Atlas Insurance PCC Limited

Solvency & Financial Condition Report 2024

Atlas Insurance

Atlas Insurance PCC Limited

Solvency and Financial Condition Report (SFCR)

for the Financial Year ended 31 December 2024

The Solvency and Financial Condition Report (SFCR) is presented in line with the requirements of Directive 2009/138/EC (Solvency II Directive) and the Commission Delegated Regulation (EU) 2015/35.

Cover photo by:

Lisa Attard

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

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1. Executive summary

1.1 Business and Performance

Atlas Insurance PCC Limited (Atlas, the PCC, the Company) is the flagship company within the Atlas group of companies (the Group) specialising in insurance underwriting and insurance services. The PCC is also authorised by the Malta Financial Services Authority (MFSA) to underwrite reinsurance business.

Atlas was authorised on the 29 April 2004 by the MFSA to carry on business in the following Insurance Classes of Business:

Class 1 – Accident,
Class 2 – Sickness,
Class 3 – Land Vehicles,
Class 6 – Ships,
Class 7 – Goods in Transit,
Class 8 – Fire and Natural Forces,
Class 9 – Other Damage to Property,
Class 10 – Motor Vehicle Liability,
Class 12 – Liability for Ships,
Class 13 – General Liability,
Class 16 – Miscellaneous Financial Loss,
Class 17 – Legal Expenses, and
Class 18 – Assistance.

The Company was further authorised by the MFSA to convert to a Protected Cell Company on the 1 November 2006, and later, on 11 June 2009, the MFSA reissued its authorisation to also carry on Reinsurance Business under its licence. This has now been extended to include long term business (life) reinsurance.

Atlas underwrites local insurance risk through its non-cellular structure and is a leader in the local market.

The Company was authorised in 2023 by the Prudential Regulation Authority to operate in the UK through the establishment of a Branch.

When including its international cellular premium turnover, Atlas is Malta’s largest general business insurer by premium income.

Impact of inflation

The Board of Directors reports that the Company has registered record profits for the year under review. The technical results contributed substantially to the Non-Cellular (Core) profitability during 2024. 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.

During the latter part of 2024 it was generally considered that global inflation would be expected to continue to decline during 2025.

The 2024 pure technical results are in effect the result of:

- Dynamic underwriting carried out during the year to protect the Company's policy for reserving sufficient cash flows in meeting the rising cost of claims due to inflation.

- Effective reinsurance programs which result from a balance in proportional and non-proportional treaties which allow for premium rating commensurate to claims costs.

- Best estimate claims reserving which has been prudent to the extent of allowing for release of claims costs over time.

The Core's investment portfolio also registered a significant return during 2024. The Board continues to be focused on the Company's investment portfolio, applying a diversified strategy in balancing capital protection and return on investment.

Environmental Social Governance (ESG)

The Risk and Compliance board committee is delegated the responsibility for overseeing the area of ESG by the board.

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 recognizes the crucial role of our human resources in the continued provision of service excellence. The ambitious digital transformation project continues which will continue to simplify work processes and enhance the customer journey in more areas of the business.

The Company's commitment in developing ESG principles are also considered for the development and evolution of the Company's investment portfolio.

Corporate Structure

The Companies Act (Cell Companies Carrying on Business of Insurance) Regulations determine under article 9 (1) that "the assets of a cell company shall be either cellular assets or non-cellular assets". In accordance with article 9 (2) of the same regulations, the Directors of Atlas are obliged to keep: "(a) cellular assets separate and separately identifiable from non-cellular assets; (b) cellular assets attributable to each cell separate and separately identifiable from cellular assets attributable to other cells; and (c) separate records, accounts, statements and other documents 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." For the purposes of this report the non-cellular assets are referred to as "Core" assets.

Therefore, within the PCC, the core assets comprise the assets of the Company which are non-cellular assets relating to the core operation. The assets of the PCC 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.

The PCC underwrites (re)insurance risk through both its Core Activity and its Cellular Activity.

- 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.

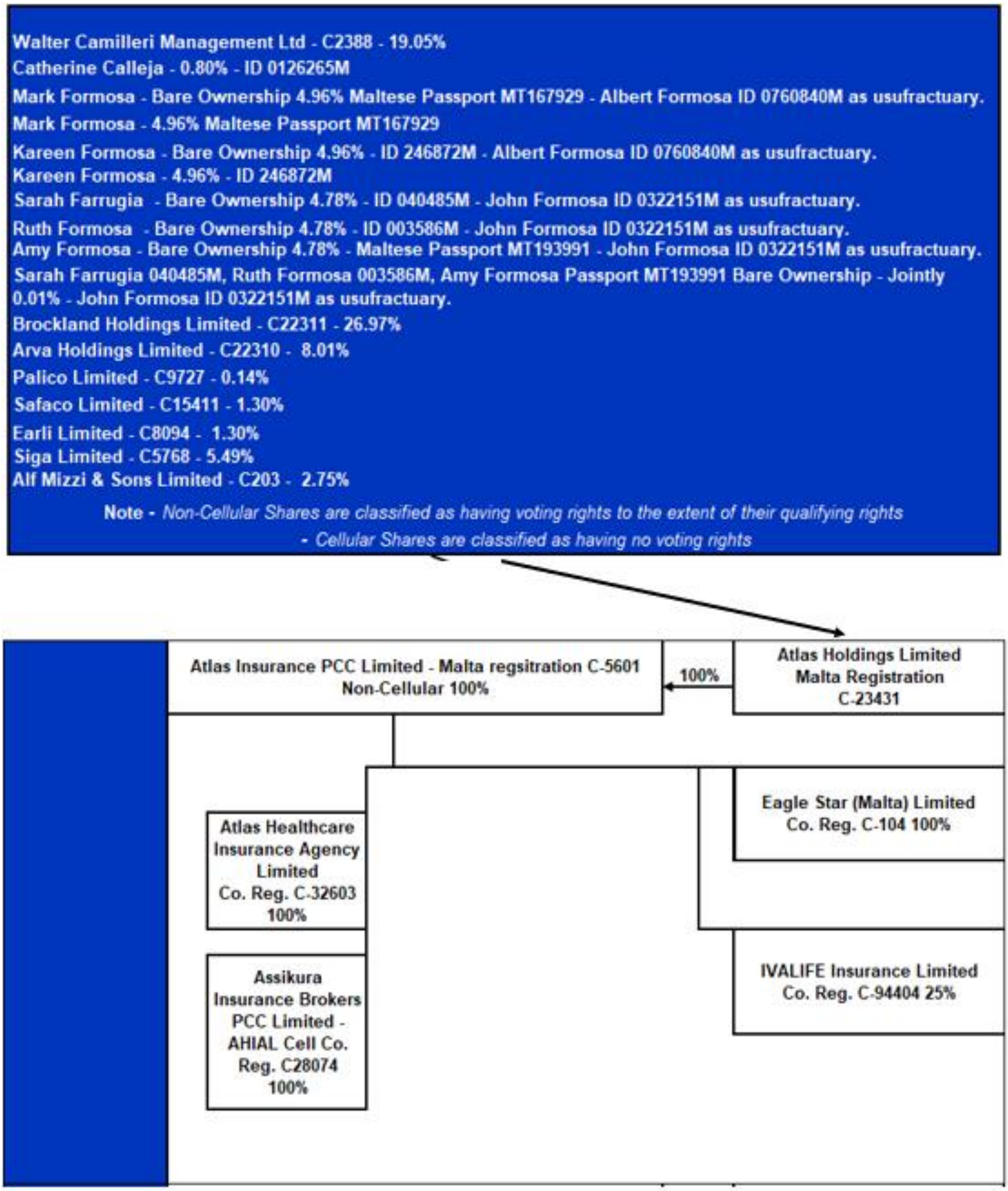
- During the year under review the Company proceeded to wind up both the Blevins Franks Cell and the Amplifon Cell. The Blevins Franks Cell Shares and the Amplifon Cell Shares were both effectively cancelled on the 20 June 2024 and the 30 December 2024 respectively.

