratio of 207% (2023: 210%) for Solvency II Own Funds over the Solvency Capital Requirement.

€27m
PROFIT BEFORE TAX

€147m
PREMIUM WRITTEN

€54m
TOTAL EQUITY (CORE)

€155m
TOTAL ASSETS OF THE COMPANY

Governance

This year saw the conclusion of Dr André Camilleri's and Mr Philip Micallef's tenure as board members. Over the past nine years, they have played significant roles in the Company's development, contributing their expertise and dedication to its strategic focus. We are truly grateful for their commitment and the positive impact they have had, and we thank them sincerely for their service.

At the same time, I am pleased to share that the shareholders have appointed Dr Max Ganado and Ms Marisa Xuereb to the board at the last Annual General Meeting. Both Max and Marisa bring a wealth of experience and knowledge, and their reputations speak for themselves. I have no doubt that their contributions will continue to be invaluable, and that they will continue to uphold the integrity and strength of the board as we move forward.

The collaborative approach we have fostered at the board level has ensured that our decision-making remains robust, forward-looking, and in the best interest of the company and its stakeholders

Acknowledging Our People and Leadership

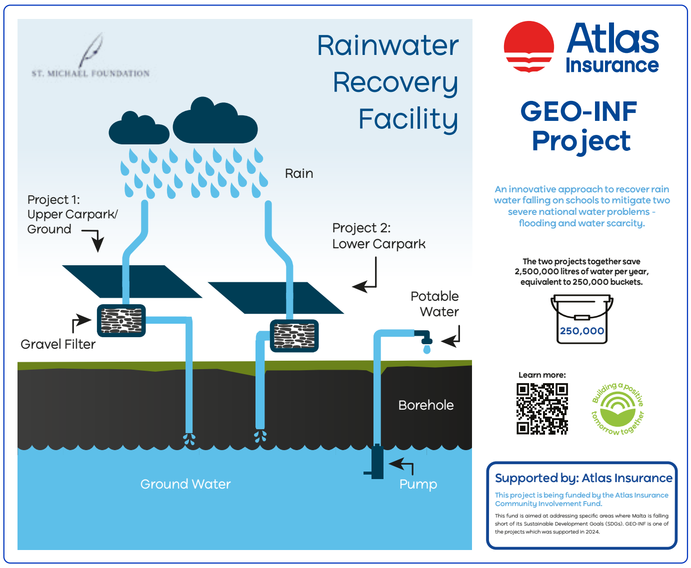
None of this success would be possible without the dedication and commitment of Team Atlas. Their hard work, expertise, and unwavering commitment to excellence continue to be the driving force behind our achievements. I extend my heartfelt appreciation to each and every member of our team for their contributions.

I would also like to recognize the invaluable role played by my fellow directors, and in particular by our Managing Director, Mr Matthew von Brockdorff. Their strategic insights, governance, and dedicated leadership have been instrumental in steering the company through an evolving landscape. The collaborative approach we have fostered at the board level has ensured that our decision-making remains robust, forward-looking, and in the best interest of the Company and its stakeholders.

Atlas' centenary exhibition in the Malta Chamber courtyard celebrating one hundred years of commercial history

Commitment to ESG and Community Engagement

Despite the recent political wind shift, we remain deeply committed to ESG principles. Over the past year, we have made further meaningful progress in integrating sustainability into our operations including the investment in several energy saving measures, education and reduction in use of printed matter. Whether through responsible investment strategies, reducing our environmental footprint, or enhancing risk assessment frameworks to consider climate-related risks, we are taking proactive steps to align our business with the broader ESG agenda.



We have also actively engaged with our community through various initiatives. The four agreements established in 2023 with Friends of the Earth, SOS Malta, Rota and FAA are actively in progress with some approaching completion.

These initiatives have been instrumental in addressing key principles and advancing strategic development goals in areas where Malta faces challenges. During 2025 we will be actively seeking further projects of this nature to support.
The third and final installation of the Geo-Inf system was inaugurated at St Michael's College channelling significant amounts of rainwater into the water table which will also reduce flood risk in the area. The FIDEM Foundation Skill up project has commenced its second intake continuing to provide vulnerable women with essential tools and resources to enhance their employment prospects and career opportunities.

Our commitment to supporting physical and mental wellbeing initiatives remains steadfast. We continue to maintain our collaboration with the Malta Sports Journalists Association for the Atlas Youth Athlete of the Month Award as well as our partnership with Melita FC and its youth nurseries. Additionally in recognition of Mental Health Awareness month, we hosted awareness focussed webinars for our clients for the sixth consecutive year, reinforcing our dedication to wellness.

Our focus remains on sustainable growth, scalability and creating long-term value. We recognise that past performance is not a guarantee of future results, and staying ahead means continuously evolving.

Client-Centric Approach

Our clients and distributors remain at the heart of everything we do, and we are always looking for ways to serve them better. We are constantly working on seeking ways to enhancing the customer experience, ensuring that every interaction is as smooth and efficient as possible.

We have embraced digital transformation and are working to develop new tools and platforms that make it easier for policyholders to access information, manage their policies, and receive support whenever they need it.

At the same time, we recognise that insurance needs are constantly evolving. To address this, we are working on providing greater flexibility and protection in a rapidly changing world.

Whether it is easier access to client data and coverage, enhanced coverage options, or faster claims processing, our goal is to offer solutions that provide real value and peace of mind to our clients. By listening to feedback and staying ahead of industry trends, we are committed to building long-term relationships based on trust, reliability, and innovation.

Future Outlook & Strategic Priorities

While we are proud of our achievements, we know that success is never static. The world is changing rapidly, and we must stay adaptable and forward-thinking. Our focus remains on sustainable growth, scalability and creating long-term value. We recognise that past performance is not a guarantee of future results, and staying ahead means continuously evolving.

To do this, we are committed to expanding into new markets where we see opportunities to serve more customers effectively. Just as importantly, we are strengthening our relationships with clients and business partners, ensuring that we continue to build trust and provide real value.

We will keep looking for opportunities that align with our vision, always balancing ambition with financial prudence especially in the face of possible adverse effects on demand related to geopolitical tensions. By staying true to our core values and being open to innovation, we are confident that Atlas will remain resilient and well-positioned for future success.

Malcolm Booker
Chairperson

Chief Executive Officer's *Report*

2024 has been a year of record-breaking performance and unwavering commitment to excellence for Atlas Insurance. In a dynamic and ever-evolving landscape, we have continued to build on our solid foundations—achieving robust financial results, strengthening our position in the local market, and accelerating our international growth.

This year saw further expansion on our international front through our protected cell operations, while further embedding digital innovation and customer-centricity into our core strategy. At the same time, our focus on agility, sustainability, and talent development has ensured that we remain resilient, adaptable, and ready for the future. TeamAtlas has once again been at the heart of our success, with our people driving forward a culture of excellence and innovation that allows us to better serve our customers, partners, and other stakeholders.

Financial Results

Insurance revenue for both local risks underwritten by the Core and Cell risks based overseas, amounted to €150m. The Core insurance revenue grew by 11.9% to €64m and that of the Cells by 37% to €86m. The net profit before tax on aggregated basis amounted to €27m with the Core reporting a strong result before tax of €13.9m. The Core shareholder equity grew by 14% to €54m.

We achieved strong technical results for the Core at €10.25m (2023 €7.06m) together with a favourable investment return for the year of €3.7m (2023 €4.4m).

Our people – building a positive tomorrow, together

We are committed to scaling appropriately in line with our growth and during 2024 reviewed our human resources operating model to be more suited to the growing number of inspiring people who form part of TeamAtlas, creating new models for the evolution of our people, in both immediate and long term contexts.

In line with local and international trends, recruitment and wage inflation continued to be major challenges in 2024, however we are committed to providing both a stimulating and satisfying work environment and attractive salaries.

€64m
CORE INSURANCE REVENUE
↑ **11.9%** COMPARED TO 2023

€86m
CELLS INSURANCE REVENUE
↑ **37%** COMPARED TO 2023

€54m
CORE SHAREHOLDER EQUITY
↑ **14%** COMPARED TO 2023

Our main focus is always to be an employer of choice for a diverse workforce, ensuring we attract the best and the brightest to support and keep true to our commitment to be 'Number One in Customer Experience', as well as all our other strategic and operational goals. We again achieved excellent results for gender parity in pay and leadership.

As testament to this, we were awarded "Employee Approved Workplace" status in the annual Talexio Employee Engagement survey, achieving very satisfying results in the dimensions of Culture and Values, Training & Development, Leadership Effectiveness, and Psychological Safety, as well as attaining significant improvements in several areas across all survey dimensions. This augurs well for the continued evolution and development of our workplace culture based on our purpose "Building a positive tomorrow, together" and the implementation of our three principles "Positive impact first", "Focus on what matters" and "Empower and elevate".

We have continued to focus our efforts on recruitment, retention and training. We always put our people first as we believe that having a happy and motivated workforce is a primary success factor in doing good business. We were happy to note that our employee Net Promoter Score was also above the Talexio benchmark of November 2024, including being far above the national figure as noted in the Misco national survey of November 2023. We are also proud that 85% of our people believe that Atlas is a good corporate citizen, conducting business in a way that is ethical, that contributes positively to society, and that ensures environmental sustainability.

Customer Experience & Local Market Growth

In the past year, we have upheld our commitment to seeking positive impact first by maintaining a strategic direction focused on customer-centricity. External market surveys we commissioned have reaffirmed our strong Net Promoter Score (NPS), allowing us to retain our number one position in customer experience, a key strategic goal for Atlas.

We have also made significant investments to support our local growth of 11.9% in insurance revenue and a substantial increase in new customers by enhancing the customer experience through simplification, technology, training, and additional human resources. This approach has enabled us to maintain excellence in service to our customers and partners. Focussing on what matters most, we continued addressing underinsurance risks by assisting our customers in updating their insured values in response to inflation.

As we strive to build a positive tomorrow, our efforts have ensured our customers' confidence in Atlas remains strong, reinforcing their trust in Atlas as a reliable insurance provider by delivering exceptional service.

We remain committed to promoting Malta as a domicile of choice, actively engaging with international markets to showcase the advantages of our innovative protected cell structure

International Business Expansion

Atlas has continued to strengthen its international presence, with fee income from international business rising by 27%. A key focus has been the further development of our UK branch, expanding our team with highly experienced and renowned talent while joining the UK Managing General Agents' Association to enhance our visibility and engagement in this key market. Additionally, we remain committed to promoting Malta as a domicile of choice, actively engaging with international markets to showcase the advantages of our innovative protected cell structure.

Digital Transformation

Our digital transformation journey continues to accelerate, driving greater efficiency and enhancing customer and partner experiences. Online straight-through sales more than doubled during the period, confirming the success of our efforts to make insurance more accessible and user-friendly. A key milestone was the successful expansion of our customer relationship management (CRM) platform across all lines of business, consolidating customer data into a single, unified system. This investment has improved data quality, strengthened collaboration across teams, and laid the groundwork for future digital service innovations.

We saw the EU Digital Operational Resilience Act (DORA) as an opportunity to further strengthen our cybersecurity framework and retire legacy technology, enhancing our digital resilience.

Our commitment to continuous improvement remains central as we work towards delivering a seamless, touchless digital experience while ensuring that human expertise remains available where it adds the most value.

Advancements in Artificial Intelligence

We continue to invest in next-generation AI talent, training, and technology to enhance customer experience, operational efficiency, and augment the value provided by our people.

Following a steep learning curve, we successfully implemented predictive AI models into our workflows, leveraging the advanced data science and AI platform we partnered with the year before. These models enhance decision-making and automation.

To support widescale adoption of generative AI, we introduced an AI-powered tool available to all employees. The tool uses the latest large language models while ensuring enterprise-grade data protection and compliance with GDPR and emerging AI governance principles. These initiatives empower our teams to harness AI responsibly, unlocking new efficiencies while maintaining security and compliance.

Team Atlas at the Brand Refresh Launch event

Environmental Social & Governance (ESG)

Our ESG targets form an integral part of our strategic vision. Our ESG cross-functional team continues to actively monitor and advance the initiatives aligned with these targets. This team reports to the Risk and Compliance Committee, as does the Community Involvement Committee, which oversees the Atlas Insurance Community Involvement Fund dedicated to giving back to the community.

During the period under review, the Atlas Insurance Community Involvement Fund continued to support the projects initiated through the four partnerships established in 2023, ensuring alignment with Sustainable Development Goals (SDGs) in areas where Malta faces significant challenges.

We are also seeing an increasing proportion of our significant investment portfolio being positively rated for ESG. Additionally, we are beginning to witness the impact of transitioning our fleet to electric vehicles, significantly reducing our carbon footprint in the area of Scope 1 emissions. In parallel, our commitment to mitigating emissions has been further reinforced through the introduction of electric charging bays for our employees and enhanced through investment in various technologies to reduce power consumption at our offices. We continue to offset our remaining operational carbon footprint by supporting reputable internationally certified climate protection projects.

Outlook 2025

As we move into 2025, we do so with a strong sense of purpose and confidence in our ability to navigate an ever-changing landscape. The resilience, agility, and commitment that have defined Atlas Insurance continue to be our greatest strengths. With evolving global and local challenges—shifting economic and geopolitical conditions, regulatory developments, and advancements in technology—we remain focussed on delivering value to our customers, strengthening our international presence, and driving innovation across our business. Our continued investment in digital transformation, sustainable practices, and talent development will ensure that we are not only well-positioned for the future but also remain a trusted and forward-thinking industry leader.

None of this would be possible without the dedication of TeamAtlas, whose hard work, passion, and commitment fuel our success. I extend my sincere appreciation to our staff, board members, intermediaries, brokers, and customers for their trust and partnership. Together, we have made 2024 a year of significant achievement, and I look forward to building on this momentum as we embrace the opportunities ahead.

Matthew von Brockdorff
Chief Executive Officer

Board of *Directors*

Left to right:

Dr Max Ganado LL.D., LL.M (Dal.)
Karen Pace BA (Hons) Accty, MIA, CPA
Malcolm Booker FCA, FIA, FIT, CPAA
Matthew von Brockdorff FCII
Marisa Xuereb BCom(Hons), MA(Econ)
Michael Gatt
Catherine Calleja BA (Hons), ACII

Board of ***Directors***

Malcolm Booker

Malcolm Booker is a Chartered Accountant by profession and spent most of his career with Deloitte Malta. He became a partner at Deloitte in 1997 and between 1st January 2014 and 31st December 2019 served as its Chief Executive Officer. During his career at Deloitte he served as an international tax partner and was Lead Partner to a number of companies operating within the sphere of financial services and consumer products. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Malta Institute of Accountants, and a Fellow of the Malta Institute of Taxation. He is currently also a Director of Melita Limited and a director on a number of companies within the Dooba Holdings Limited group.

Catherine Calleja

Catherine Calleja is a Chartered Insurer. She holds the position of Executive Director and Company Secretary of Atlas Insurance PCC Limited. She is Managing Director of Atlas Healthcare Insurance Agency, a subsidiary of Atlas Insurance and also a director of Atlas Holdings Limited, Jesmond Mizzi Financial Advisors Limited and Eagle Star (Malta) Limited. She is an Associate of the Chartered Insurance Institute and graduated in business management from the University of Malta. She is a past president and currently Vice-President of the Insurance Association Malta and is a Visiting Lecturer at the Department of Insurance and Risk Management at the University of Malta. She was also an active council member of the Malta Chamber of Commerce, Enterprise and Industry for the past two terms,

Max Ganado

Max Ganado is an advocate by profession and was a founding partner of Ganado Advocates where he worked for close to 40 years between 1981 and 2020. During his career he focussed on commercial law and established the financial services practices at the firm which have over the years grown into key specialist areas of practice. He acted as Managing Partner of the firm for 6 years, served as senior partner and then retired in 2001, though he still acts as a Consultant to the firm. He has regularly lectured on commercial law topic on which he specialised, including shipping, aviation, trusts and investment services, at the University of Malta and at events overseas. Part of his practice areas included insurance and he acted as lead drafter on legislation relating to life insurance which was added to the Maltese Civil Code in 2005, together with some other related provisions which were needed for the development of the Maltese financial service sector as a whole. He is currently also a director on the Board of Simmonds Farsons Cisk PLC.

Michael Gatt

Michael Gatt is a non-executive director, previously serving as Managing Director and CEO of the Atlas Group. He has worked within the insurance industry for over forty years. He is also a board member on a number of other financial and insurance services companies operating both in Malta and the EU and currently chairs the boards of Ivalife Insurance Limited and Jesmond Mizzi Financial Advisors Limited.

Karen Pace

Karen Pace is a Certified Public Accountant and holds a Practising Certificate in Auditing in Malta. She graduated as an Accountant in Malta in 2001 and held a senior role in the audit practice within the Deloitte professional network in Malta before moving on to respective offices in Luxembourg and later on in New York over a 16-year period. In recent years, she has held various roles on regulated entities within the Maltese financial services industry focusing on compliance and internal audit. She is currently a non-executive director on regulated and listed entities in Malta in addition to her role on the Board and committees at Atlas.

Matthew von Brockdorff

Matthew von Brockdorff is a fellow of the Chartered Insurance Institute, working in insurance since 1987. He is the Managing Director and Chief Executive Officer of Atlas Insurance PCC Ltd. He is also a director of Atlas Holdings Ltd, Atlas Healthcare Insurance Agency Ltd, Eagle Star (Malta) Limited and Jesmond Mizzi Financial Advisors Ltd. He is a past president of the Malta Insurance Association and of the Rotary Club La Valette Malta, a board member of JA Malta and a member of the Board of Governors of Fondazzjoni Patrimonju Malti.

Marisa Xuereb

Marisa Xuereb is an economist by education. She has over 25 years experience in Senior Management roles in the manufacturing sector with foreign-owned companies. She was a member of the Council of the Malta Chamber of Commerce, Enterprise and Industry for 10 years, and President of the same Chamber between 2021 and 2023. She currently chairs the Board of Epic Communications Ltd. and is a member of the Board of APS Bank.

Executive *Committee*

Left to right:

Andrew Briffa AIA, BSc(Hons)
David Mifsud FCII
Ian-Edward Stafrace MSc (Risk Management) CFIRM FCII PIOR
Jackie Attard Montalto BA
David Cassar ACII, MBA
Matthew von Brockdorff FCII
Vinay Aarohi BA (Comp Sci)
Robert Micallef
Catherine Calleja BA (Hons), ACII
Mark Camilleri
John Muscat FCCA

Board & Executive *Committees*

Board of Directors

- **Malcolm Booker** FCA, FIA, FIT, CPAA
  Independent Non-Executive Chairperson
- **Catherine Calleja** BA(Hons), A.C.I.I.
  Executive and Company Secretary
- **Max Ganado** LL.D., LL.M (Dal.)
  Non-Executive
- **Michael Gatt**
  Non-Executive
- **Karen Pace** BA(Hons)Accty, MIA, CPA
  Non-Executive
- **Matthew von Brockdorff** FCII
  Managing and CEO
- **Marisa Xuereb** BCom(Hons), MA(Econ)
  Non-Executive

Audit Committee

- **Karen Pace** BA(Hons)Accty, MIA, CPA
  Chairperson
- **Michael Gatt**
- **Marisa Xuereb** BCom(Hons), MA(Econ)

Risk and Compliance Committee

- **Max Ganado** LL.D., LL.M (Dal.)
  Chairperson
- **Marisa Xuereb** BCom(Hons), MA(Econ)
- **Andrew Briffa** AIA, BSc(Hons)
- **Catherine Calleja** BA(Hons) ACII
- **Karen Pace** BA(Hons)Accty, MIA, CPA
- **Ian-Edward Stafrace** M.Sc. (Risk Management) CFIRM FCII PIOR

Remuneration and Nominations Committee

- **Malcolm Booker** FCA, FIA, FIT, CPAA
  Chairperson
- **Max Ganado LL.D., LL.M (Dal.)**
- **Marisa Xuereb** BCom(Hons), MA(Econ)

Investment Committee

- **Malcolm Booker** FCA, FIA, FIT, CPAA
  Chairperson
- **Mark Camilleri**
- **Michael Gatt**
- **John Muscat** FCCA
- **Matthew von Brockdorff** FCII
- **Karen Pace** BA(Hons)Accty, MIA, CPA

Executive Committee

- **Matthew von Brockdorff** FCII
  Chairperson
- **Jackie Attard Montalto** BA
- **Catherine Calleja** BA(Hons), A.C.I.I.
- **Mark Camilleri**
- **Robert Micallef**
- **David Mifsud** FCII
- **Ian-Edward Stafrace** M.Sc. (Risk Management) CFIRM FCII PIOR
- **Vinay Aarohi** BA (Comp Sci)
- **Andrew Briffa** AIA, BSc(Hons)
- **John Muscat** FCCA
- **David Cassar** ACII, MBA

Protected Cells Committee

- **Matthew von Brockdorff** FCII
  Chairperson
- **Andrew Briffa** AIA, BSc(Hons)
- **Catherine Calleja** BA(Hons) ACII
- **Mark Camilleri**
- **David Mifsud** FCII
- **Ian-Edward Stafrace** M.Sc. (Risk Management) CFIRM FCII PIOR

Information Technology Committee

- **Matthew von Brockdorff** FCII
  Chairperson
- **Vinay Aarohi** BA (Comp Sci)
- **Catherine Calleja** BA(Hons) ACII
- **Ian-Edward Stafrace** M.Sc. (Risk Management) CFIRM FCII PIOR

Product Oversight and Governance Committee

- **Andrew Briffa** AIA, BSc(Hons)
  Chairperson
- **David Cassar** ACII, MBA
- **David Mifsud** FCII
- **Claudine Gauci**

Offices & Branches, Cells and Professional Services

Malta Offices & Branches

Head Office
48-50, Ta' Xbiex Seafront, Ta' Xbiex XBX 1021

Atlas Healthcare Insurance Agency / Eagle Star (Malta) Limited / Branch Office
50, Abate Rigord Street, Ta' Xbiex XBX 1121

Birkirkara Branch
1,Triq Dun Gaetano Mannarino, Birkirkara, BKR 9080

Bormla Branch
5, Gavino Gulia Square, Bormla BML 1800

Mosta Branch
94, Constitution Street, Mosta MST 9055

Naxxar Branch
13, Triq San Gorg, In-Naxxar, NXR2541

Paola Regional Office
Vjal Kristu Re, Paola PLA 1517

Rabat Branch
267, Vjal il-Ħaddiem, Rabat RBT 1769

San Ġwann Branch
Naxxar Road c/w, Bernardette Street, San Ġwann SĠN 9030

SkyParks Branch
SkyParks Business Centre,
Malta International Airport, Luqa LQA 3290

St Paul's Bay Branch
2, Toni Bajada Street, St Paul's Bay SPB 3227

Żebbuġ Branch
148, Vjal il-Ħelsien, Żebbuġ ŻBĠ 2079

UK Branch

Trent House, 234 Victoria Road,
Stoke On Trent, Fenton, ST4 2LW
United Kingdom

Cells

- AM Cell
- Asservo Malta
- Autorama Cell
- Gemini Cell
- Griffin Cell
- L'AMIE Cell
- Ocado Cell
- TVIS Cell
- Grange Cell

Professional Services

Actuaries
Barnett Waddingham LLP

Auditors
PricewaterhouseCoopers

Bankers
- APS Bank Limited
- Bank of Valletta p.l.c.
- Barclays Bank plc.
- BNF Bank plc
- HSBC Bank Malta p.l.c.
- Lombard Bank Malta p.l.c.

Investment Managers
- ReAPS Asset Management Limited
- BOV Asset Management Limited
- Jesmond Mizzi Financial Advisors Limited
- Rizzo Farrugia & Co (Stockbrokers) Limited
- London and Capital Asset Management Limited
- Schroders (C.I.) Limited

Legal Advisors
- Cachia Advocates
- Fenech & Fenech Advocates
- Ganado Advocates
- Mamo TCV Advocates
- Schembri & Depasquale Advocates
- Vella Zammit McKeon

Pictorial *Highlights*

Inaugurating the 'Active Mobility Ambassador' Project with Rota

TeamAtlas volunteers at the Foodbank Lifeline Foundation

Presenting the Digital Marketing Innovation Award at JA Malta's Awards Night

Presenting the Youth Athlete of the Year Award, a collaboration between Atlas Insurance and the Malta Sports Journalists' Assocation

Supporting Neil Agius in his world-record-breaking swim

Pictorial *Highlights*

Atlas and Melita F.C. celebrate the fifth annual Atlas Under-12 Football Festival

Introducing the 2025 Atlas Calendar, featuring the Centennial Chronicles exhibition captured through photographer Lisa Attard's lens

The Centennial Chronicles exhibition opening night

The TeamAtlas running club participates in 'Colour My Run'

Atlas attends FIDEM Foundation's Skill Up programme graduation ceremony, a programme supported by the Atlas Community Involvement Fund

ATLAS INSURANCE PCC LIMITED

Annual Report and Financial Statements
31 December 2024

Company Registration Number: C 5601

Directors' report

Principal activities

The principal activities of the Company relate to the business of insurance. The Company is licensed as a cell company to write general business in terms of Article 7 of the Insurance Business Act (Cap.403) by the Malta Financial Services Authority in accordance with the Companies Act (Cell Companies carrying on business of insurance) Regulations, 2010.

Review of the business

The Board of Directors reports that the Company has registered record profits for the year under review. The technical results contribute substantially to the Non-Cellular (Core) profitability for the year under review. This is further complemented by fair value returns on the investment portfolio. Operating Cells continue to register good profits for 2024 reporting overall increased cellular profitability over that of the previous year.

The insurance service results of the Company amount to €23.5m for 2024 (2023: €15.2m). This excellent performance has been achieved through the growth in premium, the increase in Cellular activity and because of the Company's continued prudent and effective underwriting and reinsurance strategies.

The Core's investment portfolio also registered significant return during 2024. Risks arising from investment asset exposures are addressed on an ongoing basis, and the mitigating measures taken are described under the Financial Risk Management note (Note 3.4) to these audited financial statements.

The Company registered an aggregate net profit before tax for the year of €26.8m (2023: €18.7m) and a net profit after tax of €17.8m (2023: €11.5m). Profits before tax accruing to the non-cellular shareholders amounted to €13.9m (2023: €10.7m).

Core

The Board of Directors successfully implements a strategy of consolidating balance sheet reserves, balanced with regular dividend distribution to the shareholders. Balanced underwriting reinsurance policies combined with strategic investment and dividend policies applied by the Board continue to work toward this objective and consistently generate healthy profitability as well as growing the Company's net assets. The Core's regulated solvency position as on 31 December 2024 stood at 297% (2023: 324%) of the regulated Solvency Capital Requirement.

The Company's core operations registered excellent growth in all classes of business, again exceeding the Board's expectations at the start of the year. This resulted in an increase in premium of 12% over the previous year.

Investment Services results for the Core total €10.3m (2023 €7.1m). Combined investment income, fair value gains and investment expenses for the year amounted to a return of €3.7m (2023 €4.4m).

The Company will continue to focus on maintaining profitability on the technical account, management of core operating costs, the further development of its international operations and its diversified strategy on investment portfolio management. An increasing focus on the Company's ESG strategy will play an important role in its decision-making including continued investment in the Community Involvement Programme which is designed to address key sustainable development goals where more work is required locally. Significant reinvestment in training and development recognises the crucial role of our human resources in the continued provision of service excellence. The ambitious digital transformation project continues to simplify work processes and enhance the customer journey in more areas of the business.

Directors' report - continued

Besides operating through its Ta' Xbiex Head Office, the Company also operated during 2024 through 11 branches strategically spread throughout the Island to service its clients. The Company also operates in the UK through a branch which had been authorised by the Prudential Regulatory Authority during 2023 and is regulated by the Financial Conduct Authority.

Cellular

On the 28 November 2024 the Company incorporated a new cell, the Grange Cell, which is wholly owned by Grange Insurance Company Limited. The Cell underwrites bloodstock insurance and commences operations in 2025.

During the year under review the Company proceeded to wind up both the Blevins Franks Cell and the Amplifon Cell. The Blevins Franks Cell Shares and the Amplifon Cell Shares were both effectively cancelled on 20 June 2024 and 24 September 2024 respectively.

The operating cells have continued to contribute to the Company's aggregated profitability. Such portion of profitability accrues to cell shareholders. Aggregate Cellular insurance revenue, reported at €86.2m, registered continued material growth of 37% over that of the prior year (2023: €62.8m).

The aggregated profit before tax for all Cells is reported at €12.9m (2023: €8.1m). The AM Cell, which does not have recourse to the core, registered a profit before taxation of €8.8m (2023: €6.2m).

Principal risks and uncertainties

The Board is confident that it addresses the full inventory of risks that the Company's administration and operations face through its risk management framework. The mitigation of the principal risks is disclosed under note 3 of these accounts which impact is reported under notes 16 and 21.

Core assets, cellular assets and share capital

The core assets comprise the assets of the Company which are non-cellular assets relating to the core operations. The assets of Atlas Insurance PCC Limited are either core assets or cellular assets. The assets attributable to a cell comprise assets represented by the proceeds of cell share capital, reserves and other assets attributable to the cell.

Subsidiaries and associates

The Company fully owns two subsidiaries Atlas Healthcare Insurance Agency Limited and Eagle Star (Malta) Limited.

Atlas Healthcare Insurance Agency Limited is authorized by the MFSA under the Insurance Distribution Act to act as enrolled insurance agents for the Company. The Company retains a strong partnership with AXA PPP healthcare Limited as reinsurer for the health insurance portfolio. The agency also acts as enrolled agents for IVALIFE Insurance Limited and is also licensed to distribute pensions.

Eagle Star (Malta) Limited is the appointed entity to run off a Long-Term Insurance Business portfolio and is overseen by the MFSA.

The Company also owns 25% of an associate company, IVALIFE Insurance Limited, an insurance undertaking authorized by the MFSA to underwrite long-term classes of Business. During the year the Company disposed of its equity investment in SRS Management Europe PCC Limited.

It is the Company's declared financial policy to direct its subsidiaries' reserves over those required under regulation to be managed within its own investment management portfolio.

Directors' report - continued

Similar to the Company, Atlas Healthcare continued to grow its agency portfolio and as such reports sustained profitability and contributed dividends of €738,462 to the Company's results through dividend distributions during 2024. The agency's net asset value totaled €1.3m as at 31 December 2024 (31 December 2023 €1.2m), which result is in excess of regulated financial resources requirements under the Insurance Distribution Act.

Eagle Star (Malta) Limited continues to hold sufficient financial resources over its regulated requirement. The net asset value of the company is reported as at 31 December 2024 at €119k (2023 €119k).

Board of Directors

The directors of the Company who held office during the year were:

Malcolm Booker FCA, FIA, CPAA - Independent Non-Executive Chairperson
Andre Camilleri LL.D, Dip. Econ. & Ind. Law (Milan) - Independent Non Executive Director (resigned on 16 May 2024)
Catherine Calleja B.A. (Hons.), A.C.I.I. - Executive Director and Company Secretary
Michael Gatt - Non-Executive Director
Philip Micallef B.Sc.(Eng.), M.I.E.E., C.Eng., Eur. Ing., M.B.A. (Warwick) - Independent Non-Executive Director (resigned on 16 May 2024)
Karen Pace - BA (Hons) Accty, MIA, CPA - Independent Non-Executive Director
Marisa Xuereb BCom(Hons), MA((Econ) - Independent Non-Executive Director (appointed on 16 May 2024)
Max Ganado LL.D., LL.M (Dal.) - Independent Non-Executive Director (appointed on 16 May 2024)
Matthew von Brockdorff FCII - Managing Director and Chief Executive Officer

The current directors have expressed their willingness to remain in office.

Results and dividends

The profit and loss account is set out on page 1.

During the year under review, the directors declared and paid an interim non-cellular Ordinary dividend of €1,250,000 net of tax. A final dividend of €1,250,000 was also declared and paid at the Company's annual general meeting.

During 2024 further interim dividends were paid to the cellular shareholders. These were, two dividends of €160,000 and €400,000 both paid to the TVIS Cell shareholder, two dividends of €300,000 and €400,000 both paid to the Gemini Cell Shareholder, a dividend of €4,039,103 paid to the AM Cell shareholder, a dividend of €317,899 paid to the Blevins Franks Cell shareholder, a dividend €300,000 paid in the form of a Bonus Share Issue to the L'Amie Cell shareholder, and a dividend also paid to the L'Amie Cell shareholder of €350,000.

On 28 January 2025 a net interim dividend of €1,500,000 was proposed by the directors to be paid to the non-cellular shareholder. This was subsequently approved by the Malta Financial Services Authority and paid on 12 March 2025.

At the forthcoming Annual General Meeting, a final dividend in respect of 2024 of €0.48c per share amounting to a total dividend of €2,300,000 is to be proposed to the non-cellular shareholder. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2025.

Directors' report - continued

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Insurance Business Act (Cap.403) and the Maltese Companies Act (Cap.386) to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial period and of the profit and loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap.386). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In terms of the Companies Act (Cell companies carrying on business of insurance) Regulations, 2010, the directors are responsible to keep separate accounts and records as may be necessary to evidence the assets and liabilities of each cell as distinct and separate from the assets and liabilities of other cells in the same Company.

The financial statements of Atlas Insurance PCC Limited for the year ended 31 December 2024 are included in the Annual Report 2024 and is available on the Company's website. The directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Directors' report - continued

Auditors

PricewaterhouseCoopers, have carried out their last permissible statutory audit of the Company for the financial year ended 31 December 2024. In accordance with the provisions of Article 151A of the Companies Act (Cap 386), PricewaterhouseCoopers are not eligible for re-appointment as statutory auditors. Following the issuance of an audit tender, the Board has resolved that it will be recommending the appointment of Ernst & Young Limited as the statutory auditors at the forthcoming Annual General Meeting.

On behalf of the board

Malcolm Booker
Chairperson

Matthew von Brockdorff
Managing Director & CEO

Registered office
48-50 Ta' Xbiex Seafront
Ta' Xbiex
Malta

3 April 2025

Corporate Governance - Statement of Compliance 2024

Atlas Insurance PCC Limited (Atlas Insurance, the Company) is a licensed insurance undertaking and a public interest entity and as such adheres to the principles set out in the Malta Financial Services Authority (MFSA) Corporate Governance Code (the MFSA Code) as updated in August 2022. The Company is also regulated by the Insurance Business Act (Cap 403) regulations and Insurance Rules and the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations as well as all Solvency II regulation (Solvency II Directive supplemented by the Commission Delegated Regulations. The Companies Act establishes the accountabilities of the board of directors, the rights of shareholders and its transparency obligations). The EIOPA Guidelines on Systems of Governance and other international models of best practice are also important reference points. The board and its committees have charters as well as a number of annually reviewed policies and regular and transparent reporting structures, ensuring an effective internal control framework. Although publication of this Statement of Compliance is not mandatory in the Company's case, the Atlas Insurance board (the Board) believes that these disclosures add transparency and foster mutual trust between the various company stakeholders.

As an insurance holding company under Solvency II Group Supervision rules, Atlas Holdings Limited, as the ultimate parent of the Insurance Group (Group), has identified Atlas Insurance as the undertaking responsible for fulfilling the governance requirements for the Group. In fact the risk management and internal control systems are required to be applied in a consistent manner and to take into account all the risks arising from insurance as well as other entities within the group. This Company's Board and board committees as well as its key functions therefore have an effective overview of the whole Group, and key financial and non-financial performance indicators of group companies are regularly discussed within these platforms.

The Board and its Composition

The Board ensures the highest standards of governance by setting the corporate culture, focussing on longer term strategic issues while, managing the different interests of the shareholders and overseeing the systems of control. It is formally appointed at the Annual General Meeting and annually evaluated in order to ensure that members continue to be fit and proper and collectively have the required diversity of knowledge, judgement and experience to complete their tasks. Together, the board members are judged to have complementary skills and the necessary background in governance and corporate strategy, insurance, financial markets and investments, ESG, risk management and compliance, financial and actuarial analysis, as well as information technology and talent management.

Board composition is regularly reviewed and a policy for rotation of non-executive directors (NEDs) is in place. In fact, during 2024, two independent Non-executive Directors (NEDs) came to the end of their contracted term of office. These were Dr Andre Camilleri and Mr Philip Micallef who were replaced at the annual general meeting in May by Dr Max Ganado and Ms Marisa Xuereb. The board continues to be composed of a majority of five NEDs, and two Executive Directors. Matthew von Brockdorff is the Managing Director and Chief Executive Officer (CEO) of the Company. Catherine Calleja, the other Executive Director on the board is the Group Company Secretary. She brings additional knowledge and experience to the table and is also the Managing Director of Atlas Healthcare Insurance Agency, a fully owned subsidiary of the Company.

The Board maintains appropriate interaction with the board committees and close links with senior management through the regular reporting at board level as well as various joint meetings with executives relating to strategy development and reporting as well as joint learning and development sessions on various topics. Regular communication and reporting of Key Results enables the Board to address any issues as well as its current and future strengths and weaknesses and to have enough information to be able to constructively challenge as well as satisfy itself on the integrity of the financial information, internal controls and risk management systems in place. Strategic planning and budgetary and Own Risk and Solvency Assessment (ORSA) processes are key priorities for the Board and meetings are held regularly with key function holders including the Company's actuaries.

Corporate Governance - Statement of Compliance 2024 - continued

The Board, together with the support of the Chief Risk and Compliance Officer, continues to develop its analytical role by regularly challenging the methodology and assumptions underlying the models for determining the Group's economic and regulatory capital requirements as assessed under the ORSA process.

The positions of the independent Chair and Managing Director & CEO continue to be separate with a clear division of responsibilities between the running of the board and the executive responsibility for leading the Company. The independent Chair provides guidance and support to the Managing Director/CEO. The four other non-executive directors appointed are of sufficient calibre and standing to balance the strength of character of the Chair and executive directors.

The Board has delegated specific responsibilities to board committees in line with the System of Governance requirements under the Solvency II Directive and the Commission Delegated Regulations, this is also provided for in the memorandum and articles of the Company. Non-executive directors chair four board committees and can devote more time to develop strategy, balancing and challenging executives and monitoring progress in these committees. This with the support of members of the management team and external consultants where considered appropriate.

The primary role of the Chair is to effectively lead the board, ensuring open and productive communication and guide the board's focus towards strategic matters. He sets the agenda and the order of that agenda, in collaboration with the Company Secretary. The Chair sets high governance standards and ensures that the board receives precise, timely and clear information in order to be well prepared for discussion. He encourages participation of all directors during meetings as well as constructive relations between executive and non-executive directors. Where possible, he facilitates the emergence of a consensual view and sums up discussions to ensure the accurate recording and follow up of key decisions.

Karen Pace is the Senior Independent director. She is a support for the Chair and the Managing Director & CEO on board matters, as well as a trusted intermediary, if required, for other non-executive directors. She is available to address the concerns of shareholders or members of staff, through the Group's Raising a Concern (Whistleblowing) Policy and also annually administers the board evaluation process. The Board also reviews the results of Board and Executive Committee evaluations which are carried out annually and this is considered an important component of the board's annual review process. The board evaluation process is the foundation of the board planning process which leads to setting the board objectives, as well as setting learning and development goals.

The Managing Director & CEO is answerable to the Board for the realisation of the Company's strategy. He is accountable for the performance of the Company and managing its organization structure including the appointment of the senior management team in coordination with the Remuneration and Nominations committee. The CEO also chairs the Executive, IT and Protected Cells committees.

Board and board committee meetings are scheduled prior to the start of each year. During 2024, the Board met thirteen times, several meetings being dedicated to technical development or regulatory training matters such as IFRS17 preparation. Agendas and information packs are provided well in advance of all board and board committee meetings. Board agendas maintain a balance between strategy and planning and monitoring of key results and risks, compliance and ESG matters. Minutes of all meetings record attendance, discussion, decisions taken and resolutions, and are issued on a timely basis and made available as soon as practicable, after every meeting.

Corporate Governance - Statement of Compliance 2024 - continued

Board and Executive Committees

The Audit Committee, the Remuneration and Nominations Committee, the Risk and Compliance Committee, and the Investment Committee are chaired by independent directors. The Protected Cells Committee, the IT Committee, the Executive Committee and the POG committee provide additional support and information to the Board. Members of board and executive committees are listed on page iii. The committees also review their respective charters on an annual basis to ensure that all delegation of responsibility and function is clear and unequivocal.

Audit Committee

This committee met seven times during 2024. It is composed of NEDs, two of whom are independent. Ms. Karen Pace, the Senior Independent Director, chairs the committee and has been approved by the MFSA to have the required competence in financial literacy and expertise in internal controls and auditing to perform this function. Ms Marisa Xuereb replaced Mr Philip Micallef on her appointment to the board in May 2024 and Mr Michael Gatt continues to sit on the committee.

The committee has oversight of the independent audit of the financial statements as well as the audit scope and approach. It is also responsible for the process of engagement of the Group's external auditors and oversight of the same. During the period under review, it conducted the audit tender process for the new external auditors for the Group as required by regulation. These to be appointed at the forthcoming annual general meeting.

The audit committee reviews and assesses the qualitative aspects of financial reporting to the shareholders of the Group and discusses significant accounting and reporting issues. It has been very involved in the conversion to the IFRS17 standard ensuring that required preparation and systems were implemented on time for the Group.

The committee regularly meets with external auditors to review any problems or difficulties they encounter as well as to review and monitor progress on audit plans and cycles and finally to review financial statements prior to their presentation to the board. The Committee also monitors the independence of the external auditors and pre-approves any permitted non-audit services to be performed by the same auditors.

The monitoring of the effectiveness of the internal audit function is another important role of this committee, and it is crucial for the continuing strengthening of the internal control framework of the Group. As part of its oversight of the internal audit function, the Committee is involved in the setting of risk based annual internal audit plans for the Group. It ensures that the internal audit plan takes into account all the activities and the complete system of governance as well as expected developments of activities and innovations. It also reviews the internal audit function's performance relative to the plan, documentation produced and information on achievement of previous audit recommendations. The Committee also monitors the results of cell inspections and related internal control systems.

To ensure independence, the Internal Auditor reports directly to the Audit Committee which also ensures that the Group internal auditor has the necessary resources and access to information to fulfil the mandate of the function. The Internal Audit Function's activities are benchmarked against recognised standards such as, inter alia the Institute of Internal Auditors and the International Standards for Professional Practice of Internal Auditing as well as Regulatory requirements. The function, through the Audit Committee and its Chair, has direct access to the Board of Directors but also meets regularly with the Company's Chief Risk and Compliance Officer to follow up recommendations and ensure that priorities are aligned with the Group's risk register and risk appetite.

Corporate Governance - Statement of Compliance 2024 - continued

During 2024, the Audit Committee Chair held frequent additional meetings with the Group Internal Auditor, Mr Ivan Distefano. These meetings give guidance, serve as an opportunity to receive feedback, and ensure the continued independence of the internal auditor as well as his team's continuing professional development. The oversight of related party transactions is also the responsibility of this Committee.

Remuneration and Nominations Committee

This committee is also composed entirely of independent non-executive directors and met three times during 2024. Malcolm Booker, the Board Chair is considered by the board to have the required knowledge, experience and skills for this position. Dr Max Ganado and Marisa Xuereb were appointed to sit on this committee after the Annual General Meeting in May when they joined the Board. All members are independent NEDs and considered to be able to exercise competent and independent judgement on the Group's Remuneration Policy as well as its consistent application and oversight. The Executive Directors and Jackie Attard Montalto, Chief HR Officer, attend meetings by invitation.

The Committee also assists and advises the board on matters relating to the remuneration of the board and senior management and, in particular, determines the remuneration of the Executive Directors and members of the Executive Committee/Chief Officers. The Committee approves the structure and design of performance related pay schemes and approves annual payments made under this policy. It ensures the transparency of the Remuneration policy, that provisions regarding disclosure of remuneration are fulfilled, that the policy is applied consistently across the Group, complies with legal requirements and that it is aligned with business strategy, objectives and values. Furthermore, it ensures that material risks including ESG risks, at Group level linked to remuneration and talent issues are managed and that regular benchmarking exercises of senior management salaries are carried out.

As per the MFSA Insurance Rulebook's Chapter 2: Fit and Proper Criteria, Notification and Assessment, the Group ensures that all persons who effectively run the undertaking or have other key functions are at all times 'fit and proper' persons. The Committee also ensures that relevant persons and employees under the Insurance Distribution Rules continue to be of good repute. Questionnaires are completed for various groups of employees and other stakeholders and independent checks using various sources are also carried out on an annual basis and this committee overseas this process.

The size and complexity of the Group does not necessitate a separate nominations committee and this committee also leads the process of succession planning for board and senior management appointments. The committee makes recommendations to the Board and shareholders for new board appointments and ensures fitness and properness assessments are carried out.

Risk and Compliance Committee

Dr Max Ganado took over the Chair of this committee from Dr Andre Camilleri upon his appointment to the board in May 2024. The committee met four times in 2024. Malcolm Booker, Catherine Calleja, Karen Pace, Andrew Briffa (the Chief Risk and Compliance Officer/CRCO) and Ian-Edward Stafrace (the Chief Strategy Officer) formed part of the Committee during 2024.

With the support of the CRCO, the Committee has oversight of the risk management function at Group level, including the development and detailed annual review of the Group's risk appetite statement, its ongoing risk strategy and governing policies as well as the ORSA process. It also reviews quarterly status reports on the Company's risk appetite in the major risk categories, as well as regular reports relating to the various risk areas and associated controls assigned across the organisation. It also collects and monitors any operational risk events both in the core and in cell operations.

Corporate Governance - Statement of Compliance 2024 - continued

The committee also has oversight of the Compliance function ensuring that the Group continues to maintain its systems to ensure regulatory compliance and readiness for anticipated regulatory changes in various areas. It has the further responsibility of overseeing the Environmental Social Governance (ESG) strategy of the Group. Besides ensuring that ESG risks are incorporated into the risk management framework, the committee has several other roles in this area including ensuring that legislative requirements, are adhered to, overseeing the Group's progress towards its decarbonisation strategy, stakeholder engagement in this area and the overseeing of the Group's Community Involvement efforts. During the period under review the Company started the Double Materiality Assessment process in preparation for Corporate Sustainability Reporting.

Key members of the senior management team are invited to attended where relevant and regular attendance from external experts on various risk areas are a feature of the committee meetings. During the period under review, the committee continued to monitor closely the Group's adherence to the highest of standards in its distribution network, cell business, and outsourced functions. The committee also reviews customer complaints and the related root cause analysis, as well as relevant training in various areas of compliance and risk management.

Investment Committee

This Committee ensures adherence to the Group Investment Policy including the management of the liquidity risk and asset liability management and acts in accordance with the Prudent Person Principle as stipulated in Article 132 of the Solvency II Directive.

The Committee met six times in 2024 and continued to be chaired by Malcolm Booker. Andre Camilleri resigned from the committee at the Annual General Meeting in 2024 and was replaced by Max Ganado. Karen Pace, Michael Gatt and Matthew von Brockdorff, continue to form part of the committee as directors; while the Chief Treasury Officer, Mark Camilleri and John Muscat, the Chief Financial Officer also form part of the committee.

The Committee sets investment parameters, mandates with discretionary managers, and asset allocations in line with the Investment Policy, and the Risk Appetite Statement. It annually reviews the relevant policies and the relevant parts of the Risk Appetite Statement to ensure alignment between these policies and regulatory requirements.

The Committee also engages investment service providers entrusted to manage the investment portfolio on a discretionary basis and reviews the performance of such managers. Managers regularly address and report to the Committee and other board and Executive Committee members attend these presentations. The committee continues its journey to build sustainability and increased ESG direction into its investment strategy and during the period under review a consultant to the committee continued to add value and improve the committee's oversight and diversification strategies.

Protected Cells Committee

This committee oversees the protected cell operations within the Company. It reviews the financial progress of each cell, including its solvency and any potential impact on the solvency of the Atlas core and also ensures that regular cell inspections and other compliance reviews are carried out. Quarterly cell KPIs are submitted to the committee and the board of directors as part of the financial reporting process. During 2024, the committee met four times. The committee also makes formal cell proposals to the Board and seeks Board approval prior to the cell applications being formally made to the Malta Financial Services

Corporate Governance - Statement of Compliance 2024 - continued

Authority for regulatory approval as well as monitoring the new engagements and any winding up procedures.

The Managing Director & CEO chairs the Committee which is composed of the two Executive Directors as well as David Mifsud, Chief Underwriting Officer; Ian-Edward Stafrace, the Chief Strategy Officer; Mark Camilleri, the Group Treasury Officer; and Andrew Briffa, the Chief Risk and Compliance Officer. The Committee is delegated with the responsibility to approve charters and membership of the cell committees which are composed of representatives of the core, cell owners, and cell managers, if applicable. The proper functioning of these committees is central to the maintenance of the positive ongoing relationships with cell shareholders as well as to ensure a deep understanding of the cell performance and any potential risks to the core. These committees meet regularly to review underwriting, financial performance and risk management and compliance issues.

Information Technology Committee

This committee's mandate is to ensure that IT priorities, are aligned with the Group's strategy and that the Group's ambitious digital transformation investment delivers the expected results. The committee supports Atlas Management on IT policy, strategy, cyber security and governance matters and reviews any reports obtained by external consultants in this area. The committee monitored the Group's readiness for the implementation of the Digital Operational Resilience Act (DORA) which came into force in January of 2025. This executive committee is chaired by Matthew von Brockdorff and Catherine Calleja, Ian Stafrace and Vinay Aarohi, who is the Chief Information Officer, are members. Other relevant members of the senior management team are also in attendance at the meetings. The committee met four times during 2024.

Executive Committee

Chaired by the Managing Director & CEO, besides the two executive directors, the Chief Underwriting Officer, the Group Treasury Officer, the Chief Strategy Officer, the Chief Information Officer, the Chief Commercial Officer the Chief HR Officer and the Chief Customer Officer sit on the committee.

This Committee met fourteen times in 2024 and also met on specific issues with the board on other occasions during the period. The committee is responsible for implementing the strategy of the Company developed with the Board and addresses operational issues. This includes the development and deployment of business plans and detailed budgets on an annual basis to achieve the targeted key results. It is also heavily involved in policy development and change in various areas of the Group including growth, agility, customer focus, talent management and ESG.

Product Oversight and Governance (POG) Committee

The responsibility for the operational monitoring and ongoing implementation of the POG processes and procedures within the Group has been delegated by the Board to the POG Committee. The POG committee ensures that the procedures in relation to both the roles of manufacturer and distributor of insurance products are in place and properly executed within the Group. Such procedures relate to the design and manufacture of insurance products, the ongoing monitoring and regular product reviews, as well as the proper execution of the responsibilities associated with the distribution. The POG Committee met five times during 2024 and is composed of The Chief Risk and Compliance Officer, Andrew Briffa who chairs the committee, the Chief Underwriting Officer, David Mifsud, the Chief Customer Officer, David Cassar and the Manager of Health Underwriting and Sales, Claudine Gauci. Jackie Attard Montalto, in her role as Complaints Officer for the Group regularly attends meetings.

Corporate Governance - Statement of Compliance 2024 - continued

Relations with Shareholders

The Atlas Group ensures an ongoing dialogue between the board and shareholders based on the mutual understanding of objectives. The level of disclosure with these important stakeholders continues to be in excess of statutory requirements under the Companies Act.

Further communication with shareholders is enabled through the functioning of the Atlas Holdings Limited board of directors. Atlas Holdings Limited is the shareholder of the non-cellular shares ('core shareholder'), in Atlas Insurance PCC Limited and this board appoints the directors of the Company at the Annual General Meeting. Mr Lawrence Zammit chairs the Atlas Holdings Board and the two executive directors as well as Michael Gatt, also sit on this board. This structure ensures that both boards are kept aware of the priorities of the ultimate core shareholders.

Communication with cell shareholders is also facilitated through regular meetings of the individual cell committees at which cell managers, where they exist, also participate as stated earlier in this report. Quarterly reporting to the board of financial and solvency key results is carried out and more detailed analysis and communication is carried out through the Protected Cell Committee.

Directors and Officers Liability Insurance

Directors and officers of the Group are covered by the Directors and Officers Liability insurance purchased by the Group. Atlas Healthcare Insurance Agency and Eagle Star (Malta) Limited, as subsidiaries of the Company, and certain other fellow subsidiaries and associate companies are also covered by the same policy.

Approved by the Board of Directors on 3 April 2025 and signed on its behalf by:

Malcolm Booker
Chairperson

Matthew von Brockdorff
Managing Director & CEO

Independent auditor's report

To the Shareholders of Atlas Insurance PCC Limited

Report on the audit of the financial statements

Our opinion

In our opinion:

- The financial statements give a true and fair view of the financial position of Atlas Insurance PCC Limited (the Company) as at 31 December 2024, and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

Atlas Insurance PCC Limited's financial statements, set out on pages 1 to 91, comprise:

- the statement of profit or loss account for the year ended 31 December 2024;
- the statement of comprehensive income for the year then ended;
- the statement of financial position as at 31 December 2024;
- the statement of changes in equity for the year then ended;
- 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 (ISAs). Our responsibilities under those standards are further described in the *Auditor's 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.

Independent auditor's report - continued

To the Shareholders of Atlas Insurance PCC Limited

Independence

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the parent company and its subsidiaries are in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

The non-audit services that we have provided to the parent company and its subsidiaries, in the period from 1 January 2024 to 31 December 2024 are disclosed in note 7 to the financial statements.