- The shareholder of the Ocado Cell has indicated its intention to wind up the Cell.

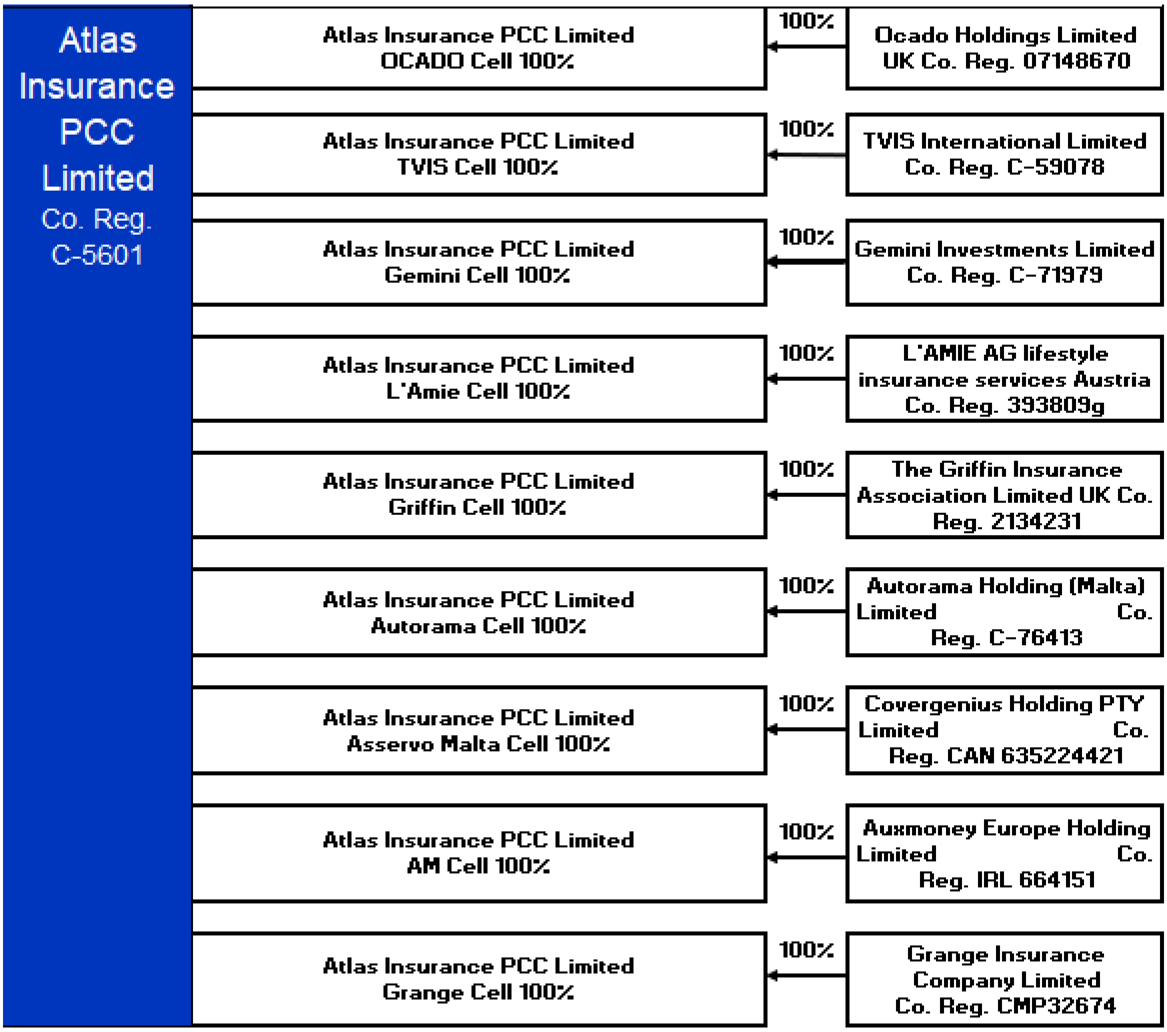
Effective 31 December 2024 the Company disposed of its equity investment in SRS Management Europe PCC Limited.