Our audit approach

Overview

Materiality	Overall materiality: €1,501,000, which represents 1% of insurance revenue
Key audit matters	• Valuation of liability for incurred claims included in insurance contract liabilities. • Assessment of the methodology and model applied in the determination of the contractual service margin within the liability for remaining coverage.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which the company operates.

Independent auditor's report - *continued*

To the Shareholders of Atlas Insurance PCC Limited

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall materiality	€1,501,000
How we determined it	1% of insurance revenue
Rationale for the materiality benchmark applied	We chose insurance revenue as reflected in the statement of profit or loss as the benchmark because, in our view, it is a key financial statement metric used in assessing the performance of the Company and is not as volatile as other profit and loss measures. We selected 1% based on our professional judgement, noting that it is also within the range of commonly accepted revenue-related thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €150,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent auditor's report - continued

To the Shareholders of Atlas Insurance PCC Limited

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Valuation of liability for incurred claims included in insurance contract liabilities The Liability for Incurred Claims ('LIC') comprises the estimate of the present value of future cash flows on a best estimate basis together with an explicit risk adjustment. This forms part of the insurance contract liabilities. The estimation of the present value of future cash flows is judgmental and requires a number of assumptions to be made. The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the company fulfils insurance contracts. The method to calculate the risk adjustment is not prescribed by IFRS 17. The company opted for the Value at Risk approach, while one Cell opted for the Cost of Capital approach.	Our audit procedures addressing the valuation of the LIC included the following procedures involving our actuarial specialist team members: • we applied our industry knowledge and experience in understanding and evaluating the reserving methodology, models and assumptions used, also assessing the consistency with IFRS 17 principles; • we performed our own independent LIC projections on a sample basis, and compared the results to management's estimates; • we considered the reasonableness of movements in the non-financial risk adjustment ('RA') leveraging on work carried out in the previous year; • we assessed the consistency of management's methodology around the inclusion of directly attributable expenses within LIC;

Independent auditor's report - *continued*

To the Shareholders of Atlas Insurance PCC Limited

Key audit matters - continued

Key audit matter	How our audit addressed the key audit matter
The LIC is estimated by using recognised actuarial methods, including analysis of historical claims experience and information provided by the primary insurer (for Cells that issue reinsurance contracts). The Company's LIC is disclosed in Note 21 at €18.9m (2023: €20.6m) for the Core and €19.1m (2023: €21.1m) for the Cells. Relevant references in the financial statements are: • Summary of material accounting policies: Note 1.14; • Significant judgements and estimates in applying IFRS 17: Note 2.2; • Estimates and assumptions: Note 2.3; • Underwriting risk: Note 3.3; and • Note on insurance and reinsurance contracts: Note 21. We focused on the LIC due to its magnitude and inherent subjectivity.	• we considered the quality of underlying data through testing of a sample of claims to underlying documentation, including bordereaux; • we considered the quality of historical reserving by reviewing variations arising from prior year experience; and • we considered the extent of related disclosures to the financial statements with emphasis on IFRS 17 requirements. Based on the work performed, we found the recorded LIC to be reasonable.

Independent auditor's report - *continued*

To the Shareholders of Atlas Insurance PCC Limited

Key audit matters - continued

Key audit matter	How our audit addressed the key audit matter
Assessment of the methodology and model applied in the determination of the contractual service margin within the liability for remaining coverage In 2023, the Company licenced a new cell that writes reinsurance of life and annuity, accident and sickness and miscellaneous financial loss. In accordance with IFRS 17 'Insurance contracts', the Company applies the General Measurement model (GMM) for this cell. Under this model, as explained in Note 1.14.8, the Company recognises and measures groups of insurance contracts at a risk-adjusted present value of fulfilment cash flows plus the contractual service margin ('CSM'). The CSM, which amounted to €12.5m as at 31 December 2024 (2023: €8.7m), is the mechanism in IFRS 17 by which profits are deferred and released over the duration of a contract, the determination of which requires judgement and interpretation. This includes the selection of accounting policies and the use of complex methodologies. The fulfilment cash flows are the current estimates of the future cash flows within the contract boundary adjusted to reflect the timing and uncertainty of these amounts, duly discounted to reflect the time value of money.	Our audit procedures addressing the reasonableness of the methodology and model applied in the determination of the Company's CSM are outlined below: • we applied our industry knowledge and experience in understanding and evaluating the Company's methodology and assumptions used, including consideration of the view of the Company's third-party actuarial experts; • we tested the accuracy and completeness of the underlying data utilised for the purpose of the Company's estimation models to source information; • we assessed the reasonableness of the CSM as at the year-end against the assumed coverage patterns; and • we considered the extent of related disclosures to the financial statements. Based on the work performed, we found the valuation of CSM to be consistent with the explanations and evidence obtained

Independent auditor's report - *continued*

To the Shareholders of Atlas Insurance PCC Limited

Key audit matters - continued

Key audit matter	How our audit addressed the key audit matter
The key judgements and assumptions applied include: • The methodology applied in building the CSM model that calculates the CSM; • The estimation of future cash flows; and • The determination of the coverage units reflecting the benefits provided, which is the basis of the CSM release over the boundary of the insurance contract. Relevant references in the financial statements are: • Summary of material accounting policies (Measurement – Contracts measured under the GMM): Note 1.14.8; • Significant judgements and estimates in applying IFRS 17: Note 2.2; • Sensitivity analysis: Note 3.3.3; • Analysis by measurement component: Note 21.4; and • Note on the contractual service margin: 21.7. We focused on the determination of the CSM due to the subjectivity underlying the key judgements as well as the risk that the CSM modelling may not be appropriate or the agreed methodology may not have been implemented correctly in the CSM model. Further, there is a risk that the key judgements and estimates applied are not described in an appropriate level of detail for users of the financial statements to understand the decisions made by management.	

Independent auditor's report - *continued*

To the Shareholders of Atlas Insurance PCC Limited

Other information

The directors are responsible for the other information. The other information comprises Directors' Report and Corporate Governance- Statement of Compliance 2024 (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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, 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 in this regard.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors 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.

Those charged with governance are responsible for overseeing the company's financial reporting process.

Auditor's 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 auditor's 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 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.

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 auditor's 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 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report - *continued*

To the Shareholders of Atlas Insurance PCC Limited

Report on other legal and regulatory requirements

The *Annual Report and Financial Statements 2024* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

Area of the *Annual Report and Financial Statements 2024* and the related Directors' responsibilities	Our responsibilities	Our reporting
Directors' report (on pages i to v) The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.	We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements. In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.	In our opinion: • the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386). We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.

Independent auditor's report - continued

To the Shareholders of Atlas Insurance PCC Limited

Area of the *Annual Report and Financial Statements 2024* and the related Directors' responsibilities	Our responsibilities	Our reporting
	Other matters on which we are required to report by exception We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.	We have nothing to report to you in respect of these responsibilities.

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) 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 written consent.

Independent auditor's report - *continued*

To the Shareholders of Atlas Insurance PCC Limited

Appointment

We were first appointed as auditors of the Company on 31 December 1991. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 34 years. The company became licensed as an insurance undertaking in terms of the Maltese Insurance Business Act (Cap. 403) on 29 April 2004.

Romina Soler
Principal

For and on behalf of
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

3 April 2025

Statement of profit or loss account
For the year ended 31 December

		Core		Cells		Total	
		2024	2023	**2024**	2023	**2024**	2023
	Notes	**€**	€	**€**	€	**€**	€
Insurance revenue	5, 21	**63,999,926**	57,197,750	**86,161,697**	62,787,066	**150,161,623**	119,984,816
Insurance service expenses	7, 21	**(45,040,310)**	(27,728,512)	**(63,853,998)**	(51,431,814)	**(108,894,308)**	(79,160,326)
Net expenses from reinsurance contracts held	21	**(8,709,576)**	(22,412,940)	**(9,045,101)**	(3,251,428)	**(17,754,677)**	(25,664,368)
Insurance service result		**10,250,040**	7,056,298	**13,262,598**	8,103,824	**23,512,638**	15,160,122
Interest revenue from financial assets not measured at fair value through profit or loss	6	**9,486**	-	**62,512**	-	**71,998**	-
Net gains on fair value through profit or loss investments	6	**2,902,454**	3,298,140	**385,685**	135,209	**3,288,139**	3,433,349
Net gains from fair value adjustment to investment Properties	6	**-**	90,781	**-**	-	**-**	90,781
Other investment income	6	**1,314,617**	1,418,513	**1,568**	3,568	**1,316,185**	1,422,081
Other investment expenses	6	**(484,130)**	(400,916)	**(99,276)**	(4,783)	**(583,406)**	(405,699)
Net investment income		**3,742,427**	4,406,518	**350,489**	133,994	**4,092,916**	4,540,512
Finance (expenses) / income from insurance contracts issued	6	**(418,442)**	(740,328)	**(135,784)**	99,001	**(554,226)**	(641,327)
Finance income / (expenses) from reinsurance contracts held	6	**131,809**	444,045	**(122,487)**	(248,201)	**9,322**	195,844
Net insurance finance expenses		**(286,633)**	(296,283)	**(258,271)**	(149,200)	**(544,904)**	(445,483)
Net insurance and investment result		**13,705,834**	11,166,533	**13,354,816**	8,088,618	**27,060,650**	19,255,151
Other operating expenses	7	**(834,696)**	(1,315,057)	**(560,964)**	(32,148)	**(1,395,660)**	(1,347,205)
Other income		**1,025,973**	807,994	**101,647**	-	**1,127,620**	807,994
Profit before income tax		**13,897,111**	10,659,470	**12,895,499**	8,056,470	**26,792,610**	18,715,940
Income tax expense	9	**(4,726,310)**	(4,435,602)	**(4,233,930)**	(2,778,350)	**(8,960,240)**	(7,213,952)
Profit for the year		**9,170,801**	6,223,868	**8,661,569**	5,278,120	**17,832,370**	11,501,988

The notes on page 7 to 91 are an integral part of these financial statements.

Statement of comprehensive income

		Core		Cells		Total	
	Notes	**2024** **€**	2023 €	**2024** **€**	2023 €	**2024** **€**	2023 €
Profit for the year		**9,170,801**	6,223,868	**8,661,569**	5,278,120	**17,832,370**	11,501,988
Other comprehensive income:							
Items that will not be reclassified to profit or loss							
Net reporting currency difference arising on translation from functional currency to presentation currency	20	-	-	**307,515**	161,899	**307,515**	161,899
Deferred tax relating to revaluation	20	**8,715**	10,528	-	-	**8,715**	10,528
Other comprehensive income, net of tax		**8,715**	10,528	**307,515**	161,899	**316,230**	172,427
Total comprehensive income for the year		**9,179,516**	6,234,396	**8,969,084**	5,440,019	**18,148,600**	11,674,415

Income tax relating to each component is disclosed in Notes 9 and 17.

The notes on pages 7 to 91 are an integral part of these financial statements.

Statement of financial position
As at 31 December

		Core		Cells		Total	
	Notes	2024 €	2023 €	2024 €	2023 €	2024 €	2023 €
ASSETS							
Intangible assets	12	**70,725**	191,339	-	-	**70,725**	191,339
Property, plant and equipment:							
- land, buildings and improvements	13	**8,501,324**	8,679,931	-	-	**8,501,324**	8,679,931
- plant and equipment	13	**905,020**	904,373	-	-	**905,020**	904,373
- right-of-use assets	13	**629,461**	717,281	-	-	**629,461**	717,281
Investments:							
- investment property	14	**9,615,132**	9,607,000	-	-	**9,615,132**	9,607,000
- investment in subsidiaries	15	**748,058**	748,058	-	-	**748,058**	748,058
- investment in associates	15	**3,875,000**	2,875,000	-	-	**3,875,000**	2,875,000
- financial investments	16	**50,378,358**	44,428,371	**24,271,214**	7,221,484	**74,649,572**	51,649,855
Other assets		-	94,427	-	-	-	94,427
Insurance contract assets	21	-	-	**3,562,868**	7,828,635	**3,562,868**	7,828,635
Reinsurance contract assets	21	**13,431,980**	11,812,439	**3,985,518**	1,136,832	**17,417,498**	12,949,271
Debtors not arising from direct insurance operations	18	**2,471,778**	2,903,811	**402,244**	471,676	**2,874,022**	3,375,487
Deferred taxation asset	17	-	-	-	408	-	408
Prepayments and accrued income	18	**869,402**	729,322	**681,222**	480,952	**1,550,624**	1,210,274
Cash and cash equivalents	24	**9,256,555**	6,415,422	**21,032,831**	24,312,960	**30,289,386**	30,728,382
Total assets		**100,752,793**	90,106,774	**53,935,897**	41,452,947	**154,688,690**	131,559,721
EQUITY							
Capital and reserves							
Share capital	19	**12,000,000**	12,000,000	**23,397,503**	20,360,838	**35,397,503**	32,360,838
Other reserves	20	**6,076,930**	6,068,215	**73,501**	(234,014)	**6,150,431**	5,834,201
Retained earnings	20	**36,047,188**	29,376,387	**9,149,768**	5,140,465	**45,196,956**	34,516,852
Total equity		**54,124,118**	47,444,602	**32,620,772**	25,267,289	**86,744,890**	72,711,891
LIABILITIES							
Insurance contract liabilities	21	**38,195,201**	37,444,374	**10,953,084**	10,748,740	**49,148,285**	48,193,114
Reinsurance contract liabilities	21	-	-	**1,945,820**	1,298,510	**1,945,820**	1,298,510
Lease liabilities	13	**681,002**	764,414	-	-	**681,002**	764,414
Creditors not arising from direct insurance operations	22	**1,645,544**	102,594	**152,892**	36,949	**1,798,436**	139,543
Deferred taxation	17	**2,874,158**	2,437,328	-	-	**2,874,158**	2,437,328
Taxation payable		**1,727,152**	820,250	**7,406,176**	4,039,233	**9,133,328**	4,859,483
Accruals and deferred income	22	**1,505,618**	1,093,212	**857,153**	62,226	**2,362,771**	1,155,438
Total liabilities		**46,628,675**	42,662,172	**21,315,125**	16,185,658	**67,943,800**	58,847,830
Total equity and liabilities		**100,752,793**	90,106,774	**53,935,897**	41,452,947	**154,688,690**	131,559,721

The notes on pages 7 to 91 are an integral part of these financial statements. The financial statements on pages 1 to 91 were authorised for issue by the board 3 April 2025 and were signed on its behalf by:

Malcolm Booker
Chairperson

Matthew von Brockdorff
Managing Director & CEO

Statement of changes in equity

	Core				Cells				Total			
	Share capital	Other reserves	Retained earnings	Total	Share capital	Other reserves	Retained earnings	Total	Share capital	Other reserves	Retained earnings	Total
	€	€	€	€	€	€	€	€	€	€	€	€
Balance at 1 January 2023	12,000,000	6,057,687	25,352,519	43,410,206	13,860,838	(395,913)	1,012,345	14,477,270	25,860,838	5,661,774	26,364,864	57,887,476
Comprehensive income												
Profit for the year	-	-	6,223,868	6,223,868	-	-	5,278,120	5,278,120	-	-	11,501,988	11,501,988
Other comprehensive income												
Net reporting currency differences arising on translation from functional currency to presentation currency (note 20)	-	-	-	-	-	161,899	-	161,899	-	161,899	-	161,899
Deferred tax arising from revaluation gain (note 20)	-	10,528	-	10,528	-	-	-	-	-	10,528	-	10,528
Total other comprehensive income	-	10,528	-	10,528	-	161,899	-	161,899	-	172,427	-	172,427
Total comprehensive income	-	10,528	6,223,868	6,234,396	-	161,899	5,278,120	5,440,019	-	172,427	11,501,988	11,674,415
Transactions with owners												
Issue of cells shares (note 19)	-	-	-	-	6,500,000	-	-	6,500,000	6,500,000	-	-	6,500,000
Dividends (note 11)	-	-	(2,200,000)	(2,200,000)	-	-	(1,150,000)	(1,150,000)	-	-	(3,350,000)	(3,350,000)
Total transactions with owners	-	-	(2,200,000)	(2,200,000)	6,500,000	-	(1,150,000)	5,350,000	6,500,000	-	(3,350,000)	3,150,000
Balance at 31 December 2023	12,000,000	6,068,215	29,376,387	47,444,602	20,360,838	(234,014)	5,140,465	25,267,289	32,360,838	5,834,201	34,516,852	72,711,891

Statement of changes in equity - continued

	Core				Cells				Total			
	Share capital €	Other reserves €	Retained earnings €	Total €	Share capital €	Other reserves €	Retained earnings €	Total €	Share capital €	Other reserves €	Retained earnings €	Total €
Balance at 1 January 2024	12,000,000	6,068,215	29,376,387	47,444,602	20,360,838	(234,014)	5,140,465	25,267,289	32,360,838	5,834,201	34,516,852	72,711,891
Comprehensive income												
Profit for the year	-	-	9,170,801	9,170,801	-	-	8,661,569	8,661,569	-	-	17,832,370	17,832,370
Other comprehensive income												
Net reporting currency differences arising on translation from functional currency to presentation currency (note 20)	-	-	-	-	-	307,515	-	307,515	-	307,515	-	307,515
Deferred tax arising from revaluation gain (note 20)	-	8,715	-	8,715	-	-	-	-	-	8,715	-	8,715
Total other comprehensive income	-	8,715	-	8,715	-	307,515	-	307,515	-	316,230	-	316,230
Total comprehensive income	-	8,715	9,170,801	9,179,516	-	307,515	8,661,569	8,969,084	-	316,230	17,832,370	18,148,600
Transactions with owners												
Increase in share capital (note 19)	-	-	-	-	7,400,000	-	-	7,400,000	7,400,000	-	-	7,400,000
Decrease in share capital (note 19)	-	-	-	-	(4,363,335)	-	-	(4,363,335)	(4,363,335)	-	-	(4,363,335)
Transfer of cells' reserve on wounding down	-	-	-	-	-	-	1,614,736	1,614,736	-	-	1,614,736	1,614,736
Dividends (note 11)	-	-	(2,500,000)	(2,500,000)	-	-	(6,267,002)	(6,267,002)	-	-	(8,767,002)	(8,767,002)
Total transactions with owners	-	-	(2,500,000)	(2,500,000)	3,036,665	-	(4,652,266)	(1,615,601)	3,036,665	-	(7,152,266)	(4,115,601)
Balance at 31 December 2024	12,000,000	6,076,930	36,047,188	54,124,118	23,397,503	73,501	9,149,768	32,620,772	35,397,503	6,150,431	45,196,596	86,744,890

The notes on pages 7 to 91 are an integral part of these financial statements.

Statement of cash flows

Year ended 31 December

		Core		Cells		Total	
	Notes	2024 €	2023 €	2024 €	2023 €	2024 €	2023
Cash flows from/(used in) operating activities							
Cash generated from/(used in) operations	23	**9,585,205**	6,174,526	**(1,142,838)**	(103,804)	**8,442,367**	6,070,722
Income tax paid		**(3,088,480)**	(1,846,326)	**(866,579)**	(535,709)	**(3,955,059)**	(2,382,035)
Net cash generated from operating activities		**6,496,725**	4,328,200	**(2,009,417)**	(639,513)	**4,487,308**	3,688,687
Cash flows from investing activities							
Purchase of property, plant and equipment	13	**(330,740)**	(347,535)	-	-	**(330,740)**	(347,535)
Purchase of intangible assets	12	**(37,760)**	(51,154)	-	-	**(37,760)**	(51,154)
Proceeds from disposal of property, plant and equipment		**81,000**	-	-	-	**81,000**	-
Purchase of investment property	14	**(8,132)**	(10,502)	-	-	**(8,132)**	(10,502)
Sale of other assets		**135,000**	-	-	-	**135,000**	-
Investment in subsidiary undertakings	15	**(1,000,000)**	(500,000)	-	-	**(1,000,000)**	(500,000)
Net cash used in investing activities		**(1,160,632)**	(909,191)	-	-	**(1,160,632)**	(909,191)
Cash flows from financing activities							
Dividends paid	11	**(2,500,000)**	(2,200,000)	**(6,267,002)**	(1,150,000)	**(8,767,002)**	(3,350,000)
Net proceeds from issue of capital	19	-	-	**4,651,400**	6,500,000	**4,651,400**	6,500,000
Net cash (used in) / generated from financing activities		**(2,500,000)**	(2,200,000)	**(1,615,602)**	5,350,000	**(4,115,602)**	3,150,000
Movement in cash and cash equivalents		**2,836,093**	1,219,009	**(3,625,019)**	4,710,487	**(788,926)**	5,929,496
Cash and cash equivalents at beginning of year		**6,415,422**	5,197,734	**24,312,960**	19,434,766	**30,728,382**	24,632,500
Exchange differences on cash and cash equivalents		**5,040**	(1,321)	**344,890**	167,707	**349,930**	166,386
Cash and cash equivalents at end of year	24	**9,256,555**	6,415,422	**21,032,831**	24,312,960	**30,289,386**	30,728,382

The notes on pages 7 to 91 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of material accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and in accordance with the requirements of the Maltese Companies Act (Cap.386) and the requirements of the Maltese Insurance Business Act, (Cap. 403). The Company is exempt from the preparation of consolidated financial statements by virtue of paragraph 4 of IFRS 10, "Consolidated Financial Statements" and Article 174 of the Maltese Companies Act (Cap. 386). The Company presents only separate financial statements. Atlas Holdings Limited (Note 26) prepares consolidated financial statements as required by the Maltese Companies Act (Cap.386) and these are delivered to the Registrar of Companies in Malta in terms of Article 174 (2) (e).

The financial statements of the Company include the financial performance and financial position of the Core operation together with the operations of the Cells.

As at 31 December 2024, the Company had nine Cells, the Autorama Cell, the Ocado Cell, the Griffin cell, the TVIS Cell, the Gemini Cell, the L'Amie Cell, the Asservo Cell, the AM Cell and Grange Cell referred to in these financial statements as Cell 2, Cell 4, Cell 6, Cell 7, Cell 9, Cell 10, Cell 11, Cell 12 and Cell 13 respectively. The Blevins Franks Cell and the Amplifon Cell were wound up during 2024. The Company maintains separate accounts for each Cell. Cellular assets and liabilities are separate and separately identifiable from Core and Cellular assets attributable to other Cells. Separate balance sheets, profit or loss accounts and statements of comprehensive income, changes in equity and cash flows have accordingly been prepared for the Cells.

The financial statements are prepared under the historical cost convention as modified by the fair valuation of Land and buildings - investment property, Land and buildings - property, plant and equipment, and financial assets at fair value through profit or loss (FVTPL).

The balance sheet is organised in increasing order of liquidity, with additional disclosures on the current or non-current nature of the Company's assets and liabilities provided within the notes to the financial statements.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

1. **Summary of material accounting policies** - continued

1.1 **Basis of preparation** - continued

Standards, interpretations and amendments to published standards effective in 2024

In 2024, the company adopted new standards, amendments and interpretations to existing standards that are mandatory for the company's accounting period beginning on 1 January 2024. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the company's accounting policies impacting the company's financial performance and position.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for accounting periods beginning after 1 January 2024. The company has not early adopted these revisions to the requirements of IFRSs as adopted by the EU and the company's directors are of the opinion that there are no requirements which will have a possible material impact on the company's financial statements in the period of initial application, other than what is described below.

<u>IFRS 18 'Presentation and Disclosure in Financial Statements' (effective for annual periods beginning on or after 1 January 2027)</u>

IFRS 18 (issued on 9 April 2024) is yet to be endorsed for use in the EU however it is set to replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance. IFRS 18 will also require the disclosure of management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group's and Company's financial statements.

The new standard will be applicable from its mandatory effective date of 1 January 2027, subject to endorsement for use in the EU, with retrospective application.

1.2 **Revenue recognition**

Revenue comprises the fair value for services and is recognised as follows:

(a) Rendering of services

Insurance revenue is described in Note 1.14 dealing with insurance contracts.

(b) Interest income

Interest income from financial assets not classified as FVTPL is recognised using the effective interest method.

1. **Summary of material accounting policies** - continued

1.2 Revenue recognition - continued

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Rental income

Rental income from investment property is accounted for on an accruals basis in accordance with the substance of the relevant lease agreements.

1.3 Investment return

Investment return comprises investment income including fair value movements, interest income, dividends and rental income, and is net of investment expenses, charges and interest. Dividends are recorded on the date when the shareholder's right to receive payment is established. Interest and expenses are accounted for on an accruals basis.

1.4 Foreign currencies

(a) Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The euro is the Core's functional and the Company's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss account.

All foreign exchange gains and losses are presented in the profit or loss account within 'investment return'.

Certain cells operate in GBP. The results and the financial position of the particular cells are translated from their functional currency (GBP) into 'the presentation currency' of the company as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet; and

(ii) income and expenses for each profit or loss account are translated at average exchange rates.

All resulting exchange differences are recognised in other comprehensive income (OCI) and are accounted for in the functional currency exchange reserve (Note 20).

1. **Summary of material accounting policies** - continued

1.5 Intangible assets

(a) Customer relationships

Acquired customer relationships are shown at historical cost. Customer relationships have an indefinite useful life and are subject to annual impairment assessment or whenever there are indicators that they may have suffered impairment.

(b) Computer software

Acquired computer software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their useful lives, not exceeding a period of three years.

All costs associated with maintaining computer software programmes are recognised as an expense as incurred.

1.6 Property, plant and equipment

Tangible fixed assets comprising land and buildings, computer equipment and furniture and fittings are initially recorded at cost. Land and buildings included within property, plant and equipment are subsequently measured at fair value, based on valuations by the directors after seeking due professional advice, less subsequent depreciation. Valuations are carried out on a regular basis such that the carrying amount of property does not differ materially from that which would be determined using fair values at the balance sheet date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revaluated amount of the asset. All other tangible fixed assets are stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation are credited to OCI and shown as revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged in OCI and debited against the revaluation reserve; all other decreases are charged to the profit or loss account.

Depreciation is calculated on the straight line method to write off the cost of the assets to their residual values over their estimated useful life as follows

	%
Buildings	1
Improvement to leasehold premises	10
Furniture, equipment and motor vehicles	10 - 20

Freehold land is not depreciated.

Gains and losses on disposal of tangible fixed assets are determined by reference to their carrying amount and are taken into account in determining operating profit. On disposal of a revalued asset, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Tangible asset also includes right-of-use assets.

1. Summary of material accounting policies - continued

1.7 Investment property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property comprises freehold buildings.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets, discounted cash flow projections or comparative sales prices. These valuations are reviewed annually by the directors after seeking professional advice.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit or loss account during the financial period in which they are incurred. Changes in fair values are recorded in the profit or loss account.

Gains or losses on disposal are determined by comparing proceeds with carrying amount and are included in the profit or loss account.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

1.8 Investment in subsidiaries and associates

Subsidiaries are all entities over which the Company has control. The Company controls an entity where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Investment in subsidiaries is accounted for at cost less impairment. The results of the subsidiary undertakings are reflected in the Company's financial statements only to the extent of dividends receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss account.

Associates are all entities over which the company has significant influence but not control, generally accompanying a shareholding of between 20% to 50% voting rights. Investment in associates is accounted for at cost less impairment.

1. Summary of material accounting policies - continued

1.9 Financial assets and liabilities

1.9.1 Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade date, the date on which the Company commits to purchase or sell the asset.

At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at FVTPL, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at FVTPL are expensed in profit or loss.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

- When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

1.9.2 Amortised cost and effective interest rate

AC is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method for any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its AC before any impairment allowance) or to the AC of a financial liability. The calculation does not consider the ECL and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the EIR.

When the Company revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimate discounted using the original EIR. Any changes are recognised in profit or loss.

Interest revenue is calculated by applying the EIR to the gross carrying amount of financial assets recognised at AC or FVOCI.

1.9.3 Financial assets

Classification and subsequent measurement

The Company classifies its financial assets into the following measurement categories:
- AC; or
- FVTPL.

1. **Summary of material accounting policies** - continued

1.9 Financial assets and liabilities - continued

1.9.3 Financial assets - continued

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as government and corporate bonds.

The classification and subsequent measurement of debt instruments depend on:

- the Company's business model for managing the asset; and
- the cash flow characteristics of the asset (represented by solely payments of principal and interest (SPPI)).

Based on these factors, the Company classifies its debt instruments into one of the following two measurement categories:

- **AC:** Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at AC. The carrying amount of these assets is adjusted by any ECL allowance recognised and measured as described further below. Interest revenue from these financial assets is included in interest revenue from financial assets not measured at FVTPL using the EIR method.

- **FVTPL:** Assets that do not meet the criteria for AC or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised and presented in the statement of profit or loss within net gains on FVTPL investments in the period in which it arises.

Business model

The business model reflects how the Company manages assets in order to generate cash flows. That is, it reflects whether the Company's objective is solely to collect the contractual cash flows from assets or to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of the other business model and measured at FVTPL.

Solely payments of principal and interest

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent SPPI (the SPPI test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement).

The Company reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

1. **Summary of material accounting policies** - continued

1.9 Financial assets and liabilities - continued

1.9.3 Financial assets - continued

Treasury bills, which have a maturity date of greater than 90 days from the acquisition date, are held to maturity and are classified at AC and not at FVTPL since the cash flows represent SPPI. Listed debt securities with fixed interest rates are classified at FVTPL.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective (i.e. instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets). Examples of equity instruments include basic ordinary shares.

The Company subsequently measures all equity investments at FVTPL. Gains and losses on equity investments at FVTPL are included in the line 'Net gains on FVTPL investments' in the statement of profit or loss.

The Company chooses not to apply the FVOCI option for equity instruments that are not held for trading.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand and deposits held at call with banks, net of bank overdrafts, and other short-term highly liquid investments with original maturities of three months or less. In the balance sheet, bank overdrafts are included in borrowings.

Impairment

The Company assesses on a forward-looking basis the ECL associated with its debt instrument assets carried at AC and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of the ECL reflects:

- an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Note 3.4.2 provides more detail on how the ECL allowance is measured.

Loss allowances for ECL in relation to financial assets measured at amortised cost are presented as a deduction from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

1. Summary of material accounting policies - continued

1.9 Financial assets and liabilities - continued

1.9.3 Financial assets - continued

Although the Company expects no significant recovery from amounts written off, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Derecognition other than a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (i) the Company transfers substantially all the risks and rewards of ownership; or (ii) the Company neither transfers nor retains substantially all the risks and rewards of ownership and the Company has not retained control.

1.9.4 Financial liabilities

Classification and subsequent measurement

In both the current and prior period, financial liabilities are classified and subsequently measured at AC.

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires). The exchange between the Company and its original lenders of debt instruments with substantially different terms, as well as substantial modifications of the terms of existing financial liabilities, are accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability. The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different than the discounted present value of the remaining cash flows of the original financial liability.

If an exchange of debt instruments or a modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, any costs or fees incurred adjust the carrying amount of the liability and are amortised over the remaining term of the modified liability.

1.10 Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

1. Summary of material accounting policies - continued

1.10 Leases - continued

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. While the Company revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Company.

Leases income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet as investment property based on the nature of the assets.

1.11 Impairment of other non-financial assets

Assets that have an indefinite useful life, such as customer relationships, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

1.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

1.13 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in OCI or directly in equity. In this case, the tax is also recognised in OCI or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that future taxable profit will be available such that realisation of the related tax benefit is probable.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities.

1. Summary of material accounting policies - continued

1.14 Insurance contracts

1.14.1 Definition and classification

Contracts under which the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder are classified as insurance contracts. In making this assessment, all substantive rights and obligations, including those arising from law or regulation, are considered on a contract-by-contract basis. The Company uses judgement to assess whether a contract transfers insurance risk and whether the accepted insurance risk is significant. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Company to financial risk.

In the normal course of business, the Company uses reinsurance to mitigate its risk exposures. A reinsurance contract transfers significant risk if it transfers substantially all the insurance risk resulting from the insured portion of the underlying insurance contracts, even if it does not expose the reinsurer to the possibility of a significant loss.

All references to insurance contracts in these financial statements apply to insurance and reinsurance contracts issued or acquired, and reinsurance contracts held, unless specifically stated otherwise.

All insurance contracts and all reinsurance contracts are classified as contracts without direct participation features. Whilst some of the reinsurance contracts issued by one cell are measured under the GMM, the rest of the Company's contracts are measured under the PAA.

1.14.2 Unit of account

The Company manages insurance contracts issued at the product line level, where each product line includes contracts that are subject to similar risks. An exception is made for some of the contracts issued by the Company falling under the property, marine and accident portfolios where the liability component is separated from the legal contract. Overriding the presumption that the contract is the lowest unit of account for property contracts was deemed appropriate following a thorough assessment of facts and circumstances. All insurance contracts within a product line represent a portfolio of contracts. Note 2.2 provides further information on the judgement that is applied.

Before the Company accounts for an insurance contract based on the guidance in IFRS 17, it analyses whether the contract contains components that should be separated. IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- cash flows relating to embedded derivatives that are required to be separated;
- cash flows relating to distinct investment components; and
- promises to transfer distinct goods or distinct services other than insurance contract services.

The Company applies IFRS 17 to all remaining components of the contract.

1. **Summary of material accounting policies** - continued

1.14 Insurance contracts - continued

1.14.3 Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts and each annual cohort into three groups based on the profitability of the contracts:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

For each portfolio of contracts, the Company determines the appropriate level at which reasonable and supportable information is available, to assess whether these contracts are onerous at initial recognition and whether non-onerous contracts have a significant possibility of becoming onerous. This level of granularity determines sets of contracts. The Company uses judgement to determine at what level of granularity the Company has reasonable and supportable information that is sufficient to conclude that all contracts within a set are sufficiently homogeneous and will be allocated to the same group without performing an individual contract assessment.

For contracts measured using the GMM, due to clear steering of profitability and a low-severity-high-frequency-loss characteristics, none of the groups of insurance contracts are onerous at initial recognition. The Company monitors the profitability of contracts within portfolios and the likelihood of changes in insurance, financial and other exposures resulting in these contracts becoming onerous at the portfolio level.

For contracts measured using the PAA, the Company assumes that no such contracts are onerous at initial recognition, unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones. For non-onerous contracts, the Company assesses the likelihood of changes in the applicable facts and circumstances in the subsequent periods in determining whether contracts have a significant possibility of becoming onerous.

Reinsurance contracts

Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within an annual cohorts into groups of:

i. contracts for which there is a net gain at initial recognition, if any;
ii. contracts for which, at initial recognition, there is no significant possibility of a net gain arising subsequently;
iii. remaining contracts in the portfolio, if any.

1. Summary of material accounting policies - continued

1.14 Insurance contracts - continued

1.14.3 Aggregation and recognition of insurance and reinsurance contracts – continued

Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis. The Company tracks internal management information reflecting historical experiences of such contracts' performance. This information is used for setting pricing of these contracts such that they result in reinsurance contracts held in a net cost position without a significant possibility of a net gain arising subsequently.

Groups of reinsurance contracts are established such that each group comprises a single contract. Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Company concludes that the reinsurance contract's legal form of a single contract reflects the substance of the Company's contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

Recognition

Insurance contracts

An insurance contract issued by the Company is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Company provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

Insurance contracts acquired in a portfolio transfer are accounted for as if they were entered into at the date of transfer.

Only contracts that meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts' restriction. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Reinsurance contracts

A group of reinsurance contracts is recognised on the following date.

- *Reinsurance contracts initiated by the Company that provide proportionate coverage:* At the later of the beginning of coverage period of the group and the date on which any underlying insurance contract is initially recognised. This applies to the Company's quota share reinsurance contracts.
- *Other reinsurance contracts initiated by the Company:* The beginning of the coverage period of the group of reinsurance contracts. This applies to the Company's excess of loss and stop loss reinsurance contracts.

1. Summary of material accounting policies - continued

1.14 Insurance contracts - continued

1.14.3 Aggregation and recognition of insurance and reinsurance contracts - continued

If the Company entered into a reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the group of reinsurance contracts held, the reinsurance contract held is recognised at the same time as the group of underlying insurance contracts is recognised.

1.14.4 Insurance Acquisition Cash flows

The Company defines acquisition cash flows as cash flows that arise from costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) and that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance acquisition cash flows are directly attributable to a group of contracts (e.g. non-refundable commissions paid on issuance of a contract), then they are allocated to that group.

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated. The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts.

At each reporting date, the Company revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

Recoverability assessment

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

The recoverability assessment is performed in two steps, as follows:

1. an impairment loss is recognised to the extent that the carrying amount of each asset for insurance acquisition cash flows exceeds the expected net cash inflow as determined by the FCF as at initial recognition for the related group of insurance contracts;
2. in addition, when insurance acquisition cash flows directly attributable to a group of contracts are allocated to groups that include expected contract renewals, such insurance acquisition cash flows should not exceed the expected net cash inflow from the expected renewals as determined by the FCF as at initial recognition for the expected renewals; an impairment loss is recognised for the excess to the extent not recognised in step (1) above.

1. Summary of material accounting policies - continued

1.14 Insurance contracts - continued

1.14.5 Contract Boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows:

Insurance contracts

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide the policyholder with insurance contract services.

A substantive obligation to provide services ends when:

- the Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or

- the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

The reassessment of risks considers only risks transferred from policyholders to the Company, which may include both insurance and financial risks, but exclude lapse and expense risks.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and, therefore, may change over time.

Cash flows that are not directly attributable to a portfolio of insurance contracts, such as product development costs and training costs, are recognised in other operating expenses as incurred.

Reinsurance contracts held

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

The Company's proportional reinsurance arrangements provide cover on a risks attaching basis. The contract boundary for these contracts may be longer than the contractual term as it will be based on the contract term plus the coverage period of the last underlying contract expected to attach to the reinsurance contract, unless mutual early cancellation clauses are in place.

The non-proportional reinsurance arrangements held by the Company provide coverage for claims incurred during an accident year. Thus, all cash flows arising from claims incurred and expected to be incurred in the accident year are included in the measurement of the reinsurance contracts held.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and, therefore, may change over time.

1. **Summary of material accounting policies** - continued

1.14 Insurance contracts - continued

1.14.6 Fulfilment Cash flows

The fulfilment cash flows (FCF) are the current estimates of the future cash flows within the contract boundary of a group of contracts that the Company expects to collect from premiums and pay out for claims, benefits and expenses, adjusted to reflect the timing and the uncertainty of those amounts.

The estimates of future cash flows:
- are based on a probability weighted mean of the full range of possible outcomes;
- are determined from the perspective of the Company, provided the estimates are consistent with observable market prices for market variables; and
- reflect conditions existing at the measurement date.

An explicit risk adjustment for non-financial risk is estimated separately from the other estimates. For contracts measured under the PAA, unless the contracts are onerous, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the liability for incurred claims (LIC).

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires judgement and estimation. Refer to note 2.3.1.

Risk of the Company's non-performance is not included in the measurement of groups of insurance contracts issued.

In the measurement of reinsurance contracts held, the probability weighted estimates of the present value of future cash flows include the potential credit losses and other disputes of the reinsurer to reflect the non-performance risk of the reinsurer.

The Company estimates certain FCF at the portfolio level or higher and then allocates such estimates to groups of contracts.

The Company uses consistent assumptions to measure the estimates of the present value of future cash flows for the group of reinsurance contracts held and such estimates for the groups of underlying insurance contracts.

1.14.7 Risk Adjustment for non-financial risk

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows and reflects the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in note 2.3.4.

1. Summary of material accounting policies - continued

1.14 Insurance contracts - continued

1.14.8 Measurement - Contracts measured under the GMM

Insurance contracts - Initial measurement

On initial recognition, the Company measures a group of insurance contracts as the total of (a) the fulfilment cashflows, which comprise estimates of future cashflows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM. The fulfilment cashflows of a group of insurance contracts do not reflect Company's non-performance risk. The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cashflows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Company will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cashflows, (b) any cashflows arising from the contracts at that date and (c) any amount arising from the derecognition of any insurance acquisition cash flows asset and any other pre-recognition cash flows, is a net inflow, then the group of insurance contracts is not onerous. Insurance revenue and insurance service expense are recognised immediately for any such assets derecognised.

When the above calculations result in a net outflow, then the group of insurance contracts issued would be onerous. In this case, the net outflow is recognised as a loss in profit or loss, with no CSM recognised on the balance sheet on initial recognition and a loss component is established in the amount of loss recognised. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue.

Insurance contracts - Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage comprising the fulfilment cash flows related to future service allocated to the group at that date and the CSM of the group at that date and the liability for incurred claims, comprising the fulfilment cash flows related to past service allocated to the group at the reporting date.

Changes in fulfilment cash flows

The fulfilment cashflows of groups of insurance contracts are measured at the end of the reporting date using current estimates of future cashflows, current discount rates and current estimates of the risk adjustment for non-financial risk.

1. Summary of material accounting policies - continued

1.14 Insurance contracts - continued

1.14.8 Measurement - Contracts measured under the GMM - continued

Insurance contracts - Subsequent measurement - continued

Changes in fulfilment cashflows are recognised as follows:

• **Changes relating to future services**	• Adjusted against the CSM
• **Changes relating to current or past services**	• Recognised in the insurance service result in profit or loss
• **Effects of the time value of money, financial risk and changes therein on estimated future cashflows**	• Under IFRS 17, an entity has the accounting policy choice to recognize the impact of insurance finance income or expenses either in Profit or Loss or disaggregated between Profit and loss and OCI ("OCI option"). The OCI option has not been chosen to recognise the impact of insurance finance income or expenses.

Changes in fulfilment cashflows that relate to future services comprise:

a) experience adjustments arising from premiums received in the period that relate to future service and related cash flows, measured at the discount rates upon initial recognition.
b) changes in estimates of the present value of the future cash flows in the LRC, measured at the discount rates upon initial recognition. However, the following items are excluded from "Changes in fulfilment cashflows that relate to future services" and therefore do not affect the CSM:
   - the effect of the time value of money and changes in financial assumptions
   - changes in estimates of future cashflows in the LIC
   - experience adjustments other than those in point a) above
c) differences between (i) any investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses ; and (ii) actual amount that becomes payable in the year.
d) differences between any loan to a policyholder expected to become repayable in the year and the actual amount that becomes repayable in the year; and
e) changes in the risk adjustment for non-financial risk that relate to future services.

Changes in discretionary cash flows are regarded as relating to future services and accordingly adjust the CSM.

Adjustments (a), (b) and (e) above are measured using discount rates determined on initial recognition (the locked-in discount rates).

The following adjustments do not adjust the CSM:
a) changes in the fulfilment cash flows for the effect of the time value of money and the effect of financial risk and changes thereof;
b) changes in the fulfilment cash flows relating to the liability for incurred claims;
c) experience adjustments - arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
d) experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

1. **Summary of material accounting policies** - continued

1.14 Insurance contracts - continued

1.14.8 Measurement - Contracts measured under the GMM - continued

Insurance contracts - Subsequent measurement - continued

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on initial recognition;
- changes in fulfilment cashflows that relate to future services; and
- the amount recognised as insurance revenue because of the services provided in the year.

Interest accretion on the CSM

Under the GMM, interest is accreted on the CSM using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items. If more contracts are added to the existing groups in the subsequent reporting periods, the Company revises these discount curves by calculating weighted-average discount curves over the period during which the contracts in the group are recognised. The weighted-average discount curves are determined by multiplying the new CSM added to the group and their corresponding discount curves over the total CSM.

Onerous contracts - Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC. When a loss component exists, the Company allocates the following between the loss component and the remaining component of the LRC for the respective group of contracts, based on the ratio of the loss component to the FCF relating to the expected future cash outflows:

a) expected incurred claims and other directly attributable expenses for the period;
b) changes in the risk adjustment for non-financial risk for the risk expired; and
c) finance income (expenses) from insurance contracts issued.

The amounts of loss component allocation in (a) and (b) above reduce the respective components of insurance revenue and are reflected in insurance service expenses.

Decreases in the FCF relating to future service in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF relating to future service in subsequent periods increase the loss component.

1. Summary of material accounting policies - continued

1.14 Insurance contracts - continued

1.14.9 Measurement - Contracts measured under the PAA

The Company uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception:

- Insurance and reinsurance contracts issued: The coverage period of each contract in the group is one year or less, or the Company reasonably expects that the resulting measurement of the liability for remaining coverage (LRC) would not differ materially from the result of applying the requirements of the general measurement model (GMM). When comparing the different possible measurements, the Company considers the impact of different claims experience as well as plausible movements in the discount rate.

- Loss-occurring reinsurance contracts held: The coverage period of each contract in the group is one year or less.

Risk-attaching reinsurance contracts held: The coverage period of each contract in the group is one year or less, or the Company reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the GMM. When comparing the different possible measurements, the Company considers the impact of different claims experience as well as plausible movements in the discount rate.

Insurance contracts

On initial recognition of each group of contracts, the carrying amount of the LRC is measured at the premiums received on initial recognition less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows. The Company has chosen not to expense insurance acquisition cash flows when they are incurred.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:
- the LRC; and
- the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

Subsequently, the carrying amount of the LRC is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses, and decreased by the amount recognised as insurance revenue for services provided and any acquisition cash flows paid in the period.

The Company does not adjust the LRC for the effect of the time value of money unless the time between providing each part of the services and the related premium due date is more than a year.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the GMM, whereby the Company recognises the LIC of a group of insurance contracts at the amount of the FCF relating to incurred claims. The future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognises a loss in profit or loss and increases the LRC to the extent that the current estimates of the FCF that relate to remaining coverage exceed the carrying amount of the LRC. The FCF are discounted (at current rates) if the LIC is also discounted.

1. **Summary of material accounting policies** - continued

1.14 Insurance contracts - continued

1.14.9 Measurement - Contracts measured under the PAA - continued

Reinsurance contracts held

The Company applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts. The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- the remaining coverage; and
- the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held. The Company adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts. The Company did not have a loss recovery component during the period presented in these financial statements.

1.14.10 Derecognition and contract modification

An insurance contract is derecognised when it is extinguished (i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled); or the contract is modified and certain additional criteria are met.

When an insurance contract is modified by the Company as a result of an agreement with the counterparties or due to a change in regulations, the Company treats changes in cash flows caused by the modification as changes in estimates of the FCF, unless the conditions for the derecognition of the original contract are met. The Company derecognises the original contract and recognises the modified contract as a new contract if any of the following conditions are present:

- if the modified terms had been included at contract inception and the Company would have concluded that the modified contract:
    - is not in scope of IFRS 17;
    - results in different separable components;
    - results in a different contract boundary; or
    - belongs to a different group of contracts; or
- the original contract was accounted for under the PAA, but the modification means that the contract no longer meets the eligibility criteria for that approach.

When a new contract is required to be recognised as a result of modification, and it is within the scope of IFRS 17, the new contract is recognised from the date of modification and is assessed for, amongst other things, contract classification, component separation requirements and contract aggregation requirements (notes 1.14.1 - 1.14.3).

1. **Summary of material accounting policies** - continued

1.14 Insurance contracts - continued

1.14.10 Derecognition and contract modification - continued

Insurance contracts measured under GMM

On derecognition of a contract from within a group of contracts measured under the GMM:

- the fulfilment cash flows allocated to the group are adjusted to eliminate the present value of future cash flows and risk adjustment for non-financial risk that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component; and
- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group (see 1.14.11).

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Company entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Company received the premium that it would have charged less any additional premium charged for the modification.

Insurance contracts measured under PAA

When an insurance contract accounted for under the PAA is derecognised, adjustments to the FCF to remove relating rights and obligations and account for the effect of the derecognition result in the following amounts being charged immediately to profit or loss:

- if the contract is extinguished, any net difference between the derecognised part of the LRC of the original contract and any other cash flows arising from extinguishment;

- if the contract is transferred to the third party, any net difference between the derecognised part of the LRC of the original contract and the premium charged by the third party;

- if the original contract is modified resulting in its derecognition, any net difference between the derecognised part of the LRC and the hypothetical premium the entity would have charged had it entered into a contract with equivalent terms as the new contract at the date of the contract modification, less any additional premium charged for the modification.

1.14.11 Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under Note 1.14.4) are included in the carrying amount of the related portfolios of contracts.

The Company disaggregates amounts recognised in the statement of profit or loss into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses.

1. Summary of material accounting policies - continued

1.14 Insurance contracts - continued

1.14.11 Presentation - continued

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as 'net income (expenses) from reinsurance contracts held' in the insurance service result.

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue and insurance service expenses are recognised as follows:

Insurance revenue - contracts measured under the GMM

The Company recognises insurance revenue as it satisfies its performance obligations - i.e. as it provides services under groups of insurance contracts. The insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Company expects to receive consideration and comprises the following items:

- A release of the CSM, measured based on coverage units provided
- Changes in the risk adjustment for non-financial risk relating to current services
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year
- Other amounts, including experience adjustments for premium receipts for current services

Insurance acquisition cash flows recovery is determined by allocating the portion of premiums related to the recovery of those cash flows on the basis of the passage of time over the expected coverage of a group of contracts.

Release of the CSM

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

Insurance revenue - contracts measured under PAA

The insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Company allocates the expected premium receipts to each period on the following bases:
- finance gap contracts: the release of risk; and
- other contracts: the passage of time.

1. **Summary of material accounting policies** - continued

1.14 Insurance contracts - continued

1.14.11 Presentation - continued

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They comprise the following items.

- Incurred claims and other directly attributable expenses.
- Amortisation of insurance acquisition cash flows: For contracts measured under the GMM, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue, as described above. For contracts measured under the PAA, the Company amortises insurance acquisition cash flows based on the passage of time.
- Adjustments to the liabilities for incurred claims (ie. changes that relate to past service) that do not arise from the effects of the time value of money, financial risk and changes therein.
- Changes that relate to future services, that is, changes in FCF that result in onerous contract losses or reversals of those losses; and
- Insurance acquisition cash flows asset impairment, net of reversal.

Other expenses not meeting the above categories are included in other operating expenses in the statement of profit or loss.

Net income (expenses) from reinsurance contracts held

Net income (expenses) from reinsurance contracts held comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers net of any non-distinct investment component.

The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. The allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued reduce incurred claims recovery.

Insurance finance income or expenses

Insurance finance income or expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein.

For contracts measured under the GMM, the main amounts within insurance finance income or expenses are:

a. interest accreted on the FCF and the CSM; and
b. the effect of changes in interest rates and other financial assumptions.

1. Summary of material accounting policies - continued

1.14 Insurance contracts - continued

1.14.11 Presentation - continued

Insurance finance income or expenses - continued

For contracts measured under the PAA, the main amounts within insurance finance income or expenses are:
a. interest accreted on the LIC; and
b. the effect of changes in interest rates and other financial assumptions.

For the contracts measured under the GMM and the PAA, the Company includes all insurance finance income or expenses for the period in profit or loss (that is, the profit or loss option (the PL option) is applied).

1.15 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.16 Dividend distribution

Dividends on ordinary shares or on cell shares are recognised as liability in the period in which they are declared by the directors or approved by the Company's shareholders.

2. Critical accounting estimates and judgements in applying accounting policies

2.1 Investment in associate undertakings

Investment in associate undertakings represents the equity investment which the Company holds in Ivalife Insurance Limited, which is a start up long term insurance undertaking having incurred losses during the initial few years of operation. Based on the undertaking's business plan and expected growth which is expected to result in positive results in the medium term, it is management's opinion that the carrying amount of the investment held in the associate undertaking is reflective of the positive outlook of the entity's future results, as disclosed in Note 15.

2. Critical accounting estimates and judgements in applying accounting policies - continued

2.2 Significant judgements and estimates in applying IFRS 17

The list below presents the areas for which the Company has considered the use of judgement and how judgement, if applicable, has been made.

- Definition and classification: Contracts having a coverage period of one year or less are automatically eligible for the PAA. An assessment for PAA eligibility was carried out for all other contracts. The Company concluded that tested contracts are eligible for the PAA. Refer to note 1.14.1.
- Unit of account: The Company applied judgement in concluding that some contracts issued under the property, marine and accident portfolios require separation into multiple insurance components. Refer to note 1.14.2.
- Measurement: The Company performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts.
- Financial performance: The Company applied significant judgements in the determination of the CSM amounts that were recognised in profit or loss in 2024. Coverage units were determined based on the definition of the risk premium per group of insurance contracts, which was considered to be representative of the benefits provided

2.3 Estimates and assumptions

The preparation of financial statements requires the use of accounting estimates, which, by definition, will seldom equal the actual results.

This note provides an overview of items that are more likely to be materially adjusted due to changes in estimates and assumptions in subsequent periods. Detailed information about each of these estimates is included in the notes below, together with information about the basis of calculation for each affected line item in the financial statements.

In applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates. The present value of future cash flows is estimated using deterministic scenarios. The assumptions used in the deterministic scenarios are derived to approximate the probability weighted mean of a full range of scenarios.

For the sensitivities with regard to the assumptions made that have the most significant impact on measurement under IFRS 17, refer to Note 3.3.3.

2.3.1 Discount rates

The bottom-up approach was used to derive the discount rate for the expected cash flows to reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts. Under this approach, the discount rate is determined as the sum of the risk free yield and an illiquidity premium for liabilities (derived from a reference portfolio). The risk-free rates selected are the EIOPA Risk Free rates. For the core and for a number of the cells, the illiquidity premium is determined using a top down approach based on a reference portfolio of assets with similar characteristics, reflecting the time taken to settle the claims. In some instances for the other cells, no illiquidity premium was considered. Where applicable reinsurance credit default has been allowed for via the reinsurance discount rates.