The Company's corporate structure is represented in the below organisation structure defined as Core and Cellular.

Core Structure:



Cellular:


Atlas Insurance PCC Limited Co. Reg. C-5601
Atlas Insurance PCC Limited OCADO Cell 100%
100%
Ocado Holdings Limited UK Co. Reg. 07148670
Atlas Insurance PCC Limited TVIS Cell 100%
100%
TVIS International Limited Co. Reg. C-59078
Atlas Insurance PCC Limited Gemini Cell 100%
100%
Gemini Investments Limited Co. Reg. C-71979
Atlas Insurance PCC Limited L'Amie Cell 100%
100%
L'AMIE AG lifestyle insurance services Austria Co. Reg. 393809g
Atlas Insurance PCC Limited Griffin Cell 100%
100%
The Griffin Insurance Association Limited UK Co. Reg. 2134231
Atlas Insurance PCC Limited Autorama Cell 100%
100%
Autorama Holding (Malta) Limited Co. Reg. C-76413
Atlas Insurance PCC Limited Asservo Malta Cell 100%
100%
Covergenius Holding PTY Limited Co. Reg. CAN 635224421
Atlas Insurance PCC Limited AM Cell 100%
100%
Auxmoney Europe Holding Limited Co. Reg. IRL 664151
Atlas Insurance PCC Limited Grange Cell 100%
100%
Grange Insurance Company Limited Co. Reg. CMP32674

Accounting for Insurance Contracts (IFRS17) and Financial Instruments (IFRS 9)

The Company has adopted IFRS 17 and IFRS 9, including any consequential amendments to other standards, from 1 January 2023. IFRS 17 has brought significant changes to the accounting for insurance and reinsurance contracts.

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin.

IFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income and fair value through profit and loss. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous IAS 39 categories of held-to-maturity investments, loans and receivables, and available-for-sale financial assets.

Core Results

The PCC, through its Core, underwrites a balanced local general insurance business portfolio. The Core continued to register excellent growth in all classes of business, during 2024.

Premium Written		Motor	Non-Motor	Total	Motor Share	Non-Motor Share
		Euro	Euro	Euro		
	2024	**19,645,327**	**47,456,394**	**67,101,721**	**29.28%**	**70.72%**
	2023	17,366,203	42,824,290	60,190,493	28.85%	71.15%
Percentage Growth for 2024		**13.12%**	**10.82%**	**11.48%**		

Premium written for the Core increased by 11.48% over the previous year. Overall positive technical results are reported for the year across the Company's portfolio.

As mentioned earlier inflation remains a primary consideration effecting claims loss ratios. The Company's underwriting strategy allows for stepped up material growth as has been experienced during recent years.

A Core operations combined loss ratio of 84% (2023 89%) across the Core's full portfolio is reported.

The following table reports the Core's Gross loss ratios before reinsurance expenses.

Gross Claims Loss Ratio	Motor		Non-Motor		Total	
	Euro 2024	Euro 2023	**Euro 2024**	Euro 2023	**Euro 2024**	Euro 2023
Premium Earned	**18,574,158**	16,354,613	**45,425,767**	40,843,138	**63,999,926**	57,197,751
Claims Incurred	**9,474,557**	7,643,323	**18,680,403**	2,853,951	**28,154,960**	10,497,274
Gross Ratio	**51.01%**	46.73%	**41.12%**	6.99%	**43.99%**	18.35%

The Core reinsures the insurance business risk it underwrites with a pool of highly rated reinsurers of international repute. Health insurance risk underwritten is reinsured with AXA PPP healthcare Limited.

During 2024 the Core registered a Gross Claims Loss Ratio of 43.99% decreasing to 43.15% net of reinsurance balances. Total gross claims registered during the year are reported at €28,154,960 compared to those registered in 2023 reported at €10,497,274.

The net claims incurred for 2024 is reported at €13,591,761 (2023: €12,377,216).

In the below table the net claims position retained by the Core is being noted.

Net Claims Loss Ratio	Total	
	Euro	Euro
	2024	2023
Net Premium Earned	**31,497,185**	28,106,573
Net Claims Incurred	**13,591,761**	12,377,216
Net Ratio	**43.15%**	44.04%

The Board of Directors continues to apply an investment policy which allows for reasonable return on investment while ensuring a prudent distribution in its allocation and largely placing investments in high grade securities.

The Core's investment portfolio held in the balance sheet at year end 2024 totalled €64,616,548 2023 - €57,752,856.

The Company continues to inject further free cash resulting from cash profits with an end to grow the investment portfolio as part of its strategy to consolidate its reserves in the best interest of the Company's stakeholders, balancing risk with security, and as such is satisfied that investment parameters applied allow for effective and immediate access to such securities for meeting its operational cash flows if required.

Profits before tax in 2024 amounted to €13,897,111 compared to a prior year profit before tax of €10,659,470, increasing the total equity of the Core to €54,124,118 at year end from €47,444,602 at the beginning of the year under review.

The Company owns 25% of an associate company, IVALIFE Insurance Limited, an insurance undertaking authorised by the MFSA to underwrite Long Term classes of Business. The Company does not hold a controlling interest and therefore the results are recognised as being those of equity investment for dividend income received from the entity. During 2024 a further capital injection amounting to €1,000,000 was made to IvaLife to maintain the regulated solvency margin.

IVALIFE Insurance Limited is reporting a break even for the first time since its authorisation and the outlook remains positive where the subsidiary is expected to register profits in the upcoming years.

The results for the two wholly owned subsidiaries, Atlas Healthcare Insurance Agency Limited and Eagle Star (Malta) Limited, are not consolidated in the Company's accounts and are recognised in Atlas' Financial Statements and Solvency II balance sheet as investments held in subsidiaries. These two companies' results are then consolidated in the Group Consolidation of the ultimate parent, Atlas Holdings Limited.