2. Critical accounting estimates and judgements in applying accounting policies - continued

2.3 Estimates and assumptions - continued

2.3.1 Discount rates - continued

The table below sets out the yield curves used to discount the cashflows of insurance contracts:

31 December 2024	**1 year**	**5 years**	**10 years**	**15 years**	**20 years**
Yield curves used to discount cashflows	**2.24%-3.34%**	**2.14%-3.14%**	**2.27%-3.27%**	**2.33%-3.33%**	**2.26%-3.26%**

31 December 2023	**1 year**	**5 years**	**10 years**	**15 years**	**20 years**
Yield curves used to discount cashflows	3.36%-4.36%	2.32%-3.32%	2.39%-3.39%	2.47%-3.47%	2.41%-3.41%

2.3.2 Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of each group of contracts within the scope of IFRS 17 are all the future cash flows within the boundary of each group of contracts. The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Company estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Company uses information about past events, current conditions and forecasts of future conditions. The Company's estimate of future cash flows is on a best estimate basis. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

Where estimates of expenses related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis such as activity based costing method. The Company has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Acquisition cash flows are typically allocated to groups of contracts based on gross premiums written. Claims settlement related expenses are allocated based on claims costs.

Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

2.3.3 Methods used to measure insurance contracts

The Company estimates insurance liabilities in relation to claims incurred using a number of standard actuarial techniques. Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. In certain instances, different techniques or a combination of techniques have been selected for individual accident years or groups of accident years within the same type of contracts.

The most common methods used to estimate claims incurred are the chain-ladder and the Bornhuetter-Ferguson methods, which are the industry standards for this type of claims.

2. Critical accounting estimates and judgements in applying accounting policies - continued

2.3 Estimates and assumptions - continued

2.3.3 Methods used to measure insurance contracts - continued

The chain-ladder technique involves an analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed to produce an estimated ultimate claims cost for each accident year. The chain-ladder technique is the most appropriate for those accident years and classes of business that have reached a relatively stable development pattern. The chain-ladder technique is less suitable in cases in which the Company does not have a developed claims history for a particular type of claims.

The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure such as gross or reinsurance premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined using a formula that gives more weight to the experience-based estimate as time passes. This technique has been used in situations in which developed claims experience was not available for the projection (i.e. the recent accident years or new products).

The Company has not changed the methods used to estimate incurred claims in 2024. Refer to Note 21 which discloses the development tables on a gross and net basis.

2.3.4 Methods used to measure the risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Company's degree of risk aversion. The Company estimates an adjustment for non-financial risk separately from all other estimates.

The risk adjustment was calculated separately for the Core and for each of the individual Cells.

The Company has employed a Value at Risk approach to assess the risk adjustment for the Core, for both the gross and reinsurance basis. The risk adjustment is calculated at a total portfolio level to include the impact of diversification. The resulting confidence levels on both a gross and a reinsurance basis is 75% (2023: 75%).

In the case of the individual cells, the Company employs a combination of methodologies to assess the risk adjustment, which include the Value at Risk approach and the Cost of Capital approach. The resulting confidence level is determined at each Cell level. The confidence levels applied to the cells range between 55% and 80% (2023: between 55% and 80%), depending on the risk appetite of each individual cell.

The methods and assumptions used to determine the risk adjustment for non-financial risk for the Core and for all the cells except for Griffin Cell were not changed in 2024. in the case of Griffin Cell, the confidence level has not changed from prior year but the methodology to determine the distribution of the reserves was reviewed giving greater visibility of the variability.

3. Risk and capital management

The Company issues contracts that transfer the insurance risk of the Company's clients. Insurance and reinsurance contracts expose the Company to underwriting risk, which comprises insurance risk, policyholder behaviour risk and expense risk.

In addition, the Company is exposed to financial and operational risks from insurance and reinsurance contracts and financial instruments. Financial risks include credit risk, liquidity risk and market risk. Market risk comprises currency risk, interest rate risk and other price risk.

This note presents information about the Company's risk exposures, and the Company's objectives, policies and processes for measuring and managing risks and for managing capital.

3.1 Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company risk committee is responsible for approving and monitoring the Company's risk management policies and reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, set appropriate risk limits and controls and monitor adherence to risk limits. Risk management policies are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

<u>Core</u>

The risk under any one insurance contract is the uncertainty of whether the insured will sustain the contingency insured against. If that happens, then further uncertainty lies in how many times this can happen and how much it will cost, i.e. the frequency and severity of resultant claims.

The Company writes portfolios of risk with the intention of taking refuge within the theory of probability (large numbers) and thus being able to correctly construct pricing of its insurance contracts.

The risk the Company faces however remains that actual claims incurred exceed the amounts of such provisions since the frequency and severity incurred exceed the estimated ones.

Insurance events, due to their random nature, can vary in severity and frequency from year to year. However the larger the portfolio involved, the lower the deviation from estimates which is why the Company endeavours to acquire growth in areas of insurance risk which it deems attractive.

Another method used to mitigate random deviations is that of diversification in portfolio characteristics. Atlas Insurance PCC Limited is not unduly dependant on one class or sector of business and in fact is deemed to be privileged with a balanced mix of various classes of Motor, Liability, Marine, Miscellaneous Accident, Property, Private Medical and Travel and Personal Accident. Furthermore, the Company's portfolio is spread between personal lines and commercial lines business.

The Company has a rather even geographical spread of property risks within the Maltese isles and is well spread among the various sectors of commerce e.g. tourism and hotel accommodation; manufacturing; various service sectors and is thus not unduly dependent on one sector alone.

This diversification ensures that the type and amount of risks presented are spread out without there being undue concentrations in one area alone.

3. **Risk and capital management** - continued

3.1 **Risk management framework** - continued

Cells

During the year the Company licensed one new cell. The Grange Cell writes bloodstock insurance for Irish Interests.

Blevins Franks Cell and Amplifon Cell were both unwound in 2024.
Ocado Cell remains in run off and Autorama Cell was placed into run off in 2024.
Gemini Cell, L'Amie Cell, Griffin Cell, TVIS Cell, AM Cell and Asservo Cell carried on business in their European and UK markets during the year in accordance with their licence conditions.

Atlas' underwriting strategy on cells is that of underwriting the proposed cell holistically including, but certainly not limited to, the underlying insurance risk. The consideration of capitalisation, parental guarantees backed by parental strength, reinsurance protection, premium volume, historical performance, experience of the proposer (and of outsourced entities like claim handlers) and other such factors lead to a case-by-case assessment of the overall risk of the cell to the core from a financial, operational and reputational perspective. Atlas seeks typically cells with little or low exposure to large event or single losses, strong cell owners and short tail risks. It will however consider cells which write larger exposures when backed by strongly rated reinsurance protection.

3.2 **Key risks arising from contracts issued**

Further details on insurance risk exposures for the Core are described below.

Motor and liability

The danger is that competition restrains average premium growth while the frequency and severity of claims may be seriously affected by:

(i) the long lifetime which motor and other liability injury claims tend to have and which can lead to negative effects of inflation on claim amounts;
(ii) the effect of inflation on motor repair costs;
(iii) changes in traffic management and density and the increased presence of more vulnerable road users;
(iv) increased court awards arising from increased sensitivity of courts to the plight of accident victims spurred also by EU directives and "pro-victim" court/legislative tendencies in other EU jurisdictions;
(v) increased compensation culture;
(vi) increased responsibilities of employers and business owners in the light of health and safety and consumer legislation;
(vii) the latent effect of disease claims on the employers' liability and products liability portfolio; and
(viii) the effect of natural hazards on comprehensive motor results.

Atlas is continually monitoring the impact of inflation on all classes with particular emphasis on motor losses. Rate increases are applied where necessary to counter the effects of inflation which remains a constant feature of this class. Loss frequencies have been stable.

The overall number of bodily injury claims was slightly below expectations. However a small number of relatively large claims was experienced the net effect of which was mitigated by reinsurance protection. No natural phenomena affected the motor book of business in 2024 and no major developments in relation to civil damages and court judgements were registered.

3. Risk and capital management - continued

3.2 Key risks arising from contracts issued - continued

Property (including Business Interruption)

The gross property result was affected by a relatively large fire claim in the last quarter but was still positive overall. While local property rebuilding cost inflation has reduced compared to the recent past it is still a constant consideration which propels our continued efforts to update property insurance values.

Miscellaneous accident

The nature of claims on Money, Glass, Goods in Transit and Fidelity relate very much to the prevalence of crime in Malta and 2024 showed no extraordinary experience in this respect.

Personal accident and travel

Travel class volumes were stable and claim volumes were within expectations.

Marine

The marine portfolio in 2024 experienced a satisfactory result overall and a marked improvement on marine hull.

Health

Medical inflation and increased claim frequencies persisted as did efforts to adjust premium rates accordingly.

3.3 Underwriting risk

Underwriting risk comprises insurance risk, policyholder behaviour risk and expense risk.

- Insurance risk: the risk transferred from the policyholder to the Company, other than financial risk Insurance risk arises from the inherent uncertainty about the occurrence, amount or timing of claims.

- Policyholder behaviour risk: the risk that a policyholder will cancel a contract (i.e. lapse or persistency risk), increase or reduce premiums, among others.

- Expense risk: the risk of unexpected increases in the administrative costs associated with the servicing of a contract (rather than in the costs associated with insured events).

3. Risk and capital management - continued

3.3 Underwriting risk - continued

3.3.1 Management of underwriting risk

The board of directors sets the Company's strategy for accepting and managing underwriting risk. Specific underwriting objectives, e.g. aggregation limits, reinsurance protection thresholds and line of business limitations, are prepared and reviewed by the chief underwriting officer. The board continuously reviews its underwriting strategy in the light of evolving market pricing and loss conditions and as opportunities present themselves.

The Company follows strict risk acceptance selection processes and only accepts risks that possess characteristics which the Company feels will lead to low or average frequency and severity of losses. These criteria apply across all classes and for this purpose the Company uses underwriting guidelines and sets limits on the overall retention of the risks it writes. The Company inserts certain exclusions in its contracts to enforce underwriting criteria. For example, in the context of liability exposures, the Company applies asbestos liabilities exclusions on all liability policies and in the past years, communicable disease and cyber risk exclusions were introduced on most classes.

The Company closely scrutinises the business activities of its client base to determine any undue exposure to long-term industrial disease claims and to assist in this process and that of analysing other potential exposures, the Company normally views several property, accident and liability risks first hand via its policy of risk surveying (in-house and external).

The Company also has a regular renewal analysis and reserves the right to reassess each contract based on its claims experience and any other changes in material information e.g. The majority of the marine cargo account is based on open covers. Thorough controls on each marine open cover are carried out regularly ensuring that performance is acceptable.

Malta's storm and flood exposure is localised in particular areas of flash flood exposure. With the Company's pre-risk survey strategy and with the added knowledge of flood-prone areas, the Company filters the incoming new business portfolio or alternatively manages the risk of storm. The Company is also conscious of the susceptibility of certain locations to windstorm and endeavours to limit shoreline exposures.

The Company, as a standard, applies limits on all motor and liability policies. The only area of unlimited liability is that of Motor EU/UK use (in line with legislation in certain EU countries and the UK).

The Company's internal underwriting authority limits mean that authority to bind is delegated in a controlled manner. The Company's branches likewise follow and are subject to specific underwriting limitations beyond which they must seek head office approval.

The risks underwritten by the Company may also be in the form of reinsurance contracts issued on a proportional basis whereby it assumes a portion of the risk which the ceding insurance undertakings undertake with their direct clients.

3. **Risk and capital management** - continued

3.3 **Underwriting risk** - continued

3.3.1 **Management of underwriting risk** - continued

Reinsurance contracts held

The Company uses reinsurance to mitigate the risk of incurring significant losses linked to single events, including excess of loss reinsurance. Certain products are protected against catastrophe events in accordance with the Company's risk management framework. Where an individual exposure exceeds the Company's risk appetite, additional facultative reinsurance is also purchased. Cells are also be reinsured depending on their purpose and the nature of the risks insured.

The Company places its reinsurance programme with overseas reinsurers who all meet the financial approval of the local regulator. It is generally the Core Company's Policy for reinsurance to be placed in Lloyd's market or with listed multinational reinsurance companies whose credit rating is not less than A-. The portfolio programme is a mix of proportional and non-proportional protection. In the context of international business including cells closely monitored pro-rata protection is at times obtained with unrated reinsurers subject to a number of counterparty risk mitigation measures e.g. collateral and "funds withheld".

The Company's decision on the type of reinsurance obtained, the level of retention and the width of cover are recommended by the Company's own technical personnel in collaboration with overseas consultants and the board of directors approves the reinsurance programme on an annual basis.

The effectiveness of reinsurance protection in place for the Company has often worked towards reducing the impact of the Company's net retained losses for the year.

Claims techniques

Reported claims are handled and reserved on a claim-by-claim basis. The Company employs in-house specialised claims personnel. In addition to having in place authority levels for its staff to negotiate claims, it also employs a panel of external loss adjusters and technical experts who are regularly utilised in the Company's quest for sound and equitable claim handling. In the case of cells, the Company outsources claims handling to specialised third party administrators who, where necessary, may be permitted to sub-outsource certain services e.g. mobile phone repairs.

The Company has a policy of analysing claims progressions and thus determines if reserving policies adopted in the past have been successful. This procedure has pre-dated the setting up of the Company as an underwriter.

The Company actively pursues early settlement of all claims to reduce exposure to unpredictable developments and equally the Company maintains a proactive system that ensures that timely action is taken on all claims and reviews are carried out when required. This is particularly important in the context of motor and liability claims and in the case of such claims arising from cells, this function is performed by the outsourced specialist administrators and supervised by the relevant cell committee. In the context of reserving, active use is made of a panel of legal advisors and full acquaintance is made with courtroom developments by our specialist claims team supervised by the chief underwriting officer.

3. Risk and capital management - continued

3.3 Underwriting risk - continued

3.3.1 Management of underwriting risk - continued

Changes from previous period

There were no significant changes in Company's objectives, policies, and processes for managing risk and the methods used to measure risk compared to the previous period.

3.3.2 Concentrations of underwriting risks

The Company ensures that it maintains a healthy balance between different lines of business, lines of distribution and geographical areas. In this way it can be safely stated that it has a well-diversified portfolio and while there are important cohorts of business it does not depend on any one sector or client group for sustained profitability. Even on a pure risk concentration basis the company monitors any physical risk accumulations which are controlled by means of facultative reinsurance or coinsurance where felt necessary.

3.3.3 Sensitivity analysis

The future cash flows that are within the boundary of each of the insurance contracts included in the group reflect the amounts that the Company expects to collect from premiums and pay out for claims and expenses. The future cash flows are determined on a best estimate basis incorporating all reasonable and supportable information available without undue cost or effort. The expected future cash flows are determined from the perspective of the Company with estimates that are consistent with its own historical data and observable market conditions existing at the measurement date. The Company considers that the most sensitive assumptions relate to the CSM measured under the GMM.

The table below analyses how the profit or loss would have increased (decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred with respect to the core.

31 December 2024	Profit and loss Net Core €	Variance from profit before tax Core €
Profit before tax (1,00% increase)	13,471,055	(426,056)
Profit before tax (1,00% decrease)	14,323,134	426,023

3. Risk and capital management - continued

3.3 Underwriting risk - continued

3.3.3 Sensitivity Analysis - continued

The table below analyses how the CSM, profit or loss and equity would have increased (decreased) if changes in underwriting risk variables that were reasonably possible at the reporting date had occurred with respect to one of the cells.

31 December 2024	CSM Gross €	Profit and loss Net €	Equity Gross €
Life			
Claims ratio (1,00% increase)	(17,262)	(7,435)	(7,435)
Claims ratio (1,00% decrease)	17,262	7,435	7,435
Expenses (5,00% increase)	(5,201)	(2,550)	(2,550)
Expenses (5,00% decrease)	5,201	2,550	2,550
Lapse rates (5,00% increase)	(341,486)	(128,310)	(128,310)
Lapse rates (5,00% decrease)	342,084	127,905	127,905
Health			
Claims ratio (1,00% increase)	(13,361)	(14,985)	(14,985)
Claims ratio (1,00% decrease)	13,361	14,985	14,985
Lapse rates (5,00% increase)	(286,154)	(198,760)	(198,760)
Lapse rates (5,00% decrease)	286,685	198,414	198,414
Non-Life			
Claims ratio (1,00% increase)	(4,199)	(3,538)	(3,538)
Claims ratio (1,00% decrease)	4,199	3,538	3,538
Lapse rates (5,00% increase)	(205,817)	(86,661)	(86,661)
Lapse rates (5,00% decrease)	206,244	86,366	86,366

3. Risk and capital management - continued

3.3 Underwriting risk - continued

3.3.3 Sensitivity analysis - continued

31 December 2023	CSM Gross €	Profit and loss Net €	Equity Gross €
Life			
Claims ratio (1,00% increase)	(1,759)	(12,603)	12,603
Claims ratio (1,00% decrease)	1,759	12,603	(12,603)
Expenses (5,00% increase)	1,660	(669)	669
Expenses (5,00% decrease)	(1,660)	669	(669)
Lapse rates (5,00% increase)	174,205	(122,454)	122,454
Lapse rates (5,00% decrease)	(174,687)	122,408	(122,408)
Health			
Claims ratio (1,00% increase)	(2,622)	(15,536)	15,536
Claims ratio (1,00% decrease)	2,622	15,536	(15,536)
Lapse rates (5,00% increase)	176,070	(183,547)	183,547
Lapse rates (5,00% decrease)	(175,247)	183,477	(183,477)
Non-Life			
Claims ratio (1,00% increase)	(1,247)	(4,339)	4,339
Claims ratio (1,00% decrease)	1,247	4,339	(4,339)
Lapse rates (5,00% increase)	108,430	(75,709)	75,709
Lapse rates (5,00% decrease)	(108,469)	75,679	(75,679)

3.4 Financial risk management

The Company is exposed to financial risk through its financial assets and liabilities, reinsurance assets and insurance liabilities. The key financial risk is that the proceeds from its financial assets would not be sufficient to fund the obligations arising from its insurance contracts and investing activity. The most important components of the Company's financial risk are market risk (cash flow and fair value interest rate risk, equity price risk and currency risk), credit risk and liquidity risk. These risks mainly arise on open positions in interest rate, debt and equity products, and currency exposures, which are all subject to market movements.

The Company's investment strategy reflects its profile of liabilities to ensure that sufficient assets of appropriate nature, term and liquidity enable it to meet the liabilities as they become due.

3. **Risk and capital management** - continued

3.4 **Financial risk management** - continued

3.4.1 **Market risk**

Market risk comprises interest rate, equity price and foreign currency risks. These risks arise from variability in fair values of financial instruments or related future cash flows as well as from variability of the FCF of insurance contracts due to variability in market risks variables.

(a) Interest rate risk

In general, the Company is exposed to risk associated with the effects of fluctuations in the prevailing levels of market interest rates. Financial instruments issued at variable rates expose the Company to cash flow interest rate risk. Financial instruments issued at fixed rates expose the Company to fair value interest rate risk. The Company holds investments mostly in equity and debt securities. Debt securities are subject to interest rate risk.

Fair value interest rate risk is the risk that the relative value of a security will worsen due to an interest rate increase. Interest rate risk is mitigated through the distribution of fixed interest investments over a range of maturity dates. Moreover, the Company's asset allocation policy limits the amount of investment in any one asset or towards any one counterparty. Note 16 incorporates interest rate and maturity information with respect to the Company's assets.

The total assets subject to interest rate risk are the following:

	Notes	**2024**	2023
		€	€
Assets at floating interest rates - bank balances		**30,069,936**	30,262,265
Assets at fixed interest rates			
- Listed debt securities	16	**27,408,519**	15,637,695
- Treasury Bills	16	**341,395**	3,521,764
		57,819,850	49,421,724

Bank and other borrowing facilities are not commonly availed of and the directors traditionally sanction the use of such facilities for short-term operational cash flow bridging as and when the requirement arises. The exposure to interest rate risk in respect of borrowings is accordingly not material.

Cash at bank subject to floating interest rates exposes the Company to cash flow interest rate risk.

The sensitivity analysis for interest rate risk demonstrates how changes in the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates at the reporting date.

The impact of changes in interest rates on insurance liabilities on both the Core and Cellular operation is deemed to be insignificant and immaterial.

3. **Risk and capital management** - continued

3.4 **Financial risk management** - continued

3.4.1 **Market risk** - continued

(a) Interest rate risk - continued

Sensitivity analysis - Core

At 31 December 2024 the Company was mainly exposed to fair value interest rate risk on listed fixed interest rate debt securities. An analysis of the Company's sensitivity to a 150BPS parallel increase or decrease in market interest rates at the reporting date, assuming that all other variables remain constant, is presented below.

If interest rates at that date would have been 150 basis points (2023: 250 basis points) lower with all other variables held constant, pre-tax profit for the year would have been €1,032,745 higher (2023: €1,377,652 higher). An increase of 150 basis points (2023: 250 basis points), with all other variables held constant, would have resulted in pre-tax profits being €1,712,264 lower (2023: €1,270,843 lower). Up to the end of the reporting period the Company did not have any hedging policy with respect to interest rate risk on other financial instruments as exposure to such risks was not deemed to be significant by the directors.

(b) Equity price risk

The Company is exposed to market price risk on its equity investments. These investments are subject to stock market volatility and the value can decline significantly in response to adverse political, market or economic developments. The Company reduces this risk by diversifying its investments in different countries and in different sectors.

The Company's investment portfolio is overseen by the Investment Committee that meets on a regular basis in order to review the position of its investments and to plan its investment strategy in accordance with established guidelines. Investment decisions are taken on the basis of an Investment Policy approved by the Board. The Investment Policy includes benchmarks and guidelines on various aspects of portfolio management, including currency, instrument, rating, localisation, concentration and maturity. It is periodically reviewed by the Investment Committee and, subject to Board approval, amended as necessary so as to reflect the Company's overall investment objective, which is principally the preservation of capital and liabilities.

The total assets subject to equity price risk are the following:

		Core		Cells		Total	
	Notes	**2024**	2023	**2024**	2023	**2024**	2023
		€	€	**€**	€	**€**	€
Assets subject to equity price risk							
Equity securities	16	**7,332,329**	5,605,860	**-**	-	**7,332,329**	5,605,860
Units in unit trusts	16	**29,329,186**	24,521,050	**5,355,143**	2,363,486	**34,684,329**	26,884,536
		36,661,515	30,126,910	**5,355,143**	2,363,486	**42,016,658**	32,490,396

3. **Risk and capital management** - continued

3.4 **Financial risk management** - continued

3.4.1 **Market risk** - continued

(b) Equity price risk - continued

The sensitivity for equity price risk illustrates how changes in the fair value of equity securities will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the individual equity issuer, or factors affecting all similar equity traded in the market. The sensitivity for equity price risk is derived based on global equity returns, assuming that currency exposures are hedged. A 10% positive or negative movement in equity prices is considered to be an appropriate benchmark for sensitivity purposes. An increase or a decrease of 10% (2023: 10%) in equity prices, with all other variables held constant, would result in an impact on the Core pre-tax profit for the year of €3,195,029 (2023: €3,012,691). An increase or a decrease of 10% (2023: 10%) in equity prices, with all other variables held constant, would result in an impact on the Cells pre-tax profit for the year of €535,514 (2023: €236,348).

(c) Currency risk

Currency risk relates to the risk of fluctuations in the value of financial instruments and assets and liabilities due to changes in exchange rates. The Company may experience losses arising from a decrease in values of its assets held in foreign currency or an increase in value of its technical reserves denominated in foreign currencies. The board of directors implements a policy of currency matching rules thus minimising the Company's exposure to such risk.

As the Company's technical reserves arising from its core operation are wholly denominated in euro due to the fact that all insurance policies are written in euro, funds covering such liabilities are largely invested in euro instruments.

Similarly, in managing its cells, the Company applies the same currency matching policy by identifying the currency in which cellular technical provisions arise and as such administers a balance of matched assets.

In an effort to maximise return on investment the board directs its investments committees to prudently apply a certain degree of flexibility which is limited to the extent of not compromising the Company's financial strength in matching its liabilities, primarily its insurance technical provisions.

At 31 December 2024, foreign currency exposure, principally comprising a mix of US Dollar and UK Pound, amounted to €7,174,174 (2023: €2,673,416). If the above currencies had weakened or strengthened by 15% against the euro with all other variables held constant, the Core pre-tax profit for the year would have been lower by €1,266,031 (2023: €471,779) or higher by €935,762 (2023: €348,707). The impact on the Cells' other reserves would have been lower by €1,289,327 (2023: €1,255,198) or higher by €952,981 (2023: €927,755).

3. **Risk and capital management** - continued

3.4 **Financial risk management** - continued

3.4.2 Credit risk

The Company is exposed to credit risk, that risk of loss due to a counterparty being unable to pay amounts in full when due, and arises principally from the Company's reinsurance contract assets, insurance contract holders, insurance intermediaries, other debtors and cash and cash equivalents. Amounts receivable at year end from insurance contract holders and insurance intermediaries are recognised within 'insurance contract liabilities' (see Note 21).

Management of credit risk

Limits of authority and segregation of duties in the granting of credit are in place to maintain objectivity, independence and control over new and existing lending exposures.

The credit risk management team assesses the creditworthiness of all reinsurers, intermediaries and customers by using credit grade references provided by rating agencies, and other publicly available financial information. Where this information is not available, detailed analysis is carried out by investigating both financial strength and market repute, as well as payment patterns. The Company experiences a low level of bad debts and concentration of credit risk with respect to debts is limited due to the large number of customers comprising the Company's debtor base.

Routine reviews of payment history and the status of any ongoing negotiations with counterparties are carried out by the credit risk management in order to detect any deterioration in the creditworthiness of individual counterparties.

While reinsurance is used to manage insurance risk, this does not discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered by the directors on an ongoing basis by reviewing their financial strength within the terms of their credit ratings as stated below.

The Company is also exposed to credit risk for its financial investments, other debtors, and cash and cash equivalents. The Company assesses its credit risk with these counterparties through their credit rating. Should a counterparty not have a credit rating, the Company develops an internal credit rating by analysing their financial performance and the country of incorporation.

The Investment Committee takes account of the credit risk inherent in the Company's investment portfolio by adopting similar cautious practices in identifying investment opportunities and monitoring portfolio performance. The investment instruments acquired are highly rated by the internationally renowned credit rating agencies like Moody's and Standard and Poor's. The policy adopted by the investment committee is that of directing most of the funds available for investment to A-rated securities and deposits. There are certain instances whereby the committee may opt for placing these funds in B-rated securities only once the circumstances of such an opportunity are fully assessed and are beneficial to the performance of the investment portfolio.

Credit risk in relation to cells is not considered to be significant when considering payment patterns and/or assessment of counterparties and contractual arrangements.

3. Risk and capital management - continued

3.4 Financial risk management - continued

3.4.2 Credit risk - continued

Credit quality analysis

The Company measures credit risk and expected credit losses on financial assets using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. The Company's cash at bank is placed with quality financial institutions.

An insignificant allowance amount has been recognised with respect to debtors not arising from direct insurance operations and cash and cash equivalents given the counterparties' credit qualities

The Company measures credit risk on debtors arising out of direct insurance operations (i.e., mainly insurance premiums receivable), and reinsurers' share of contract assets using incurred credit loss approach.

Debtors included within insurance contract assets and liabilities are inclusive of an impairment of €190,341 (2023: €225,587).

The following table (split by Core and Cells) illustrates the assets that expose the Company to credit risk as at the balance sheet date and includes the Standard & Poor's (or equivalent) composite rating, when available. Financial assets that are not rated principally comprise locally traded bonds on the Malta Stock Exchange, debtors and certain deposits with local bank institutions for which no international rating is available. In the following table, the rating of the bank's parent was applied in relation to cash equivalents.

3. Risk and capital management - continued

3.4 Financial risk management - continued

3.4.2 Credit risk - continued

Credit quality analysis - continued

	Notes	AAAA to AA- Core €	A+ to A- Core €	BBB to B Core €	Not rated Core €	AAA to AA- Cells €	A+ to A- Cells €	BBB to B Cells €	Not rated Cells €	Total €
		As at 31 December 2024								
Financial investments measured at FVTPL										
Debt securities - listed fixed interest rate	16	1,294,142	3,195,002	4,074,805	4,811,499	12,758,818	725,470	71,243	477,540	27,408,519
Financial assets at amortised cost - stage 1										
Debtors not arising from direct insurance operations, and accrued income	18	7,112	43,411	65,774	2,518,028	118,072	14,302	6,128	415,619	3,188,446
Debtors included within insurance contract assets and liabilities		-	-	-	6,509,512	-	-	-	24,229,145	30,738,657
Cash equivalents	24	19,033	1,450,423	4,583,432	3,205,458	-	1,167,010	7,060,148	12,809,165	30,294,669
Treasury bills	16	-	-	-	341,395	-	-	-	-	341,395
Loss allowance - Debtors		-	-	-	(381)	-	-	-	-	(381)
Loss allowance - Cash equivalents		-	(193)	-	(1,598)	-	-	-	(3,492)	(5,283)
		26,145	1,493,641	4,649,206	12,572,414	118,072	1,181,312	7,066,276	37,450,437	64,557,503
Reinsurance contract assets	21	5,443,319	2,027,458	-	20,534	2,789,556	10,774	1,171,032	1,996,791	13,459,464
Total assets bearing credit risk		6,763,606	6,716,101	8,724,011	17,404,447	15,666,446	1,917,556	8,308,551	39,924,768	105,425,486

3. Risk and capital management - continued

3.4 Financial risk management - continued

3.4.2 Credit risk - continued

Credit quality analysis - continued

	Notes	As at 31 December 2023								
		AAAA to AA- Core €	A+ to A- Core €	BBB to B Core €	Not rated Core €	AAA to AA- Cells €	A+ to A- Cells €	BBB to B Cells €	Not rated Cells €	Total €
Financial investments measured at FVTPL										
Debt securities - listed fixed interest rate	16	395,259	1,964,439	3,013,501	5,406,498	4,213,855	433,167	210,976	-	15,637,695
		395,259	1,964,439	3,013,501	5,406,498	4,213,855	433,167	210,976	-	15,637,695
Financial assets at amortised cost – stage 1										
Debtors not arising from direct insurance operations, prepayments and accrued income	18	2,489	22,327	39,537	3,571,423	43,057	6,252	6,333	897,073	4,588,491
Debtors included within insurance contract assets and liabilities		-	-	-	5,063,437	-	-	-	28,082,633	33,146,070
Cash equivalents	24	-	1,985,774	3,963,233	467,490	-	4,430,946	-	19,883,278	30,730,721
Treasury bills	16	2,031,193	1,490,571	-	-	-	-	-	-	3,521,764
Loss allowance - Debtors		-	-	-	(2,644)	-	-	(86)	-	(2,730)
Loss allowance - Cash equivalents		-	(263)	(812)	-	-	(435)	-	(829)	(2,339)
		2,033,682	3,498,409	4,001,958	9,099,706	43,057	4,436,763	6,247	48,862,155	71,981,977
Reinsurance contract assets	21	6,651,844	1,036,697	-	7,316	961,463	10,243	868,476	1,188,094	10,724,133
Total assets bearing credit risk		9,080,785	6,499,545	7,015,459	14,513,520	5,218,375	4,880,173	1,085,699	50,050,249	98,343,805

3. Risk and capital management - continued

3.4 Financial risk management - continued

3.4.3 Liquidity risk

The Company's exposure to liquidity risk arises from the eventuality that the frequency or severity of claims are greater than estimated. Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost.

The directors do not consider this risk as significant given the nature of the Company's financial assets and liabilities. The Company's financial assets are considered to be readily realisable as they consist of local and foreign securities listed on recognised stock markets and deposits held with first-class-rated credit institutions. Moreover, the Company ensures that a reasonable level of funds is available at any point in time for unexpected large claims and the Company may also resort to an overdraft facility which provides a short-term means of finance.

Insurance and reinsurance contracts

The following table provides a maturity analysis of the Company's insurance and reinsurance contracts, which reflects the dates on which the cash flows are expected to occur. The table is split up between Core and Cell operations as follows:

As at 31 December 2024

	Remaining contractual undiscounted net cash flows				
	Less than one year €	One and two years €	Two and five years €	Over five years €	Total €
Core					
Insurance contracts					
Liabilities	(13,519,618)	(3,000,623)	(1,515,763)	(22,804)	(18,058,808)
	(13,519,618)	(3,000,623)	(1,515,763)	(22,804)	(18,058,808)
Cells					
Insurance contracts					
Assets	5,666,902	997,749	(1,495,635)	(361,039)	4,807,977
Liabilities	(9,108,970)	(814,695)	-	-	(9,923,665)
	(3,442,068)	183,054	(1,495,635)	(361,039)	(5,115,688)

3. Risk and capital management - continued

3.4 Financial risk management - continued

3.4.3 Liquidity risk - continued

Insurance and reinsurance contracts - continued

As at 31 December 2023

	Remaining contractual undiscounted net cash flows				
	Less than one year €	One and two years €	Two and five years €	Over five years €	Total €
Core					
Insurance contracts					
Liabilities	(15,477,848)	(3,177,904)	(1,320,638)	(4,893)	(19,981,283)
	(15,477,848)	(3,177,904)	(1,320,638)	(4,893)	(19,981,283)
Cells					
Insurance contracts					
Assets	7,579,837	742,214	(496,926)	(379,765)	7,445,360
Liabilities	(19,745,054)	(565,938)	(15,752)	(213)	(20,326,957)
	(12,165,217)	176,276	(512,678)	(379,978)	(12,881,597)

3. Risk and capital management - continued

3.4 Financial risk management - continued

3.4.3 Liquidity risk - continued

Financial instruments

The following table sets out the remaining contractual maturities of the Company's financial liabilities and assets that do not relate to insurance and reinsurance contracts.

As at 31 December 2024

	Contractual undiscounted cash flows				
	Less than one year €	One and two years €	Two and five years €	Over five years €	Total €
Core					
Creditors not arising from direct insurance operations	(1,645,544)	-	-	-	(1,645,544)
Accruals and deferred income	(1,505,618)	-	-	-	(1,505,618)
Cash and cash equivalents	9,256,555	-	-	-	9,256,555
Financial investments	741,059	134,882	2,879,285	9,620,222	13,375,448
Treasury bills	341,395	-	-	-	341,395
Debtors not arising from direct insurance operations, prepayments and accrued income	3,341,180	-	-	-	3,341,180
	10,529,027	134,882	2,879,285	9,620,222	23,163,416
Cells					
Trade and other creditors	(152,892)	-	-	-	(152,892)
Accruals and deferred income	(857,153)	-	-	-	(857,153)
Cash and cash equivalents	21,032,831	-	-	-	21,032,831
Financial investments	8,647,869	2,574,703	2,444,421	366,078	14,033,071
Debtors not arising from direct insurance operations, prepayments and accrued income	1,083,466	-	-	-	1,083,466
	29,754,121	2,574,703	2,444,421	366,078	35,139,323

3. Risk and capital management - continued

3.4 Financial risk management - continued

3.4.3 Liquidity risk - continued

Financial instruments - continued

As at 31 December 2023

	Contractual undiscounted cash flows				
	Less than one year €	One and two years €	Two and five years €	Over five years €	Total €
Core					
Trade and other creditors	(102,594)	-	-	-	(102,594)
Accruals and deferred income	(1,093,212)	-	-	-	(1,093,212)
Cash and cash equivalents	6,415,422	-	-	-	6,415,422
Financial investments	759,368	770,921	4,238,730	5,010,678	10,779,697
Treasury bills held at amortised cost	3,521,764	-	-	-	3,521,764
Debtors not arising from direct insurance operations, prepayments and accrued income	3,635,776	-	-	-	3,635,776
	13,136,525	770,921	4,238,730	5,010,678	23,156,854
Cells					
Trade and other creditors	(36,948)	-	-	-	(36,948)
Accruals and deferred income	(62,226)	-	-	-	(62,226)
Cash and cash equivalents	24,312,960	-	-	-	24,312,960
Financial investments	165,767	2,053,029	2,331,990	307,212	4,857,998
Debtors not arising from direct insurance operations, prepayments and accrued income	952,715	-	-	-	952,715
	25,332,268	2,053,029	2,331,990	307,212	30,024,499

The amounts in the tables above have been compiled as follows:
- The amounts are the gross contractual undiscounted cash flows.
- The interest on floating-rate instruments reflects the market forward interest rates at the reporting date, which may change as market interest rates change.

3. Risk and capital management - continued

3.5 Capital management

As from 1 January 2016, the Company was subject to the requirements of the EU Solvency II directive.

The Company has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To comply with the obligations to maintain positive solvency position based on the requirements under regulation;
- To ensure sufficient capital funding in order that the Company may continue as a going concern;
- To safeguard the interests of policy holders arising from the Company's contractual obligations;
- To provide adequate returns for shareholders; and
- To ensure that shareholder and other stakeholder interests are safeguarded at all times.

In order to maintain or adjust the capital structure, the Company may issue shares or capitalise contributions received from its shareholders. The Company is required to hold regulatory capital for its insurance business in compliance with the rules issued by the Malta Financial Services Authority (MFSA). The minimum capital requirement must be maintained at all times throughout the year. The Company monitors its capital level on a regular basis, by ensuring that sufficient assets are maintained to match insurance liabilities and to provide solvency cover.

The Company defines capital as the excess of assets over liabilities as valued in accordance with the respective regulatory requirements.

Any transactions that may affect the Company's solvency position are immediately reported to the directors and shareholders for resolution, prior to notifying MFSA. Any potential shortfall in capital requirements necessitates the development of a recovery plan with a list of possible actions.

The Solvency II regime establishes a new set of EU-wide capital requirements, risk management and disclosure standards. The Company must hold eligible own funds to cover the solvency capital requirement (SCR) and eligible basic own funds to cover the minimum capital requirement (MCR). The SCR shall be calculated either in accordance with the standard formula or using a full or partial internal model (PIM) as approved by the Regulator. The Company must immediately inform the Regulator where it observes that its SCR or MCR are no longer complied with or where there is risk of non-compliance in the following six months for SCR and three months for MCR.

The Company opted for the standard formula under the Solvency II regime to calculate the SCR as the assumptions underlying the standard formula are considered to be a good fit for the Company's risk profile. At 31 December 2024, the Company's eligible own funds amounting to €69.1m (2023: €64.1m) adequately covered the required SCR.

The Company was compliant with its regulatory capital requirements throughout the financial year.

As part of its annual Own Risk and Solvency Assessment (ORSA) exercise, Atlas continues to test resilience of its capital adequacy under various stress scenarios. Amongst the stresses applied, Atlas has assessed the impact of the Pandemic as well as Climate Change Risk. Any further potential impact of the Russian Ukraine conflict on own funds is likely to continue to be on the asset side as a result of the impact on investment assets. On the other hand, the impact on the SCR is not likely to be significant, as previous calculations of the SCR for stressed projections have shown offsetting results for reduced business volumes and reduced asset exposures. Similarly an extreme weather event considered under climate change risk has only a marginal impact on the SCR with only a contained and proportionate reduction in own funds experienced.

3. Risk and capital management - continued

3.5 Capital management - continued

Liabilities arising from cell operations

In terms of Legal Notice 412 of 2007 of the Companies Act, (Cell Companies carrying on business of insurance), where any liability arises which is attributable to a particular cell of a cell company –

(a) the cellular assets attributable to that cell shall be primarily used to satisfy the liability;
(b) the Company's core assets shall be secondarily used to satisfy the liability, provided that the cellular assets attributable to the relevant cell have been exhausted; and
(c) any cellular assets not attributable to the relevant cell shall not be used to satisfy the liability.

The Company has taken the following safeguards in this respect:

(a) if the assets of the Cell are at any time insufficient to meet any payments, liabilities or obligations due or about to become due by the Cell, the Company shall notify the Cell owners in writing and the Cell owners shall ensure forthwith that the Cell is adequately funded to meet all payments, liabilities or other obligations due or becoming due by the cell.

(b) in the event that the Cellular Assets of the Cell are exhausted, the Cell Owner agrees to indemnify the Company for any assets paid or otherwise transferred to creditors of the Cell asset of the non-cellular assets of the Company.

4. Fair value measurement

4.1 Fair value hierarchy

The Company categorises a financial asset or a financial liability measured at fair value at the same level of fair value hierarchy as the lowest-level input that is significant to the entire measurement.
The Company ranks fair value measurements based on the type of inputs, as follows:

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded equities, bonds and derivatives) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

- Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. The Company did not hold any Level 2 investments during the two reporting periods presented.

- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The Company did not hold any Level 3 investments during the two reporting periods presented.

There were no transfers between Levels 1 and 2 for recurring fair value measurements during both years.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

4. Fair value measurement - continued

4.2 Recognised fair value measurement

The following table presents the Company's assets and liabilities that are measured at fair value at 31 December 2024 and 2023:

	Core		Cells		Total	
	2024	2023	**2024**	2023	**2024**	2023
	Level 1		Level 1		Level 1	
		€		€		€
Assets						
Financial assets at fair value through profit or loss						
- Equity securities and units in unit trusts	**36,661,515**	30,126,910	**5,355,143**	2,363,486	**42,016,658**	32,490,396
- Debt securities	**13,375,448**	10,779,697	**14,033,071**	4,857,998	**27,408,519**	15,637,695
Total assets	**50,036,963**	40,906,607	**19,388,214**	7,221,484	**69,425,177**	48,128,091

4.3 Valuation techniques used to determine fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in level 1. At 31 December 2024 and 2023, the carrying amount of the Company's other financial assets and liabilities approximate their fair value in view of their short-term maturity.

4.4 Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, other debtors, and other creditors approximate their fair value.

5. Insurance revenue

	Core		Cells		Total	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	€	€	€	€
Contracts measured under the GMM						
Amounts relating to changes in liabilities for remaining coverage						
CSM recognised for services provided	-	-	**9,826,455**	6,704,294	**9,826,455**	6,704,294
Change in risk adjustment for nonfinancial risk for risk expired	-	-	**93,925**	75,236	**93,925**	75,236
Expected incurred claims and other insurance service expenses	-	-	**2,554,710**	1,405,006	**2,554,710**	1,405,006
Experience adjustments for premium receipts	-	-	**(1,324,635)**	(457,650)	**(1,324,635)**	(457,650)
Recovery of insurance acquisition cashflows	-	-	**3,959,481**	1,878,842	**3,959,481**	1,878,842
	-	-	**15,109,936**	9,605,728	**15,109,936**	9,605,728
Contracts measured under the PAA	**63,999,926**	57,197,750	**71,051,761**	53,181,338	**135,051,687**	110,379,088
Total insurance revenue	**63,999,926**	57,197,750	**86,161,697**	62,787,066	**150,161,623**	119,984,816

6. Investment income and insurance finance expenses

	Core		Cells		Total	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	**€**	€	**€**	€
Net investment income						
Interest revenue from financial assets not measured at FVTPL	**9,486**	-	**62,512**	-	**71,998**	-
Total interest revenue from financial assets not measured at FVTPL	**9,486**	-	**62,512**	-	**71,998**	-
Net gains from financial assets at FVTPL						
- interest income	**571,605**	473,345	**145,805**	20,715	**717,410**	494,060
- dividend income	**292,392**	236,949	**-**	3,010	**292,392**	239,959
Other fair value gains on financial assets at FVTPL	**2,038,457**	2,587,846	**239,880**	111,484	**2,278,337**	2,699,330
Total net gain on fair value through profit or loss investments	**2,902,454**	3,298,140	**385,685**	135,209	**3,288,139**	3,433,349
Gains from fair value adjustments to investment properties	**-**	90,781	**-**	-	**-**	90,781
Total net gains from fair value adjustment to investment properties	**-**	90,781	**-**	-	**-**	90,781
Dividend from subsidiary undertakings	**815,385**	946,154	**-**	-	**815,385**	946,154
Rental income from investment property	**492,492**	472,980	**-**	-	**492,492**	472,980
Exchange differences	**5,039**	(1,321)	**-**	4,299	**5,039**	2,978
Net credit impairment losses	**1,701**	700	**1,568**	(731)	**3,269**	(31)
Total net other investment income	**1,314,617**	1,418,513	**1,568**	3,568	**1,316,185**	1,422,081
Interest expense and charges on financial liabilities that are not at FVTPL	**(155,691)**	(162,432)	**(412)**	-	**(156,103)**	(162,432)
Investment expenses	**(328,439)**	(238,484)	**(42,412)**	(4,783)	**(370,851)**	(243,267)
Exchange differences	**-**	-	**(56,452)**	-	**(56,452)**	-
Total other investment expenses	**(484,130)**	(400,916)	**(99,276)**	(4,783)	**(583,406)**	(405,699)
Total net investment income	**3,742,427**	4,406,518	**350,489**	133,994	**4,092,916**	4,540,512

6. Investment income and insurance finance expenses - continued

	Core		Cells		Total	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	**€**	€	**€**	€
Finance (expenses)/income from insurance contracts issued						
Effect of changes in interest rates and other financial assumptions	**(418,442)**	(740,328)	**(92,756)**	99,001	**(511,198)**	(641,327)
Foreign exchange differences recognised in profit or loss	**-**	-	**(43,028)**	-	**(43,028)**	-
Foreign exchange differences recognised in OCI	**-**	-	**(95,290)**	(6,033)	**(95,290)**	(6,033)
Finance (expenses)/income from insurance contracts issued	**(418,442)**	(740,328)	**(231,074)**	92,968	**(649,516)**	(647,360)
Finance income/(expenses) from reinsurance contracts held						
Effect of changes in interest rates and other financial assumptions	**131,809**	444,045	**(158,757)**	(248,201)	**(26,948)**	195,844
Foreign exchange differences recognised in profit and loss	**-**	-	**36,270**	-	**36,270**	-
Foreign exchange differences recognised in OCI	**-**	-	**576**	225	**576**	225
Finance income/(expenses) from reinsurance contracts held	**131,809**	444,045	**(121,911)**	(247,976)	**9,898**	196,069
Total net insurance finance expenses	**(286,633)**	(296,283)	**(352,985)**	(155,008)	**(639,918)**	(451,291)
Represented by						
Amounts recognised in profit and loss	**3,455,794**	4,110,235	**92,218**	(15,206)	**3,548,012**	4,095,029
Amounts recognised in OCI	**-**	-	**(94,714)**	(5,808)	**(94,714)**	(5,808)
	3,455,794	4,110,235	**(2,496)**	(21,014)	**3,453,298**	4,089,221

A summary of net investment income and net insurance finance expenses, together with the insurance service result is presented below:

	Core		Cells		Total	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	**€**	€	**€**	€
<u>Summary of amounts recognised:</u>						
Net investment income	**3,742,427**	4,406,518	**350,489**	133,994	**4,092,916**	4,540,512
Net insurance finance expense	**(286,633)**	(296,283)	**(352,985)**	(155,008)	**(639,618)**	(451,291)
Insurance service result	**10,250,040**	7,056,298	**13,262,598**	8,103,824	**23,512,638**	15,160,122
	13,705,834	11,166,533	**13,260,102**	8,082,810	**26,965,936**	19,249,343

7. Expenses by nature

Expenses by nature - Core	2024 Expenses attributed to insurance acquisition cash flows €	2024 Other directly attributable expenses €	2024 Other operating expenses €	2024 Total €	2023 Expenses attributed to insurance acquisition cash flows €	2023 Other directly attributable expenses €	2023 Other operating expenses €	2023 Total €
Claims and benefits	-	25,505,742	-	25,505,742	-	9,741,568	-	9,741,568
Employee benefit expense and directors' fees (Note 8)	-	7,370,989	-	7,370,989	-	6,882,694	-	6,882,694
Commissions	7,662,111	-	-	7,662,111	7,358,193	-	-	7,358,193
Marketing	1,037,810	-	-	1,037,810	1,167,756	-	-	1,167,756
Amortisation of intangible assets (Note 12)	-	-	158,374	158,374	-	-	150,822	150,822
Depreciation of property, plant and equipment (Note 13)	-	-	501,200	501,200	-	-	516,513	516,513
Audit, legal and other professional fees	-	958,946	-	958,946	-	632,083	-	632,083
Other expenses	137,100	2,367,612	175,122	2,679,834	219,253	2,064,907	309,780	2,931,882
Total	8,837,021	36,203,289	834,696	45,875,006	8,745,202	19,321,252	977,115	29,043,569

Expenses by nature - Cells	2024 Expenses attributed to insurance acquisition cash flows €	2024 Other directly attributable expenses €	2024 Other operating expenses €	2024 Total €	2023 Expenses attributed to insurance acquisition cash flows €	2023 Other directly attributable expenses €	2023 Other operating expenses €	2023 Total €
Claims and benefits	-	24,766,612	-	24,766,612	-	19,963,889	-	19,963,889
Commissions	12,498,067	24,261,226	-	36,759,293	8,929,457	20,198,528	-	29,127,985
Audit, legal and other professional fees	-	2,175,386	470,789	2,646,175	-	2,020,457	31,406	2,051,863
Other expenses	-	152,707	90,175	242,882	366	319,117	742	320,225
Total	12,498,067	51,355,931	560,964	64,414,962	8,929,823	42,501,991	32,148	51,463,962

Auditor's fees

Fees charged by the auditor and affiliates for services rendered during the financial years ended 31 December 2024 and 2023 relate to the following:

	2024 €	2023 €
Annual statutory audit	**159,425**	337,000
Other assurance services	**70,300**	62,000
Tax advisory and compliance services	**15,100**	45,875
Other non-audit services	**13,000**	4,000
	257,825	448,875

Fees quoted above are exclusive of VAT.

8. Employee benefit expense

	2024	2023
	€	€
Salaries and related costs (including directors' salaries)	**7,799,504**	6,883,780
Social security costs	**462,218**	402,753
	8,261,722	7,286,533
Inter-company payroll charge	**(890,733)**	(403,839)
	7,370,989	6,882,694

The average number of persons employed during the year was:

	2024	2023
Directors	**8**	8
Managerial	**35**	35
Clerical	**140**	126
	183	169

9. Tax expense

	Core		**Cells**		**Total**	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	**€**	€	**€**	€
Current taxation:						
Current tax expense	**4,280,765**	3,153,604	**4,233,930**	2,927,156	**8,514,695**	6,080,760
Deferred taxation:						
Deferred tax charge/(credit) (Note 17)	**445,545**	1,281,998	**-**	(148,806)	**445,545**	1,133,192
	4,726,310	4,435,602	**4,233,930**	2,778,350	**8,960,240**	7,213,952

9. Tax expense - continued

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	2024	2023
	€	€
Profit before tax	**26,792,610**	18,715,940
Tax on profit at 35%	**9,377,414**	6,550,579
Tax effect of:		
Differences due to the application of Flat Rate Foreign Tax Credit	**(73,184)**	(31,680)
Income subject to reduced rates of tax	**(398,076)**	(106,816)
Impact of tax on investment property	**(26,749)**	736,787
Expenses not deductible for tax purposes	**137,467**	60,562
Over provision in previous years	**-**	(388,859)
Unrecognised temporary differences	**(56,632)**	393,379
Tax charge in the accounts	**8,960,240**	7,213,952

10. Directors' emoluments

	2024	2023
	€	€
Salaries and other emoluments (including directors' fees)	**707,512**	600,850

During the year, benefits in kind valued at €18,153 (2023: €11,733) were provided to the directors.

11. Dividends declared

	2024 €	2023 €
To the ordinary shareholders:		
Net	**2,500,000**	2,200,000
Dividends per ordinary share	**0.52**	0.46
To the cell shareholders:		
Cell 5	**317,899**	-
Cell 7	**560,000**	350,000
Cell 9	**700,000**	500,000
Cell 10	**650,000**	300,000
Cell 12	**4,039,103**	-
Net	**6,267,002**	1,150,000
Dividends per preference share		
Cell 5	**0.43**	-
Cell 7	**1.03**	0.64
Cell 9	**1.90**	1.35
Cell 10	**1.35**	0.63
Cell 12	**2.02**	-
Total dividends	**8,767,002**	3,350,000

On 28 January 2025 a net interim dividend of €1,500,000 was proposed by the directors to be paid to the non-cellular shareholder. This was subsequently approved by the Malta Financial Services Authority and paid on 12 March 2025.

At the forthcoming Annual General Meeting, a final dividend in respect of 2024 of €0.48c per share amounting to a total dividend of €2,300,000 is to be proposed to the non-cellular shareholder. These financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2025.

During 2024 further interim dividends were paid to the cellular shareholders. These were, two dividends of €160,000 and €400,000 both paid to the TVIS Cell shareholder, two dividends of €300,000 and €400,000 both paid to the Gemini Cell Shareholder, a dividend of €4,039,103 paid to the AM Cell shareholder, a dividend of €317,899 paid to the Blevins Franks Cell shareholder, a dividend €300,000 paid in the form of a Bonus Share Issue to the L'Amie Cell shareholder, and a dividend also paid to the L'Amie Cell shareholder of €350,000.