Atlas Healthcare Insurance Agency Limited (the Agency)

The Agency's increased growth and profitability has continued to contribute to the Company's overall result allowing for the payment of increased dividend income.

Atlas Healthcare Insurance Agency Limited is authorised by the MFSA under the Insurance Distribution Act (Cap 487) as enrolled insurance agents for the Company.

During 2024 the Agency continued to increase its sales of long-term business as an authorised intermediary of of IVALIFE Insurance Limited. The Agency representation owns 100% equity in a Cell incorporated within Assikura Insurance Brokers PCC Limited which has also produced satisfactory results for the year under review contributing dividend income to the Agency.

The Agency's net asset value totaled €1,283,279 as on 31 December 2024 (as on 31 December 2023 - €1,244,397), which result exceeds its regulated financial resources requirements under the Insurance Distribution Act.

Eagle Star (Malta) Limited (ESL)

ESL's source of income is that of a structured remuneration in the form of a fee for the handling of the run-off of a long-term business portfolio. ESL does not introduce new business to its principal, Zurich Assurance Limited.

Eagle Star (Malta) Limited holds sufficient financial resources over its regulated requirement. The net asset value of the company is reported as on 31 December 2024 at €119,068 (31 December 2023 at €119,165).

Cells

The PCC had nine Cells incorporated within its structure as on 31 December 2024; the Ocado Cell, the TVIS Cell, , the Gemini Cell, the L'Amie Cell, the Griffin Cell, the Autorama Cell, the Asservo Cell, the AM Cell and the Grange Cell.

In accordance with the Companies Act regulations and Insurance Business Act rules all Cellular Assets are segregated (ring fenced) one from the other and from the Core, whereas all Cells have recourse to the Core's assets once their own assets have been exhausted. There are two exceptions currently on the PCC's books, the AM Cell and the Grange Cell, where a non-recourse arrangement is in place. The Companies Act (Cell Companies Carrying on Business of Insurance) Regulations determine under Article 15 that "where a cell exclusively carries on business of affiliated insurance or affiliated reinsurance and provided that it is specifically permitted by the memorandum and articles of association of the cell company, the company may, by specific written agreement to that effect, provide that only the cellular assets of that cell may be utilised to satisfy the cellular liability of such cell".

- The Ocado Cell is ultimately wholly owned by Ocado Group plc (OCADO), a public company listed on the London Stock Exchange. OCADO is a leading online supermarket in the UK and provides home delivery of food, drink and household goods. This Cell was incorporated within the PCC during 2010 with the purpose of underwriting OCADO's insurance risk in the United Kingdom and its operating functional currency is British Pound.

- The TVIS Cell is ultimately owned by TVIS Limited, an insurance intermediary authorised by the Financial Conduct Authority in the UK. The intermediary works in partnership with vets as a distribution point for pet insurance. This Cell was incorporated within the PCC during 2014 to specifically underwrite the United Kingdom book of Pet Insurance held by the intermediary and with the intention to grow the portfolio. The Cell's operating functional currency is British Pound.

- The Gemini Cell is ultimately owned by Aftersales Group and was incorporated within the PCC during 2015. Aftersales Group specialises in after sale services, operating leases and insurance programmes for electronic devices such as mobile telephones, tablets, laptops and hard disk drives. The cell underwrites related theft and material damage programmes. The Gemini Cell underwrites the business via Aftersales Group BV which is an authorised intermediary regulated by the Dutch authorities and passported to a number of European member states. The Cell currently underwrites insurance risk in Belgium and other EU countries and its operating functional currency is Euro.

- The L'Amie Cell is immediately owned by L'AMIE AG lifestyle insurance services, an insurance intermediary authorised by the Austrian insurance regulator. The Cell is ultimately owned by Integral Insurance Broker Gmbh, which is likewise authorised in Austria. With a licence issued during 2015 and updated in 2017 the L'Amie Cell writes a handset theft and material damage portfolio in Austria and other European Countries. The Cell has been further authorised to underwrite Travel and Cyber Insurance risk. The Cell's operating functional currency is Euro.

- The Griffin Cell is wholly owned by The Griffin Insurance Association Limited, a mutual insurance company. The Cell has enabled the possibility for the Griffin group to underwrite European Professional Indemnity insurance risk across EU and EEA countries through its incorporation within the PCC. The Cell's operating functional currency is Euro.

- The Autorama Cell is wholly owned by Autorama Holding (Malta) Limited, subsidiary of the Autotrader Group plc. The Autotrader Group's principal activity is that of wholesale, retail trade and the repair of motor vehicles. The Cell underwrites Finance Gap Insurance for the Group's lease agreement clients and the Cell's operating functional currency is British Pound.

- The Asservo Cell is wholly owned by Covergenius Holding PTY Limited. The Cell underwrites insurance policies that can be sold as embedded (add on) products.

- The AM Cell is wholly owned by auxmoney Europe Holding Limited. The Cell is authorised as a Reinsurance Cell assuming a quota share programme for Payment Protection Insurance (PPI) including life and optional inability to work, serious illness, unemployment and abandoned self-employment. The reinsurance policy covered by the cell limits the liabilities towards the reinsured to the assets of the cell without recourse to the Core.

- The Grange Cell is wholly owned by Grange Insurance Company Limited. The Cell is authorised to underwrite bloodstock insurance. The cell exclusively carries on business of affiliated insurance, therefore a non-recourse arrangement is in place.

Aggregate Cell Results

Cellular aggregated premium written has grown during 2024 by a further 40.21% and is reported at €80,129,271.

The total premium written by the Cells for 2024 is reported in aggregate in the below table.

Premium Written	Amplifon Cell	AM Cell	Grange Cell	Other Cells	Aggregate
	Euro	Euro	Euro	Euro	Euro
2024	-	8,250,172	-	**71,879,099**	**80,129,271**
2023	-	5,295,975	-	51,851,485	57,147,460
Percentage Growth/-Diminution for 2024	**0.00%**	**100.00%**	**0.00%**	**38.62%**	**40.21%**

- The Grange Cell was authorised by the MFSA to operate as from the latter part of 2024. The Cell initiates its operation in the first half of 2025.

- Both Cells not having recourse to the Core capital under regulation carry a very positive solvency ratio.

- The aggregate Cells' gross claims loss ratio for 2024 does not cause concern to the executive for any threats to the Core capital in view that all Cells have registered reasonably good net loss ratios.

This may be noted from the progression in the table reproduced below moving from gross to net claims loss ratios.

Gross Claims Loss Ratio	Amplifon		AM		Grange		Other Cells		Aggregate	
	Euro 2024	Euro 2023	**Euro 2024**	Euro 2023	**Euro 2024**	Euro 2023	**Euro 2024**	Euro 2023	**Euro 2024**	Euro 2023
Premium Earned	**-**	14,475	**8,250,171**	5,295,975	**-**	-	**70,793,232**	53,125,225	**79,043,403**	58,435,675
Claims Incurred	**-**	- 107,824	**1,033,939**	824,167	**-**	-	**23,033,897**	18,114,995	**24,067,836**	18,831,338
Gross Ratio	**0%**	**-745%**	**13%**	-	**0%**	**0%**	**33%**	34%	**30%**	32%
Net Claims Loss Ratio	**Amplifon**		**AM**		**Grange**		**Other Cells**		**Aggregate**	
	Euro 2024	Euro 2023	**Euro 2024**	Euro 2023	**Euro 2024**	Euro 2023	**Euro 2024**	Euro 2023	**Euro 2024**	Euro 2023
Premium Earned	**-**	14,475	**8,250,171**	5,295,975	**-**	-	**54,323,821**	46,569,970	**62,573,992**	51,880,420
Claims Incurred	**-**	- 107,824	**1,033,939**	824,167	**-**	-	**15,685,741**	14,789,083	**16,719,679**	15,505,426
Net Ratio	**0%**	-745%	**13%**	-	**0%**	**0%**	**29%**	32%	**27%**	30%

The aggregated profit before tax for all Cells is reported for the year at €12,895,499 (2023: €8,056,470).

All Cells remain adequately funded in matching their Own Funds requirement under the Solvency II regime

1.2 System of Governance

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. As noted in the corporate structure under 1.1 above Atlas Insurance PCC Limited forms part of the Atlas Group and the PCC's Core is wholly owned by Atlas Holdings Limited (the Parent).

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 Parent also owns 75% controlling interest in AISH Limited, a holding company which in turn owns 50% of Jesmond Mizzi Financial Advisors Limited. Furthermore, the Parent owns 40% of the non-cellular issued share capital in Assikura Insurance Brokers PCC Limited.

The Audit Committee, the Remuneration and Nominations Committee, the Risk and Compliance Committee and the Investment Committee are chaired by independent non-executive directors. The Protected Cells Committee, the POG (Product Oversight and Governance) Committee, the IT Committee and the Executive Committee provide additional support and information to the board. All members of these board and executive committees are appointed by the board. The board is also copied with minutes of the committee meetings and matters arising from such committees are a standard agenda item at board meetings. The committees also have annually reviewed charters and undergo an annual evaluation process to ensure that all delegation of responsibility and function is clear and unequivocal.

Every effort is made to ensure that the risk management system is visible, repeatable and consistently applied to support decision making increasing the probability of success and reducing the probability of failure and the uncertainty of achieving overall objectives.

The Group's Risk Management Policy defines the framework, strategy and guiding principles for risk management. In the implementation at the operational level, the Atlas Group adopts a three lines of defence approach, which is considered as best practice.

1.3 Risk Profile

Atlas takes on and manages risks to achieve its objectives. The Board sets out a risk appetite statement that broadly describes the types and amounts of risk which Atlas is willing to take in pursuit of these objectives.

Atlas' objectives include achieving target performance and maximising shareholder value, preserving a level of solvency that would support Atlas in challenging environments, maintaining adequate liquidity to satisfy obligations as they fall due, and protecting all aspects of Atlas' value, including its brand and reputation.

Underlying the PCC's risk appetite are risk tolerances, high-level quantitative measures and qualitative assertions for the maximum risk allowed, set at corporate level and in line with the needs of its stakeholders. At the highest level, they are intended to maximise the likelihood of delivering on the Group's vision, mission, and values.

As is obligatory under the Solvency II regime, Atlas reserves equity so as to ensure that risk scenarios at a minimum confidence level will be sufficiently matched with appropriate assets matched to its existing and contingent liabilities. In so doing the PCC's Board has opted to adopt the standard formula for the Company and the Group which is driven by European Union (EU) regulation as being the model in calculating the regulated equity required for the matching of its solvency positions.

Regulation requires all Cells to determine their individual notional Solvency Capital Requirement (nSCR) under "ring fenced funds" Solvency II rules. The PCC's Core Capital surplus over its own nSCR may also be utilised to cover any shortfall in each Cell's equity in matching its own individual nSCR with the exception of the AM Cell and the Grange Cell, which cells too reserve sufficient equity to match their own nSCR.

1.4 Valuation of Assets and Liabilities

The preparation of the PCC's financial statements is carried out in conformity with IFRS as adopted by the EU and this requires the use of critical accounting estimates.

It requires the directors to exercise their judgement in the process of applying the Group's accounting policies. A higher degree of judgement for the complexity of the management of insurance and financial risk is also required where these areas of assumptions and estimates are significant to the Company's financial statements.

Insurance risk

The PCC recognises liabilities arising from its operations and specifically identifies those arising from premium written and claims incurred, while also establishing recoverability from reinsurers.

The PCC uses various techniques in estimating liabilities arising from claims. A component of these estimation techniques is usually the estimation of the cost of notified but not paid claims. Large claims impacting each relevant business class are generally assessed separately, being measured on a case- by-case basis or projected separately in order to allow for the possible distortive effect of the development and incidence of these large claims.

The estimation of claims incurred but not reported (IBNR) is generally subject to a greater degree of uncertainty than the estimation of the cost of settling claims already notified to the PCC where information about the claim event is generally available. Claims IBNR may often not be apparent to the insured until several years after the event. In calculating the estimate cost of unpaid claims, the PCC uses statistical analyses of historical experience in order to identify the IBNR component to be added to its known claims reserves.