12. Intangible assets

	Customer relationships €	Computer software €	Total €
At 1 January 2023			
Cost	194,735	1,236,678	1,431,413
Accumulated amortisation and impairment	(194,735)	(945,671)	(1,140,406)
Net book amount	**-**	**291,007**	**291,007**
Year ended 31 December 2023			
Opening net book amount	-	291,007	291,007
Additions	-	51,154	51,154
Amortisation charge	-	(150,822)	(150,822)
Closing net book amount	**-**	**191,339**	**191,339**
At 31 December 2023			
Cost	194,735	1,287,832	1,482,567
Accumulated amortisation and impairment	(194,735)	(1,096,493)	(1,291,228)
Net book amount	**-**	**191,339**	**191,339**
Year ended 31 December 2024			
Opening net book amount	-	191,339	191,339
Additions	-	37,760	37,760
Amortisation charge	-	(158,374)	(158,374)
Closing net book amount	**-**	**70,725**	**70,725**
At 31 December 2024			
Cost	194,735	1,325,592	1,520,327
Accumulated amortisation and impairment	(194,735)	(1,254,867)	(1,449,602)
Net book amount	**-**	**70,725**	**70,725**

13. Property, plant and equipment

	Land and buildings €	Improvements to leasehold premises €	Plant and equipment €	Total €
At 1 January 2023				
Cost or revaluation	8,306,294	2,443,758	3,713,741	14,463,793
Accumulated depreciation	-	(1,851,220)	(2,859,291)	(4,710,511)
Net book amount	**8,306,294**	**592,538**	**854,450**	**9,753,282**
Year ended 31 December 2023				
Opening net book amount	8,306,294	592,538	854,450	9,753,282
Additions		16,712	330,823	347,535
Disposals	-	-	(328,653)	(328,653)
Depreciation charge	(87,168)	(148,445)	(280,900)	(516,513)
Depreciation released on disposal	-	-	328,653	328,653
Closing net book amount	**8,219,126**	**460,805**	**904,373**	**9,584,304**
At 31 December 2023				
Cost or revaluation	8,306,294	2,460,470	3,715,911	14,482,675
Accumulated depreciation	(87,168)	(1,999,665)	(2,811,538)	(4,898,371)
Net book amount	**8,219,126**	**460,805**	**904,373**	**9,584,304**
Year ended 31 December 2024				
Opening net book amount	8,219,126	460,805	904,373	9,584,304
Additions	-	41,799	288,941	330,740
Disposals	-	-	(315,327)	(315,327)
Depreciation charge	(87,168)	(133,238)	(280,794)	(501,200)
Depreciation released on disposal	-	-	307,827	307,827
Closing net book amount	**8,131,958**	**369,366**	**905,020**	**9,406,344**
At 31 December 2024				
Cost or revaluation	8,306,294	2,502,269	3,689,525	14,498,088
Accumulated depreciation	(174,336)	(2,132,903)	(2,784,505)	(5,091,744)
Net book amount	**8,131,958**	**369,366**	**905,020**	**9,406,344**

13. Property, plant and equipment - continued

Fair value of Property

During 2024, management had re-assessed the value of investment property on the basis of an independent valuation carried out by professional advisors. The carrying amount of the PPE on the balance sheet did not materially differ from the revaluation performed in 2022.

The Company is required to disclose fair value measurements by level of the following fair value measurement hierarchy for non-financial assets carried at fair value.

The Company's recurring fair value measurements are categorised as level 3 as they are based on significant unobservable inputs. The Company's policy is to recognise transfers into and out of fair value hierarchy levels as of the beginning of the reporting period. During the current financial year there were no transfers between the fair value levels.

The Company's property used in operations represents property predominantly located in Ta' Xbiex. The Company's investment properties represent property located in Sliema, Ta' Xbiex, San Gwann, Iklin and Qormi. The current value of both categories of property equates to the highest and best use.

A reconciliation between the opening balance and the closing balance of the properties' carrying amount is presented in the table above and in the table in Note 14, for property used in operations and for investment properties, respectively.

Valuation process and techniques

The Company's property is valued on a periodic basis by the directors after seeking professional advice from independent professionally qualified valuers who hold a recognised relevant professional qualification and have the necessary experience in the location and segments of the property being valued. When external valuations are carried out in accordance with this policy, the valuer reports directly to the board of directors and discussions on the valuation technique and its results, including an evaluation of the inputs to the valuation, are held between these parties.

At the end of every reporting period during which an external valuation is not carried out, the directors also assess whether any significant changes in actual circumstances and developments have been experienced since the last external valuation. An adjustment to the carrying amount of the property is only reflected if it has been determined that there has been significant change in value since last value assessment.

Investment property

The property valuations were determined by the valuers using the direct capitalisation method and sales market approach. Properties valued using the direct capitalisation approach primarily take into consideration rental rates per square metre in relation to comparable properties in locations in the vicinity of the relevant property. These rental rates are then adjusted for differences in key attributes such as property size, duration of lease agreements, quality of interior fittings, amongst other specifications. Key assumptions in the valuation process primarily included reference to (i) rental income, as disclosed in Note 6, (ii) rental yields ranging from 4% to 5.5% (2023: 4% to 5.5%). Meanwhile, one property with a carrying amount of €3,336,000 (2023: €3,336,000) was valued using the sales market approach.

The valuation exercise in 2024 supported that the value of the investment property held on the balance sheet at year end 31 December 2024 and no adjustment was reflected (2023: €101,283).

13. Property, plant and equipment - continued

Valuation process and techniques - continued

Land and buildings included in PPE

The property was last re-valued based on a valuation exercise performed by independent professionally qualified valuers in 2022. These valuations were determined using the direct capitalisation method. This method primarily took into consideration assumed market rental rates per square metre in locations in the vicinity of the relevant property. Key assumptions in the valuation process, therefore primarily included reference to: (i) assumed rental rates benchmarked to the respective property location and: (ii) rental yields ranging from 5% to 6%.

The directors considered that the value of land and buildings included within property, plant and equipment as at 31 December 2024 is reasonable and in line with market valuations of similar properties.

If the land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2024	2023
	€	€
Cost	**5,323,862**	5,323,862
Accumulated depreciation	**(846,216)**	(759,048)
Net book amount	**4,477,646**	4,564,814

Leases - where Company is a lessee

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	2024	2023
	€	€
Right-of-use assets		
Current	**97,981**	96,081
Non-current	**531,480**	621,200
	629,461	717,281
Lease liabilities		
Current	**95,704**	89,989
Non-current	**585,298**	674,425
	681,002	764,414

13. Property, plant and equipment - continued

Leases - where Company is a lessee - continued

(ii) Amounts recognised in the profit or loss account

	2024 €	2023 €
Interest expense (included in other investment expenses)	**32,394**	36,805
Depreciation expense	**98,822**	97,804

The total cash outflow for leases in 2024 was €131,998 (2023: €123,156).

14. Investment property

	2024 €	2023 €
Year ended 31 December		
Opening carrying amount	**9,607,000**	9,505,717
Additions	**8,132**	10,502
Fair value increase	**-**	90,781
Closing carrying amount	**9,615,132**	9,607,000
At 31 December		
Carrying amount	**9,615,132**	9,607,000

The valuation process and techniques are included under Note 13.

(i) Amounts recognised in profit or loss for investment properties

	2024 €	2023 €
Rental income from operating leases	**492,492**	472,980

(ii) Leasing arrangements

Minimum lease payments receivable on leases of investment properties are as follows:

	2024 €	2023 €
Within 1 year	**541,242**	469,834
Between 1 and 5 years	**1,085,509**	1,394,757
Later than 5 years	**131,652**	-
	1,758,403	1,864,591

15. Investment in subsidiaries and associates

Subsidiaries	2024	2023
	€	€
Year ended 31 December		
Opening and closing cost and carrying amount	**748,058**	748,058

The subsidiaries at 31 December 2024 and 2023 are shown below:

Name of subsidiary	Registered office	Class of shares	Percentage of shares held 2024	2023
Atlas Healthcare Insurance Agency Ltd	47-50, Ta' Xbiex Seafront Ta' Xbiex	Ordinary 'A' shares	100%	100%
Eagle Star (Malta) Ltd	47-50, Ta' Xbiex Seafront Ta' Xbiex	Ordinary shares	100%	100%

Associates	2024	2023
	€	€
Year ended 31 December		
At beginning of year	**2,875,000**	2,375,000
Additions	**1,000,000**	500,000
At end of year	**3,875,000**	2,875,000

Name of associates	Registered office	Class of shares	Percentage of shares held 2024	2023
IvaLife Insurance Limited	Centris Business Gateway II, Level 1D, Triq il-Salib tal-Imriehel, Zone 3, Central Business District, Birkirkara	Ordinary 'B' shares 100% paid up	25%	25%

During 2024 a further capital injection amounting to €1,000,000 was made in IvaLife to maintain the regulated solvency margin. A further capital contribution of €1,000,000 will be made during 2025 in ensuring that the company maintains its regulated solvency margin as a result of the Company's growth.

16. Financial investments

The investments are summarised by measurement category in the table below.

	2024 €	2023 €
Fair value through profit or loss	**69,425,177**	48,128,091
Measured at amortised cost	**5,224,395**	3,521,764
	74,649,572	51,649,855

(a) *Investments at FVTPL*

	Core		Cells		Total	
	2024 €	2023 €	**2024** €	2023 €	**2024** €	2023 €
At 31 December						
Equity securities and units in unit trusts	**36,661,515**	30,126,910	**5,355,143**	2,363,486	**42,016,658**	32,490,396
Debt securities - listed fixed interest rate	**13,375,448**	10,779,697	**14,033,071**	905,805	**27,408,519**	11,685,502
Treasury Bills	**-**	-	**-**	3,952,193	**-**	3,952,193
	13,375,448	10,779,697	**14,033,071**	4,857,998	**27,408,519**	15,637,695
Total investments at fair value through profit or loss	**50,036,963**	40,906,607	**19,388,214**	7,221,484	**69,425,177**	48,128,091

Equity securities and units in unit trusts are classified as non-current.

The movements for the year are summarised as follows:

	Core		Cells		Total	
	2024 €	2023 €	**2024** €	2023 €	**2024** €	2023 €
Year ended 31 December						
At beginning of year	**40,906,607**	37,361,659	**7,221,484**	2,253,355	**48,128,091**	39,615,014
Additions	**19,431,256**	6,449,829	**13,746,846**	5,014,876	**33,178,102**	11,464,705
Disposals	**(12,355,660)**	(5,472,684)	**(1,877,334)**	(158,231)	**(14,232,994)**	(5,630,915)
Other movements	**16,303**	-	**57,339**	-	**73,642**	-
Fair value gains	**2,038,457**	2,567,803	**239,879**	111,484	**2,278,336**	2,679,287
At end of year	**50,036,963**	40,906,607	**19,388,214**	7,221,484	**69,425,177**	48,128,091
As at 31 December						
Cost	**45,476,713**	37,673,578	**18,778,293**	7,230,402	**64,255,006**	44,903,980
Accumulated net fair value gains / (losses)	**4,560,250**	3,233,029	**609,921**	(8,918)	**5,170,171**	3,224,111
	50,036,963	40,906,607	**19,388,214**	7,221,484	**69,425,177**	48,128,091

16. Financial investments - continued

(b) Investments at AC

	Core 2024 €	Core 2023 €	Cells 2024 €	Cells 2023 €	Total 2024 €	Total 2023 €
At 31 December						
Deposits with banks or financial institutions	-	-	**4,883,000**	-	**4,883,000**	-
Treasury Bills (Note 1.9.3)	**341,395**	3,521,764	-	-	**341,395**	3,521,764
	341,395	3,521,764	**4,883,000**	-	**5,224,395**	3,521,764

Maturity of fixed income debt securities and treasury bills:

	Core 2024 €	Core 2023 €	Cells 2024 €	Cells 2023 €	Total 2024 €	Total 2023 €
Within 1 year	**1,082,455**	759,368	**8,647,869**	165,767	**9,730,324**	925,135
Between 1 and 2 years	**134,882**	770,921	**2,574,703**	2,053,029	**2,709,585**	2,823,950
Between 2 and 5 years	**2,879,285**	4,238,730	**2,444,421**	2,331,990	**5,323,706**	6,570,720
Over 5 years	**9,620,221**	5,010,678	**366,078**	307,212	**9,986,300**	5,317,890
	13,716,843	10,779,697	**14,033,071**	4,857,998	**27,749,915**	15,637,695
Weighted average EIR	**3.47%**	3.84%	**1.90%**	4.26%	**2.69%**	3.87%

17. Deferred taxation

	Core 2024 €	Core 2023 €	Cells 2024 €	Cells 2023 €	Total 2024 €	Total 2023 €
Year ended 31 December						
At beginning of year	**(2,437,328)**	(1,165,858)	-	(148,398)	**(2,437,328)**	(1,314,256)
Charged to other comprehensive income (Note 20)	**8,715**	10,528	-	-	**8,715**	10,528
(Charged)/credited to profit or loss account (Note 9)	**(445,545)**	(1,281,998)	-	148,806	**(445,545)**	(1,133,192)
At end of year	**(2,874,158)**	(2,437,328)	-	408	**(2,874,158)**	(2,436,920)
Deferred tax asset	-	-	-	408	-	408
Deferred tax liability	**(2,874,158)**	(2,437,328)	-	-	**(2,874,158)**	(2,437,328)
	(2,874,158)	(2,437,328)	-	408	**(2,874,158)**	(2,436,920)

The total deferred tax liability is not expected to fall due within 12 months.

Deferred taxes are calculated on all temporary differences under the liability method using a principal tax rate of 35% (2023: 35%) with the exceptions of deferred taxes for investment property and freehold and other property that are calculated using a tax rate of 8% or 10% of the carrying amount (2023: 8% or 10%) depending on acquisition dates. Deferred taxes for one cell which operates in the UK markets is calculated using a tax rate of 25% (2023: 23.5%).

17. Deferred taxation - continued

The balance at 31 December represents temporary differences on:

	Core		Cells		Total	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	**€**	€	**€**	€
Revaluation of property, plant and equipment - land and buildings	**(608,732)**	(617,446)	**-**	-	**(608,732)**	(617,446)
Revaluation of investment property	**(776,811)**	(803,560)	**-**	-	**(776,811)**	(803,560)
Temporary differences on:						
- Financial investments at FVTPL	**(1,596,397)**	(1,065,786)	**-**	-	**(1,596,397)**	(1,065,786)
- Fixed assets	**(44,489)**	(94,854)	**-**	-	**(44,489)**	(94,854)
- Provisions	**152,271**	144,318	**-**	-	**152,271**	144,318
- Impact of IFRS 17 adjustment	**-**	-	**-**	408	**-**	408
At end of year	**(2,874,158)**	(2,437,328)	**-**	408	**(2,874,158)**	(2,436,920)

Movements in deferred tax arising on revaluation of land and buildings are accounted for in OCI. All other temporary differences are accounted for in the profit or loss account. Deferred income taxes and liabilities are offset when there is a legally enforceable right to set-off under the Malta Income Tax regime. No deferred tax asset was recognised as at 31 December 2024 in relation to tax losses of €3,517,744 (2023: €4,232,933) arising from cellular operations in view of the uncertainty of recovery in the foreseeable future.

18. Debtors and prepayments and accrued income

	Core		Cells		Total	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	**€**	€	**€**	€
Debtors not arising from direct insurance operations						
Receivable from parent undertaking	**19,836**	12,561	**-**	-	**19,836**	12,561
Receivable from related parties	**213,763**	76,047	**-**	-	**213,763**	76,047
Receivable from subsidiaries	**1,949,104**	2,262,204	**-**	-	**1,949,104**	2,262,204
Other debtors	**289,075**	552,999	**402,244**	471,676	**691,319**	1,024,675
	2,471,778	2,903,811	**402,244**	471,676	**2,874,022**	3,375,487
Prepayments and accrued income						
Prepayments	**707,236**	620,928	**529,345**	425,398	**1,236,581**	1,046,326
Accrued interest	**162,166**	108,394	**151,877**	55,554	**314,043**	163,948
	869,402	729,322	**681,222**	480,952	**1,550,624**	1,210,274
Total debtors and prepayments and accrued income	**3,341,180**	3,633,133	**1,083,466**	952,628	**4,424,646**	4,585,761
Current portion	**3,341,180**	3,633,133	**1,083,466**	952,628	**4,424,646**	4,585,761

18. Debtors and prepayments and accrued income - continued

Core and cell debtors are presented net of an allowance for impairment (Note 1.9.3). Receivables from group undertakings and related parties are unsecured, interest free and repayable on demand.

19. Share capital

	2024	2023
	€	€
Authorised share capital:		
4,997,000 'A' ordinary voting shares of €2.50 each	**12,492,500**	12,492,500
3,000 'B' cumulative preference shares of €2.50 each	**7,500**	7,500
14,000,000 (2023: 12,000,000) cell shares of €2.50 each	**35,000,000**	30,000,000
	47,500,000	42,500,000
Core		
Issued and fully paid up share capital:		
4,797,000 'A' ordinary voting shares of €2.50 each	**11,992,500**	11,992,500
3,000 'B' cumulative preference shares of €2.50 each	**7,500**	7,500
	12,000,000	12,000,000
Cells		
Cell 2		
Issued and 100% paid up share capital: 620,000 cell shares	**1,550,000**	1,550,000
Cell 4		
Issued and 50% paid up share capital: 1,497,377 cell shares	**1,871,721**	1,871,721
Cell 5		
Issued and 100% paid up share capital: Nil (2023: 745,284) cell shares	**-**	1,863,210
Cell 6		
Issued and 100% paid up share capital: 1,500,000 cell shares	**3,750,000**	3,750,000
Cell 7		
Issued and 67.5% paid up share capital: 544,215 cell shares	**918,363**	918,363
Cell 8		
Issued and 44.45% paid up share capital: Nil (2023: 2,249,831) cell shares	**-**	2,500,125
Cell 9		
Issued and 55% paid up share capital: 369,032 cell shares	**507,419**	507,419
Cell 10		
Issued and 100% paid up share capital: 600,000 (2023: 480,000) cell shares	**1,500,000**	1,200,000
Cell 11		
Issued and 100% paid up share capital: 1,680,000 (2023: 480,000) cell shares	**4,200,000**	1,200,000
Cell 12		
Issued and 100% paid up share capital: 2,000,000 cell shares	**5,000,000**	5,000,000
Cell 13		
Issued and 100% paid up share capital: 1,640,000 (2023: Nil) cell shares	**4,100,000**	-
	23,397,503	20,360,838
Total share capital	**35,397,503**	32,360,838

All cell shares have a nominal value of €2.50 each.

In terms of a resolution dated 21 June 2024, the issued share capital of the Company was increased by 1,200,000 shares of €2.50 each. This was in relation to Cell 11.

In terms of a resolution dated 30 July 2024, the issued share capital of the Company was increased by 120,000 shares of €2.50 each. This was in relation to Cell 10.

19. Share capital - continued

On the 18 November 2024 the Company incorporated Cell 13 with a share capital of 1,640,000 shares of €2.50 each fully paid up.

Following the winding up of Cell 5 in terms of an extraordinary resolution dated 1 October 2024, the issued share capital was reduced by the cancellation of 745,284 cell shares of €2.50 each, fully paid up.

Following the winding up of Cell 8 in terms of an extraordinary resolution dated 30 December 2024, the issued share capital was reduced by the cancellation of 2,249,831 cell shares of €2.50 each, fully paid up.

By resolution dated 28 November 2024, the authorised share capital of the Company was increased by 2,000,000 shares of €2.50.

20. Reserves

	Core		Cells		Total	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	**€**	€	**€**	€
Revaluation reserve	**5,875,388**	5,866,673	**-**	-	**5,875,388**	5,866,673
Functional currency exchange reserve	**-**	-	**73,501**	(234,014)	**73,501**	(234,014)
General reserve	**201,542**	201,542	**-**	-	**201,542**	201,542
Total other reserves	**6,076,930**	6,068,215	**73,501**	(234,014)	**6,150,431**	5,834,201

Revaluation reserve

	Core	
	2024	2023
	€	€
Year ended 31 December		
At beginning of year	**5,866,673**	5,856,145
Property, plant and equipment - land and buildings:		
Movement in deferred tax in relation to revaluation surplus (Note 17)	**8,715**	10,528
At end of year	**5,875,388**	5,866,673

Functional currency exchange reserve

	Cells	
	2024	2023
	€	€
Year ended 31 December		
At beginning of year	**(234,014)**	(395,913)
Exchange differences resulting from translation to presentation currency	**307,515**	161,899
At end of year	**73,501**	(234,014)

The movements during the year are accounted for in OCI.

20. Reserves - continued

Revaluation reserve represents the revaluation surplus on freehold and other property, net of deferred tax.

Functional currency exchange reserve represents changes in the functional currency to that of the operating currency for cellular operations.

The directors consider other reserves to be non-distributable.

Retained earnings

	2024 €	2023 €
Core	**36,047,188**	29,376,387
Cells		
Cell 2	**222,296**	(382,729)
Cell 4	**(490,538)**	(443,449)
Cell 5	**-**	424,022
Cell 6	**1,180,418**	662,974
Cell 7	**1,492,135**	1,325,745
Cell 8	**-**	(1,462,267)
Cell 9	**590,739**	712,752
Cell 10	**504,542**	641,533
Cell 11	**4,281**	(377,219)
Cell 12	**5,743,354**	4,039,103
Cell 13	**(97,459)**	-
	9,149,768	5,140,465
Total Retained earnings	**45,196,956**	34,516,852

The profit or loss account balance represents the amount available for dividend distribution to the respective shareholders, except any amount that is not distributable in terms of the solvency capital requirements and any amount that is not distributable under the Maltese Companies Act (Cap.386), as it represents unrealised profits.

21. Insurance contract liabilities and reinsurance contract assets

The following table sets out the amounts presented in the balance sheet for insurance contracts and reinsurance contracts at 31 December.

	Core	Cells	Total
	€	€	€
At 31 December 2024			
Insurance contracts			
Insurance contract liabilities			
- Insurance contract balances	**38,195,201**	**10,953,084**	**49,148,285**
	38,195,201	**10,953,084**	**49,148,285**
Insurance contract assets			
- Insurance contract balances	**-**	**(3,562,868)**	**(3,562,868)**
	-	**(3,562,868)**	**(3,562,868)**
Reinsurance contracts			
Reinsurance contract assets	**(13,431,980)**	**(3,985,518)**	**(17,417,498)**
Reinsurance contract liabilities	**-**	**1,945,820**	**1,945,820**
	(13,431,980)	**(2,039,698)**	**(15,471,678)**
At 31 December 2023			
Insurance contracts			
Insurance contract liabilities			
- Insurance contract balances	37,444,374	10,748,740	48,193,114
	37,444,374	10,748,740	48,193,114
Insurance contract assets			
- Insurance contract balances	-	(7,828,635)	(7,828,635)
	-	(7,828,635)	(7,828,635)
Reinsurance contracts			
Reinsurance contract assets	(11,812,439)	(1,136,832)	(12,949,271)
Reinsurance contract liabilities	-	1,298,510	1,298,510
	(11,812,439)	161,678	(11,650,761)

21. Insurance contract liabilities and reinsurance contract assets - continued

The following table sets out the carrying amounts of insurance and reinsurance contracts expected to be settled or recovered more than 12 months after the reporting date.

	2024		2023	
	Core	**Cells**	Core	Cells
	€	**€**	€	€
Insurance contract assets	**-**	**(858,925)**	-	598,624
Insurance contract liabilities	**4,430,669**	**(1,577,510)**	3,961,394	69,782
Reinsurance contract liabilities	**-**	**4,797**	-	9,177
Reinsurance contract assets	**(1,592,142)**	**(7,438)**	(1,135,768)	(8,724)
	2,838,527	**(2,439,076)**	2,825,626	668,859

The following reconciliations show how the net carrying amounts of insurance and reinsurance contracts changed during the year as a result of cash flows and amounts recognised in the statement of profit or loss.

The Company presents a table that separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the statement of profit or loss.