Unearned premium reserves are formulated on a 365^{ths} time apportionment basis of calculation. This method of calculation proves to be most accurate in identifying arising liabilities at the time of balance sheet reporting. These liabilities are reflective of that amount of premium remaining unearned on an individual policy basis, aggregated to determine the PCC's total liability at any point in time.

Provision is also made for any deficiencies arising when unearned premiums, net of associated acquisition costs, are insufficient to meet expected claims and expenses.

For the purposes of final audited Balance Sheet values stated in accordance with IFRS 17 the Company applies the Premium Allocation Approach (PAA) to simplify the measurement of contracts.The General Measurement Model (GMM) is however applied for one of its Cells. When measuring liabilities for remaining coverage, the PAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for incurred claims, the Company now discounts the best estimate future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Financial Risk

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 Group's financial risk are market risk (cash flow and fair value interest rate risk, equity risk, spread risk, concentration 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.

Atlas holds investments mostly in equity and debt securities, but also includes, for its investment strategy some properties held for rental income. Debt securities are subject to spread risk, interest rate risk and concentration risk. Equities are subject to equity risk and concentration risk. Foreign denominated equity and debt securities are also subject to currency risk. As such both types of securities are fair valued for reporting the balance sheet in accordance with IFRS.

Solvency II values

Solvency II regulation requires that differing criteria are applied to the valuation of Assets and Liabilities representing the PCC's Equity in the balance sheet causing deviation from those represented under accounting principles.

The value of assets represented in the Solvency II balance sheet totalling €152 million differ from the total of the assets as represented under IFRS for the PCC of €155 million. The differences between the Solvency II values and those of IFRS arise due to different criteria of valuation for deferred acquisition costs, deferred taxation and reinsurance recoverables.

The Technical Provisions have been calculated as the sum of a best estimate plus a risk margin in accordance with the Commission Delegated Regulation (EU) 2015/35. The best estimate is calculated separately for the premium provision and for the claims provision. The claims provision is the discounted best estimate of cash flows relating to past claim events that occurred before the valuation date, whether reported or not. The cash flows include: future cash flows resulting from past claims events (including salvage and subrogation) and cash flows arising from allocated and unallocated expenses in respect of past claims events. The premium provision relates to future claims events covered by obligations falling within the contract boundary. Cash flow projections for the calculation of the premium provision includes benefits, expenses and premiums relating to these events. The methodology used to determine the best estimate and risk margin for technical provisions may be found under Sections 5.2.1 and 5.3. Whilst the starting point for the liabilities for incurred claims under IFRS17 are the best estimate future cashflows, similar to the best estimate cashflows under the Solvency II claims provisions, the adjustments for expenses within these cashflows are different. Also, whilst Solvency II cashflows are discounted at the risk-free rates, the cashflows under IFRS17 are discounted at rates which allow for the illiquidity premium on top of the risk free rates. In addition, the risk adjustment under IFRS17 uses a VaR approach whilst the risk margin under Solvency II uses a Cost of Capital approach. All these differences result in the value of liabilities represented in the Solvency II balance sheet totalling €55 million, being different from the total of the liabilities as represented under IFRS of €68 million.

In arriving at the best estimate for technical provisions no transitional arrangements have been applied.

1.5 Capital Management

Atlas recognises the importance of optimising the balance between return and risk, whilst maintaining economic and regulatory capital in accordance with the risk appetite.

The PCC adheres to a Capital Management Policy approved by the PCC's Board which includes procedures to ensure that the own funds items satisfy at issue the prescribed profiling of Solvency II regulated tiering under Article 93 of Directive 2009/13/EC of capital on an ongoing basis. Such Policy includes controls on issuance of new capital instruments and sets out the approach to managing dividends and distribution.

As on 31 December 2024 the Core's Solvency ratio for its Own Funds matching its nSCR stood at 297%, and the PCC's total eligible own funds in matching its SCR stood at a Solvency ratio of 207% of the required margin. In the PCC's aggregation all Cells but one match their own nSCR's. In the case where a Cell does not match its nSCR recourse to the Core capital is triggered and as such the PCC, for all its components remains compliant. As is required under regulation the PCC is obliged to discard any surplus Own Funds for the individual Cells in matching their own nSCR. The surplus Own Funds that have been discarded in arriving to full compliance of this rule for the Cells totals €19,322,102. The two cells not having recourse to the PCC's Core capital maintain positive solvency ratios.

- The AM Cell, which is excluded recourse to the PCC's Core's capital is also being reported at a ratio of 274% over its nSCR for separate consideration.
- The Grange Cell, which is excluded recourse to the PCC's Core's capital is also being reported at a ratio of 277% over its nSCR for separate consideration.

These results are achieved on an ongoing year in year out basis for the objectivity applied by the Atlas Board in ensuring sufficient reserves under own funds and for its controlled dividend policy over many years.

The PCC's Board is ultimately responsible for the establishment of procedures and controls in order to provide reasonable assurance that Atlas is adequately capitalised in the interest of all stakeholders.

The Board has also in place a medium-term capital management plan. This control is largely reflected in the Company's ORSA which factors in future year projections for both the Core and the Cells. The ORSA approved by the PCC's board reports forecasts for the PCC which carries on to register high solvency margin ratios in excess of those required for the medium term.

Assessment of the Loss Absorbing Capacity of Deferred Tax (LACDT) adjustment requirements include the need to consider the impact that the current notional loss would have on future pricing, profitability and uncertainty of the Company. This is elaborated on under Section 6.

The Company’s assessment for the allowance of the LACDT recoverability is outlined in Section 6.2.

2. Business and Performance

The Company registered an aggregate net profit before tax for the year of €26,792,610 (2023: €18,715,940) and a net profit after tax of €17,832,370 (2023 IFRS 17 restated: €11,501,988). Profits before tax accruing to the non-cellular shareholders amounted to €10,659,470 (2023: €10,659,470).