21. Insurance contract liabilities and reinsurance contract assets - continued

21.1 Reconciliation of the liability for remaining coverage and incurred claims - Core insurance contracts issued

Insurance contracts issued	2024				2023			
	Liability for remaining coverage	Liability for incurred claims		Total	Liability for remaining coverage	Liability for incurred claims		Total
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk			Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contract liabilities as at 1 January	16,814,478	19,439,242	1,190,654	37,444,374	12,435,916	36,692,509	2,110,286	51,238,711
Net opening balance	16,814,478	19,439,242	1,190,654	37,444,374	12,435,916	36,692,509	2,110,286	51,238,711
Changes in statement of profit or loss								
Insurance revenue	(63,999,926)	-	-	(63,999,926)	(57,197,750)	-	-	(57,197,750)
Insurance service expenses								
Incurred claims and other insurance service expenses	-	40,583,437	866,065	41,449,502	-	37,522,553	562,371	38,084,924
Amortisation of insurance acquisition cash flows	8,837,021	-	-	8,837,021	8,745,202	-	-	8,745,202
Changes that relate to past service – changes in FCF relating to the LIC	-	(4,511,524)	(734,689)	5,246,213	-	(17,619,611)	(1,482,003)	(19,101,614)
	8,837,021	36,071,913	131,376	45,040,310	8,745,202	19,902,942	(919,632)	27,728,512
Insurance service result	(55,162,905)	36,071,913	131,376	(18,959,616)	(48,452,548)	19,902,942	(919,632)	(29,469,238)
Net finance expenses from insurance contracts	-	418,443	-	418,443	-	740,328	-	740,328
Total changes in statement of profit or loss and OCI	(55,162,905)	36,490,356	131,376	(18,541,173)	(48,452,548)	20,643,270	(919,632)	(28,728,910)
Cash flows								
Premiums received	68,058,637	-	-	68,058,637	62,063,936	-	-	62,063,936
Claims and other insurance service expenses paid	-	(38,302,533)	-	(38,302,533)	-	(37,896,537)	-	(37,896,537)
Insurance acquisition cash flows	(10,464,104)	-	-	(10,464,104)	(9,232,826)	-	-	(9,232,826)
Total cash flows	57,594,533	(38,302,533)	-	19,292,000	52,831,110	(37,896,537)	-	14,934,573
Insurance contract liabilities as at 31 December	19,246,106	17,627,065	1,322,030	38,195,201	16,814,478	19,439,242	1,190,654	37,444,374

21. Insurance contract liabilities and reinsurance contract assets - continued

21.2 Reconciliation of the remaining coverage and incurred claims - Core reinsurance contracts held

Reinsurance contracts held	2024				2023			
	Assets for remaining coverage	**Assets for incurred claims**		**Total**	Assets for remaining coverage	Assets for incurred claims		Total
		Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**			Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contract assets as at 1 January	**3,696,006**	**7,695,858**	**420,575**	**11,812,439**	4,572,454	22,991,916	1,419,774	28,984,144
Net opening balance	**3,696,006**	**7,695,858**	**420,575**	**11,812,439**	4,572,454	22,991,916	1,419,774	28,984,144
Changes in statement of profit or loss and OCI								
Allocation of reinsurance premiums paid	**(22,315,577)**	**-**	**-**	**(22,315,577)**	(20,351,414)	-	-	(20,351,414)
Amounts recoverable from reinsurer								
Recoveries of incurred claims and other insurance service expenses	**-**	**15,128,255**	**436,883**	**15,565,138**	-	13,525,850	166,264	13,692,114
Changes that relate to past service - changes in FCF relating to incurred claims recovery	**-**	**(1,663,527)**	**(295,610)**	**(1,959,137)**	-	(14,588,177)	(1,165,463)	(15,753,640)
	-	**13,464,728**	**141,273**	**13,606,001**	-	(1,062,327)	(999,199)	(2,061,526)
Effects of changes in non-performance risk of reinsurers								
Net expenses from reinsurance contracts	**(22,315,577)**	**13,464,728**	**141,273**	**(8,709,576)**	(20,351,414)	(1,062,327)	(999,199)	(22,412,940)
Net finance income from reinsurance contracts	**-**	**131,809**	**-**	**131,809**	-	444,045	-	444,045
Total changes in the statement of profit or loss	**(22,315,577)**	**13,596,537**	**141,273**	**(8,577,767)**	(20,351,414)	(618,282)	(999,199)	(21,968,895)
Cash flows								
Premiums paid	**34,641,742**	**-**	**-**	**34,641,742**	28,622,808	-	-	28,622,808
Amounts received	**(10,643,371)**	**(13,801,063)**	**-**	**(24,444,434)**	(9,147,842)	(14,677,776)	-	(23,825,618)
Total cash flows	**23,998,371**	**(13,801,063)**	**-**	**10,197,308**	19,474,966	(14,677,776)	-	4,797,190
Reinsurance contract assets as at 31 December	**5,378,800**	**7,491,332**	**561,848**	**13,431,980**	3,696,006	7,695,858	420,575	11,812,439

21. Insurance contract liabilities and reinsurance contract assets - continued

21.3 Reconciliation of the liability for remaining coverage and incurred claims - Cells insurance contracts issued

	2024					2023				
	Liability for remaining coverage	Liability for incurred claims			Total	Liability for remaining coverage	Liability for incurred claims			Total
		Contracts not measured under the PAA	Contract measured under the PAA				Contracts not measured under the PAA	Contracts measured under the PAA		
			Estimates of present value of future cash flows	Risk adjustment for non-financial risk				Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contracts as at 1 January										
Opening assets	(9,466,115)	1,075,552	521,587	40,341	(7,828,635)	(2,567,313)	-	2,196,400	17,545	(353,368)
Opening liabilities	(8,688,060)	-	18,376,437	1,060,363	10,748,740	(10,925,748)	-	15,124,978	125,788	4,325,018
Net opening balance	(18,154,175)	1,075,552	18,898,024	1,100,704	2,920,105	(13,493,061)	-	17,321,378	143,333	3,971,650
Adjustment during the year						(146,837)	146,837	-	-	-
Changes in statement of profit or loss										
Insurance revenue	(86,161,697)	-	-	-	(86,161,697)	(62,787,066)	-	-	-	(62,787,066)
Insurance service expenses										
Incurred claims and other insurance service expenses	555,971	1,206,267	50,888,829	(425,581)	52,225,486	393,370	84,421	39,800,399	969,315	41,247,505
Amortisation of insurance acquisition cash flows	12,498,067	-	-	-	12,498,067	4,616,345	-	4,313,478	-	8,929,823
Changes that relate to past service - changes in FCF relating to the LIC	-	676,412	(1,366,782)	(179,185)	(869,555)	-	880,638	386,644	(12,796)	1,254,486
	13,054,038	1,882,679	49,522,047	(604,766)	63,853,998	5,009,715	965,059	44,500,521	956,519	51,431,814
Insurance service result	(73,107,659)	1,882,679	49,522,047	(604,766)	(22,307,699)	(57,777,351)	965,059	44,500,521	956,519	(11,355,252)
Net finance expenses from insurance contracts	221,718	-	(128,962)	-	92,756	147,547	-	(246,548)	-	(99,001)
Effect of movement in exchange rates	38,879	-	97,980	1,460	138,319	-	-	5,181	852	6,033
Total changes in statement of profit or loss and OCI	(72,847,062)	1,882,679	49,491,065	(603,306)	(22,076,624)	(57,629,804)	965,059	44,259,154	957,371	(11,448,220)

21. Insurance contract liabilities and reinsurance contract assets - continued

21.3 Reconciliation of the liability for remaining coverage and incurred claims - Cells insurance contracts issued - continued

	2024					2023				
	Liability for remaining coverage	Liability for incurred claims			Total	Liability for remaining coverage	Liability for incurred claims			Total
		Contracts not measured under the PAA	Contract measured under the PAA				Contracts not measured under the PAA	Contracts measured under the PAA		
Insurance contracts			Estimates of present value of future cash flows	Risk adjustment for non-financial risk				Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Cash flows										
Premiums received	97,775,970	-	-	-	97,775,970	60,720,978	-	-	-	60,720,978
Claims and other insurance service expenses paid	(337,628)	(1,254,344)	(51,489,278)	-	(53,081,250)	-	(36,344)	(42,543,219)	-	(42,579,563)
Insurance acquisition cash flows	(18,147,986)	-	-	-	(18,147,986)	(7,744,740)	-	-	-	(7,744,740)
Total cash flows	79,290,356	(1,254,344)	(51,489,278)	-	26,546,734	52,976,238	(36,344)	(42,543,219)	-	10,396,675
Transfer to other items in the statement of financial position	-	-	-	-	-	139,289	-	(139,289)	-	-
Net closing balance	(11,710,882)	1,703,888	16,899,813	497,397	7,390,216	(18,154,175)	1,075,552	18,898,024	1,100,704	2,920,105
Closing assets	(6,448,391)	1,703,888	1,129,491	52,143	(3,562,868)	(9,466,115)	1,075,552	521,587	40,341	(7,828,635)
Closing liabilities	(5,262,491)	-	15,770,322	445,254	10,953,084	(8,688,060)	-	18,376,437	1,060,363	10,748,740
Net closing balance as at 31 December	(11,710,882)	1,703,888	16,899,813	497,397	7,390,216	(18,154,175)	1,075,552	18,898,024	1,100,704	2,920,105

21. Insurance contract liabilities and reinsurance contract assets - continued

21.4 Analysis by measurement component - Cells insurance contracts issued measured under the GMM

	2024				2023			
	Estimates of present value of future cash flows	**Risk adjustment for non-financial risk**	**CSM**	**Total**	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening assets	**15,085,198**	**(105,312)**	**(8,701,264)**	**6,278,622**	-	-	-	-
Opening liabilities	**-**	**-**	**-**	**-**	-	-	-	-
Net opening balance - Insurance contracts as at 1 January	**15,085,198**	**(105,312)**	**(8,701,264)**	**6,278,622**	-	-	-	-
Changes in the statement of comprehensive income								
Changes that relate to current services								
CSM recognised for services provided	**-**	**-**	**9,826,455**	**9,826,455**	-	-	6,704,294	6,704,294
Risk adjustment recognised for the risk expired	**-**	**93,925**	**-**	**93,925**	-	75,236	-	75,236
Experience adjustments	**(1,324,635)**	**-**	**-**	**(1,324,635)**	(457,650)	-	-	(457,650)
	(1,324,635)	**93,925**	**9,826,455**	**8,595,745**	(457,650)	75,236	6,704,294	6,321,880
Changes that relate to future services								
Contracts initially recognised in the period	**12,500,203**	**(102,390)**	**(12,397,813)**	**-**	13,892,744	(180,548)	(13,712,196)	-
Changes in estimates that adjust the CSM	**362,973**	**(949)**	**(362,024)**	**-**	1,237,294	-	(1,237,294)	-
	12,863,176	**(103,339)**	**(12,759,837)**	**-**	15,130,038	(180,548)	(14,949,490	-
Changes that relate to past services								
Changes in FCF relating to the LIC	**(676,412)**	**-**	**-**	**(676,412)**	(880,638)	-	-	(880,638)
					(880,638)	-	-	(880,638)
Insurance service result	**1,010,817**	**-**	**-**	**1,010,817**	927,215	-	-	927,215
Net finance expenses (income) from insurance contracts	**687,277**	**-**	**(885,528)**	**(198,251)**	329,889	-	(456,068)	(126,179)
Total changes in the statement of comprehensive income	**12,560,223**	**(9,414)**	**(3,818,910)**	**8,731,899**	15,048,854	(105,312)	(8,701,264)	6,242,278
Cash flows	**(11,970,008)**	**-**	**-**	**(11,970,008)**	36,344	-	-	36,344
Closing assets	**15,675,413**	**(114,726)**	**(12,520,174)**	**3,040,513**	15,085,198	(105,312)	(8,701,264)	6,278,622
Closing liabilities								
Net closing balance - Insurance contracts as at 31 December	**15,675,413**	**(114,726)**	**(12,520,174)**	**3,040,513**	15,085,198	(105,312)	(8,701,264)	6,278,622

21. Insurance contract liabilities and reinsurance contract assets - continued

21.5 Reconciliation of the remaining coverage and incurred claims - Cells reinsurance contracts held

Reinsurance contracts	2024				2023			
	Assets for remaining coverage	Assets for incurred claims		Total	Assets for remaining coverage	Assets for incurred claims		Total
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk			Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Opening assets	(1,322,385)	1,621,558	837,659	1,136,832	(226,559)	579,006	7,138	359,585
Opening liabilities	(2,723,668)	1,406,716	18,442	(1,298,510)	(2,584,530)	458,883	4,877	(2,120,770)
Net opening balance as at 1 January	(4,046,053)	3,028,274	856,101	(161,678)	(2,811,089)	1,037,889	12,015	(1,761,185)
Changes in statement of profit or loss and OCI								
Allocation of reinsurance premiums paid	(24,926,561)	-	-	(24,926,561)	(15,200,893)	-	-	(15,200,893)
Amounts recoverable from reinsurer								
Recoveries of incurred claims and other insurance service expenses	-	17,223,705	(377,811)	16,845,894	-	11,105,702	844,554	11,950,256
Changes that relate to past service - changes in FCF relating to incurred claims recovery	-	(847,439	(116,995)	(964,434)	-	(264)	(527)	(791)
	-	16,376,266	(494,806)	15,881,460	-	11,105,438	844,027	11,949,465
Investment component	(28,201,724)	28,201,724	-	-	(23,450,311)	23,450,311	-	-
Net expenses from reinsurance contracts	(53,128,285)	44,577,990	(494,806)	(9,045,101)	(38,651,204)	34,555,749	844,027	(3,251,428)
Net finance income from reinsurance contracts	-	(158,757	-	(158,757)	-	(248,201)	-	(248,201)
Effect of movements in exchange rates	24,601	11,275	969	36,845	-	166	59	225
Total changes in the statement of profit or loss	(53,103,684)	44,430,508	(493,837)	(9,167,013)	(38,651,204)	34,307,714	844,086	(3,499,404)

21. Insurance contract liabilities and reinsurance contract assets - continued

21.5 Reconciliation of the remaining coverage and incurred claims - Cells reinsurance contracts held - continued

Reinsurance contracts	2024				2023			
	Assets for remaining coverage	Assets for incurred claims		Total	Assets for remaining coverage	Assets for incurred claims		Total
		Estimates of present value of future cash flows	Risk adjustment for non-financial risk			Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Cash flows								
Premiums paid	52,859,018	-	-	52,859,018	37,416,240	-	-	37,416,240
Amounts received	-	(41,490,629)	-	(41,490,629)	-	(32,317,329)	-	(32,317,329)
Total cash flows	52,859,018	(41,490,629)	-	11,368,389	37,416,240	(32,317,329)	-	5,098,911
Net closing balance	(4,290,719)	5,968,153	362,264	2,039,698	(4,046,053)	3,028,274	856,101	(161,678)
Closing assets	(2,863,759)	6,492,982	356,295	3,985,518	(1,322,385)	1,621,558	837,659	1,136,832
Closing liabilities	(1,426,960)	(524,829)	5,969	(1,945,820)	(2,723,668)	1,406,716	18,442	(1,298,510)
Net closing balance as at 31 December	(4,290,719)	5,968,153	362,264	2,039,698	(4,046,053)	3,028,274	856,101	(161,678)

21. Insurance contract liabilities and reinsurance contract assets - continued

21.6 Analysis of contracts initially recognised in the period - insurance contracts held

The following table summarises the effect on the measurement components arising from the initial recognition of cell insurance contracts issued measured under GMM.

	2024	2023
Insurance acquisition cash flows	(6,783,480)	(5,005,401)
Claims payable and other expenses	(4,762,223)	(5,343,168)
Estimates of present value of future cash outflows	(11,545,703)	(10,348,569)
Estimates of present value of future cash inflows	24,045,907	24,241,313
Risk adjustment for non-financial risk	(102,391)	(180,548)
CSM	(12,397,813)	(13,712,196)
Losses recognised on initial recognition	-	-

21.7 Contractual service margin - Cell insurance contracts issued measured under GMM

The following table sets out when the Company expects to recognise the remaining CSM in profit or loss after the reporting date for contracts measured under the GMM.

31-Dec-24	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	>10 years	Total
Insurance contracts issued								
Segment 1 (Life)	2,942,414	1,496,450	773,378	383,124	192,918	-	-	5,788,284
Segment 2 (Health)	2,209,984	826,502	308,709	147,794	33,203	-	-	3,526,192
Segment 3 (Non-Life)	1,964,259	762,400	299,194	143,548	36,297	-	-	3,205,698
	7,116,657	3,085,352	1,381,281	674,466	262,418	-	-	12,520,174

31-Dec-23	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-10 years	>10 years	Total
Insurance contracts issued								
Segment 1 (Life)	2,169,744	1,080,916	546,399	251,291	63,380	-	-	4,111,730
Segment 2 (Health)	2,185,476	703,354	107,114	(154,313)	(192,008)	-	-	2,649,623
Segment 3 (Non-Life)	1,597,076	514,559	80,091	(111,659)	(140,156)	-	-	1,939,911
	5,952,296	2,298,829	733,604	(14,681)	(268,784)	-	-	8,701,264

21.8 Claims development

The tables below illustrate how estimates of cumulative claims have developed over time on a gross and net of reinsurance basis. Each table shows how the estimates of total claims for each accident year have developed over time and reconciles the cumulative claims to the amount included in the statement of financial position.

The Company provides information on the claims development for the current reporting period and nine years prior to it. In order to reconcile undiscounted claims information for the nine years prior to the current reporting period the Company included estimates of claim amounts based on accounting policies that existed prior to IFRS 17 adoption.

21. Insurance contract liabilities and reinsurance contract assets - continued

21.8 Claims development – continued

21.8.1 Gross claims development - Core

31 December 2024	2015 €	2016 €	2017 €	2018 €	2019 €	2020 €	2021 €	2022 €	2023 €	2024 €	Total €
Gross of reinsurance											
Estimates of undiscounted gross cumulative claims											
- at end of reporting year	15,231,792	14,400,164	19,016,753	16,389,345	25,132,054	21,081,989	22,576,896	42,655,732	30,452,725	32,169,463	
- one year later	13,446,678	13,173,332	15,576,521	15,123,712	28,626,726	20,701,383	22,277,800	26,923,832	25,796,258		
- two years later	12,337,696	12,351,302	14,143,021	13,417,732	22,095,567	17,827,989	19,828,143	26,070,052			
- three years later	11,838,299	12,157,822	13,651,274	12,933,181	21,066,365	17,467,276	19,562,458				
- four years later	11,666,675	11,736,936	11,119,019	12,674,054	20,524,703	17,264,454					
- five years later	11,475,199	11,611,811	10,592,190	12,292,949	20,466,322						
- six years later	11,354,526	11,208,591	10,410,919	12,248,211							
- seven years later	11,305,610	10,823,196	10,316,616								
- eight years later	11,312,637	10,714,564									
- nine years later	11,286,767										
Cumulative gross claims paid	(11,171,969)	(10,206,905)	(10,201,611)	(11,897,098)	(20,341,011)	(16,879,209)	(19,324,650)	(23,686,406)	(25,789,077)	(20,341,240)	(169,839,176)
Gross liabilities - accident years 2015 to 2024	114,798	507,659	115,005	351,113	125,311	385,245	237,808	2,383,646	1,871,951	11,828,223	17,920,759
Gross liabilities - accident years before 2015											138,050
Effect of the risk adjustment margin for non-financial risk											1,322,030
Effect of discounting											(431,744)
Gross liabilities for incurred claims included in the statement of financial position											18,949,095

21. Insurance contract liabilities and reinsurance contract assets - continued

21.8 Claims development - continued

21.8.2 Net claims development - Core

31 December 2024	2015 €	2016 €	2017 €	2018 €	2019 €	2020 €	2021 €	2022 €	2023 €	2024 €	Total €
Net of reinsurance											
Estimates of undiscounted net cumulative claims											
- at end of reporting year	9,431,033	10,106,850	9,212,017	9,983,389	10,845,598	10,084,733	11,356,551	13,827,729	16,747,220	16,925,924	
- one year later	8,675,037	9,465,006	8,502,035	9,266,810	9,932,356	9,953,999	11,219,058	12,477,625	15,410,169		
- two years later	7,697,462	8,589,373	7,553,094	8,175,838	8,964,575	8,377,233	9,499,721	11,752,220			
- three years later	7,267,099	8,430,599	7,092,908	8,105,618	8,650,666	8,187,437	9,222,957				
- four years later	7,115,980	8,364,577	6,938,939	7,878,894	8,394,281	7,989,158					
- five years later	6,949,363	8,248,932	6,577,103	7,707,956	8,380,718						
- six years later	6,927,162	7,914,302	6,490,727	7,676,677							
- seven years later	6,878,311	7,585,372	6,402,183								
- eight years later	7,118,261	7,476,764									
- nine years later	6,882,392										
Cumulative gross claims paid	(6,767,593)	(7,120,974)	(6,287,175)	(7,351,282)	(8,256,830)	(7,616,252)	(9,048,160)	(10,541,853)	(13,816,698)	(11,038,094)	(87,844,911)
Net liabilities - accident years 2015 to 2024	114,799	355,790	115,008	325,395	123,888	372,906	174,797	1,210,367	1,593,471	5,887,831	10,274,252
Net liabilities - accident years before 2015											138,713
Effect of the risk adjustment margin for non-financial risk											760,181
Effect of discounting											(277,231)
Net liabilities for incurred claims included in the statement of financial position											10,895,915

21. Insurance contract liabilities and reinsurance contract assets - continued

21.8 Claims development - continued

21.8.3 Gross claims development - Cells

31 December 2024	2015 €	2016 €	2017 €	2018 €	2019 €	2020 €	2021 €	2022 €	2023 €	2024 €	Total €
Gross of reinsurance											
Estimates of undiscounted gross cumulative claims											
- at end of reporting year	3,339,675	5,361,589	3,989,168	4,799,565	7,293,713	11,589,900	13,429,693	14,986,293	16,894,857	25,943,184	
- one year later	3,518,611	4,918,733	4,635,145	5,443,310	7,105,195	11,134,663	12,524,032	15,246,140	17,126,644		
- two years later	3,075,236	4,146,212	4,507,522	5,483,895	7,114,809	11,121,323	12,528,888	14,260,081			
- three years later	3,014,308	4,110,818	4,806,476	5,294,740	7,114,809	11,124,811	12,680,114				
- four years later	2,865,823	4,315,097	4,836,763	5,079,874	7,115,676	11,267,046					
- five years later	2,836,911	4,365,669	5,114,509	5,126,747	7,244,094						
- six years later	2,869,717	4,303,186	4,713,697	5,535,307							
- seven years later	2,876,593	4,287,422	4,264,294								
- eight years later	2,842,399	4,327,813									
- nine years later	2,565,083										
Cumulative gross claims paid	(2, 565,083)	(4,327,813)	(4,264,294)	(5,506,933)	(7,244,094)	(11,267,046)	(12,680,114)	(13,461,348)	(16,248,932)	(17,724,338)	(95,289,995)
Gross liabilities - accident years 2015 to 2024	-	-	-	28,374	-	-	-	798,733	877,712	8,218,846	9,923,665
Gross liabilities - accident years before 2015											-
Effect of the risk adjustment margin for non-financial risk											497,397
Effect of discounting											(585,705)
Adjustment of the profit commissions payable – L'Amie											9,265,741
Gross liabilities for incurred claims included in the statement of financial position											**19,101,098**

21. Insurance contract liabilities and reinsurance contract assets - continued

21.8 Claims development - continued

21.8.4 Net claims development - Cells

31 December 2024	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
	€	€	€	€	€	€	€	€	€	€	€
Net of reinsurance											
Estimates of undiscounted net cumulative claims											
- at end of reporting year	3,339,675	3,960,014	3,942,906	4,569,125	4,324,496	5,463,861	5,176,053	5,474,988	6,555,178	8,731,499	
- one year later	3,457,677	3,981,960	4,633,454	4,627,832	4,303,133	5,454,852	5,103,309	6,224,616	7,164,527		
- two years later	3,075,416	3,738,457	4,506,322	4,667,627	4,305,494	5,430,111	5,102,652	5,682,725			
- three years later	3,066,387	4,232,082	4,759,034	4,515,585	4,305,494	5,448,615	5,256,500				
- four years later	2,924,040	4,382,687	4,846,460	4,301,660	4,305,691	5,591,993					
- five years later	2,864,864	4,477,701	5,124,206	4,341,826	4,434,109						
- six years later	2,897,669	4,415,218	4,723,394	5,354,315							
- seven years later	2,904,545	4,399,454	4,215,312								
- eight years later	2,877,227	3,945,184									
- nine years later	2,516,937										
Cumulative gross claims paid	(2,516,937)	(3,949,651)	(4,215,312)	(5,332,485)	(4,434,109)	(5,591,993)	(5,256,500)	(5,461,337)	(6,553,342)	(6,107,335)	(49,419,001)
Net liabilities - accident years 2015 to 2024	-	(4,467)	-	21,830	-	-	-	221,388	611,185	2,624,164	3,474,100
Net liabilities - accident years before 2015											-
Effect of the risk adjustment margin for non-financial risk											136,261
Effect of discounting											(105,421)
Adjustment of the profit commissions payable - L'Amie											9,265,741
Net liabilities for incurred claims included in the statement of financial position											**12,770,681**

22. Creditors and accruals and deferred income

	Core		Cells		Total	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	**€**	€	**€**	€
Payable to related parties	**-**	50,105	**23,881**	26,114	**23,881**	76,219
Other creditors	**1,645,544**	52,489	**129,011**	10,835	**1,774,555**	63,324
	1,645,544	102,594	**152,892**	36,949	**1,798,436**	139,543
Accruals and deferred income	**1,505,618**	1,093,212	**857,153**	62,226	**2,362,771**	1,155,438
Total creditors and accruals and deferred income	**3,151,162**	1,195,806	**1,010,045**	99,175	**4,161,207**	1,294,981
Current portion	**3,151,162**	1,195,806	**1,010,045**	99,175	**4,161,207**	1,294,981

Amounts payable to related parties are interest free, unsecured and repayable on demand.

23. Cash generated from operations

	Core		Cells		Total	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	**€**	€	**€**	€
Insurance premiums received, net of IACF	**57,594,533**	52,831,110	**79,290,356**	52,976,238	**136,884,889**	105,807,348
Reinsurance premiums paid, net of commission	**(23,998,371)**	(19,474,966)	**(52,859,018)**	(37,416,240)	**(76,857,389)**	(56,891,206)
Claims and other insurance service expenses paid	**(38,302,533)**	(37,896,537)	**(52,743,622)**	(42,579,563)	**(91,046,155)**	(80,476,100)
Reinsurance claims received, net of commission	**13,801,063**	14,677,776	**41,490,629**	32,317,329	**55,291,692**	46,995,105
Net cash (paid) / received (to) / from employees, related parties and other suppliers for services and Goods	**2,528,072**	(1,282,965)	**319,439**	(554,889)	**2,847,511**	(1,837,854)
Interest received	**581,091**	473,345	**111,888**	6,958	**692,979**	480,303
Dividends received	**822,393**	851,949	**-**	3,010	**822,393**	854,959
Rental Income	**492,492**	472,980		-	**492,492**	472,980
Net (purchase)/disposal of operating assets:						
- loans and receivables	**-**	700	**-**	-	**-**	700
- financial assets at fair value through profit or loss	**(3,933,535)**	(4,478,866)	**(16,752,510)**	(4,856,647)	**(20,686,045)**	(9,335,513)
Cash generated from / (used in) operations	**9,585,205**	6,174,526	**(1,142,838)**	(103,804)	**8,442,367**	6,070,722

24. Cash and cash equivalents

For the purpose of the statement of cash flows, the year end cash and cash equivalents comprise the following:

	Core		Cells		Total	
	2024 €	2023 €	2024 €	2023 €	2024 €	2023 €
Cash at bank and in hand	**7,104,905**	6,139,441	**21,024,691**	24,312,960	**28,129,596**	30,452,401
Held with investment managers	**2,151,650**	275,981	**8,140**	-	**2,159,790**	275,981
At end of year	**9,256,555**	6,415,422	**21,032,831**	24,312,960	**30,289,386**	30,728,382

25. Related party transactions

All companies forming part of the Atlas Group of Companies are considered by the directors to be related parties since these companies are ultimately owned and controlled by Atlas Holdings Limited. The Company has interests in other entities that are not wholly owned by the parent company and these are also considered as related parties. Related parties also comprise the shareholders and the Company's key management personnel who have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive of otherwise) of that entity.

The following transactions were carried out by the Company with related parties:

	2024 €	2023 €
Income		
Subsidiaries:		
Payroll costs charged	**829,604**	376,047
Other related entities:		
Payroll costs charged	**61,129**	27,792
Expenses		
Subsidiaries:		
Commission payable	**3,903,212**	3,342,756

In relation to cells, companies ultimately owned and controlled by the Cell owners are considered as related parties in connection with the respective cells. As part of the ordinary course of business, the cells transact business with related parties including the collection of premiums, settlement of claims and payment of commissions.

Year end balances owed by or to group undertakings and other related parties are disclosed in Notes 18 and 22 to these financial statements respectively.

Key management personnel compensation, consisting of directors' remuneration, has been disclosed in Note 10 to these financial statements.

26. Statutory information

Atlas Insurance PCC Limited is a limited liability company and is incorporated in Malta. The immediate and ultimate parent company of Atlas Insurance PCC Limited is Atlas Holdings Limited, a company registered in Malta, with its registered address at 47-50, Ta' Xbiex Seafront, Ta' Xbiex, Malta which prepares consolidated financial statements. The financial statements of Atlas Insurance PCC Limited are included in the consolidated financial statements prepared by Atlas Holdings Limited.