The Company reports excellent growth in all classes of business, exceeding the Board's expectations at the start of the year under review. This resulted in an increase of 25.48% over the previous year.

The PCC's operating cells have continued to contribute to the Company's aggregated profitability. Such a portion of profitability accrues to cell shareholders. Cellular aggregated premium written has grown during 2024 by 40.21% and is reported at €80,129,271 (2023: €57,147,460).

As reported earlier under section 1.1, 2024 saw record profits registered by the Core, with strong good technical results and 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 €23,512,638 for 2024 (2023 €15.160,122). 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 section for Financial Risk (Section 4.2).

Important growth in activity for the PCC's operations for its Cells has led to an important contribution toward the Core's profitability.

2.1 Business

2.1.1 Corporate form, Regulatory Supervision and Beneficial Owners

Atlas Insurance PCC Limited is a limited liability company incorporated in Malta (Company Registration no. C 5601) with its registered office at 48-50, Ta' Xbiex Seafront, Ta' Xbiex, Malta. As the insurance undertaking in the Atlas Group the Company is considered by the Solvency II Directive to be regulated by the MFSA as a Solo Undertaking.

The PCC is required to report on the Company for its whole PCC results on an aggregate basis. It is required to report on segmental analysis of the PCC's business profile and also highlight any material facts relating to the Core and Cells individually where applicable.

External Auditors

PricewaterhouseCoopers have carried out their last permissible statutory audit of the Company and in accordance with the provisions of Article 151A of the Companies Act (Cap 386), Pricewaterhouse Coopers 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 Malta Limited as the statutory auditors at the forthcoming Annual General Meeting.

Individuals holding shares or control

The Core is 100% owned by Atlas Holdings Limited as defined earlier.

Individuals holding shares and or having control on shares amounting to or more than 10% of the total issued shares as qualifying owners of Atlas Holdings Limited are:

- Mr Matthew von Brockdorff – 15.48% as shareholder of Brockland Holdings Limited
- Mrs Michelle Lundquist – 11.49% as shareholder of Brockland Holdings Limited
- Mr Robert and Mrs Elizabeth von Brockdorff – 26.97% by virtue of their controlling interest in Brockland Holdings Limited
- Mr Walter and Mrs Patricia Camilleri – 19.05% by virtue of their controlling interest in Walter Camilleri Management Limited
- Mr John Formosa – 14.33% as usufructuary of the shares held in bare ownership by his three daughters

The various Cells' immediate owners may be seen in the corporate structure represented under Sub Section 1.1 of this report noted earlier.

The following are individuals owning more than 10% of their respective Cells where applicable:

The TVIS Cell

- Mr Ashley Gray – 24.72% as shareholder of the upstream shareholder TVIS Limited
- Mr Theodore S Duchen – 24.72% as an upstream shareholder of TVIS Limited
- Mr David McDonald – 24.72% as shareholder of the upstream shareholder TVIS Limited
- Mr Brendan Robinson – 24.72% as an upstream shareholder of TVIS Limited

The Gemini Cell

- Mr Frank Vernooij – 66.66% as shareholder of the upstream shareholder Gemini Insurance Group
- Mr Mark Gommers – 33.33% as shareholder of the upstream shareholder Gemini Insurance Group

The L'Amie Cell

- Mr Heinz Pedak – 24.25% as shareholder of the upstream shareholder L'Amie lifestyle insurance services
- Mrs Katarina Pedak – 24.25% as shareholder of the upstream shareholder L'Amie lifestyle insurance services
- Mr Roland Pedak – 24.25% as shareholder of the upstream shareholder L'Amie lifestyle insurance services
- Mr Christian Pedak – 24.25% as shareholder of the upstream shareholder L'Amie lifestyle insurance services

The Autorama Cell

- Mr Andy Alderson – 68.10% as shareholder of the upstream beneficiary, Autorama UK Limited

The Asservo Cell

- Mr Angus James Ridley McDonald – 14.63% as beneficiary of the upstream, Aquinas PTY Ltd ATF Aquinas Family Trust (Australia)
- Christopher Robert Bayley – 11.38% as 50% beneficiary of the upstream Happy Days Investments PTY Ltd ATF Happy Days Family Trust (Australia)
- Lee Vouch Sar – 11.38% as 50% beneficiary of the upstream Happy Days Investments PTY Ltd ATF Happy Days Family Trust (Australia)

The Grange Cell

- Mr John Magnier – 100% as beneficiary of Grange Insurance Company

2.1.2 Review of the Business

The Company reports an aggregated profit before tax for the financial year ended 31 December 2024 of €26,792,610 (2023: €18,715,940).

Atlas Insurance PCC Limited Year ended 31 December 2024	Core 2024	2023	Cells 2024	2023	Total 2024	2023
	€	€	€	€	€	€
Insurance revenue	**63,999,926**	57,197,750	**86,161,697**	62,787,066	**150,161,623**	119,984,816
Insurance service expenses	**-45,040,310**	-27,728,512	**-63,853,998**	-51,431,814	**-108,894,308**	-79,160,326
Net expenses from reinsurance contracts held	**-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
Net investment income	**3,742,427**	4,406,518	**350,489**	133,994	**4,092,916**	4,540,512
Finance expenses from insurance contracts	**-418,442**	-740,328	**-135,784**	99,001	**-554,226**	-641,327
Finance income from reinsurance contracts held	**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 finance costs						
Other operating expenses	**-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	**-4,726,310**	-4,435,602	**-4,233,930**	-2,778,350	**-8,960,240**	-7,213,952
Profit/(loss) for the year	**9,170,801**	**6,223,868**	**8,661,569**	**5,278,120**	**17,832,370**	**11,501,988**

The PCC has registered an exceptional year with continued significant growth both through its core operations and through its cells. Atlas remains attractive for important growth outside the shores of Malta.

As reported under section 1.1, the Company, through its Core, underwrites a balanced local general insurance business portfolio. The Core registered growth during the year under review of 11.48% over the previous year 2023.

Total premium income for the PCC as a whole and split by Geographical area is reported in the below table:

Premium Written by Geographical Area	Northern Europe Euro 2024	Euro 2023	Western Europe Euro 2024	Euro 2023	Eastern Europe Euro 2024	Euro 2023	Southern Europe Euro 2024	Euro 2023	Total Euro 2024	Euro 2023
Core	**-**	-	**499,855**	464,518	**-**	-	**66,601,866**	59,725,975	**67,101,721**	60,190,493
AM Cell	**-**	-	**8,250,172**	5,295,975	**-**	-	**-**	-	**8,250,172**	5,295,975
Grange Cell	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Other Cells	**13,719,615**	10,498,737	**28,731,834**	20,718,417	**4,104,891**	3,404,762	**25,322,759**	17,229,569	**71,879,099**	51,851,485
Total	**13,719,615**	10,498,737	**37,481,861**	26,478,910	**4,104,891**	3,404,762	**91,924,625**	76,955,544	**147,230,992**	117,337,953
Percentage Share of Total Premium	**9.32%**	8.95%	**25.46%**	22.57%	**2.79%**	2.90%	**62.44%**	65.58%	**100.00%**	100.00%

The following table reports the Core's Gross loss ratios before reinsurance expenses.

Gross Claims Loss Ratio	Motor		Non-Motor		Total	
	Euro	Euro	**Euro**	Euro	**Euro**	Euro
	2024	2023	**2024**	2023	**2024**	2023
Premium Earned	**18,574,158**	16,354,613	**45,425,767**	40,843,138	**63,999,926**	57,197,751
Claims Incurred	**9,474,557**	7,643,323	**18,680,403**	2,853,951	**28,154,960**	10,497,274
Gross Ratio	**51.01%**	46.73%	**41.12%**	6.99%	**43.99%**	18.35%

The underwriting of insurance risk put into place over the years, together with the effective reinsurance programmes protecting the Company's portfolio are relevant to achieve the positive results on an ongoing basis.

The insurance business risk the PCC underwrites is reinsured with a pool of highly rated reinsurers of international repute. Health insurance risk underwritten is reinsured with AXA PPP healthcare Limited.

During 2024 the Core registered a Gross Claims Loss Ratio of 43.99% marginally reducing to 43.15% after reinsurance costs. Total gross claims registered during the year are reported at €28,154,960 compared to those registered in 2023 reported at €10,497,274.

The Core net claims incurred for 2024 is reported at €13,591,761 (2023: €12,377,216), a marginal increase over that of the prior year.

In the below table the net claims position retained by the Core is being noted.

Net Claims Loss Ratio	Total	
	Euro	Euro
	2024	2023
Net Premium Earned	**31,497,185**	28,106,573
Net Claims Incurred	**13,591,761**	12,377,216
Net Ratio	**43.15%**	44.04%

The operating cells have continued to contribute to the Company's aggregated profitability. Such portion of profitability accrues to cell shareholders.

The aggregated profit before tax for all Cells is reported at €12,895,403 (2023: €8,056,470).

The PCC continues to entertain interest from prospective cell shareholders and is currently assessing for application several new prospects. The anticipated prospects arising from the PCC's UK Branch also gives rise to more growth opportunity in the PCC's operations.

2.1.3 The PCC Income Statement

The Company has adopted IFRS 17 and IFRS 9, including any consequential amendments to other standards, from 1 January 2023.

The Company applies the Premium Allocation Approach (PAA) to simplify the measurement of contracts and the General Measurement Model (GMM) for one of its Cells. When measuring liabilities for remaining coverage, the PAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for incurred claims, the Company discounts the best estimate future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Atlas is required to report on the PCC's aggregated results for its Core and incorporated Cells. The following components form the basis of reporting the Atlas results in the financial statements for the year ended 31 December 2024.

The below tables report on how the balance on the technical accounts for the Core and the Cells have been arrived at prior to Solvency II regulated adjustments.

Atlas Insurance PCC Limited - PCC Aggregate in Euro	Premium Written					Net Claims Loss Ratio before
	Gross	Reinsurer	Net	Net Premium Earned	Net Claims Incurred	other costs
Medical Expense Insurance	20,704,352	15,144,726	5,559,626	5,249,932	3,093,210	58.92%
Income Protection Insurance	5,681,023	4,219	5,676,804	5,670,356	895,728	15.80%
Motor Vehicle Liability Insurance	9,542,116	952,982	8,589,134	8,018,851	5,313,199	66.26%
Other Motor Insurance	10,103,211	-	10,103,211	9,710,151	3,240,000	33.37%
Marine, Aviation and Transport Insurance	1,999,110	1,028,432	970,678	971,917	218,659	22.50%
Fire and Other Damage to property Insurance	67,960,869	14,707,445	53,253,424	52,591,252	15,405,398	29.29%
General Liability Insurance	12,998,088	7,643,861	5,354,227	5,112,658	741,476	14.50%
Assistance	434,515	-	434,515	434,515	95,775	22.04%
Miscellaneous Financial Loss Insurance	17,807,708	12,431,743	5,375,965	6,311,546	1,307,995	20.72%
Total	**147,230,992**	**51,913,408**	**95,317,584**	**94,071,178**	**30,311,440**	**32.22%**

Atlas Insurance PCC Limited - Core in Euro	Premium Written					Net Claims Loss Ratio before
	Gross	Reinsurer	Net	Net Premium Earned	Net Claims Incurred	other costs
Medical Expense Insurance	19,897,395	15,144,726	4,752,669	4,442,975	2,915,342	65.62%
Income Protection Insurance	591,379	4,219	587,160	580,712	32,440	5.59%
Motor Vehicle Liability Insurance	9,542,116	952,982	8,589,134	8,018,851	5,313,199	66.26%
Other Motor Insurance	10,103,211	-	10,103,211	9,710,151	3,240,000	33.37%
Marine, Aviation and Transport Insurance	1,999,110	1,028,432	970,678	971,917	218,659	22.50%
Fire and Other Damage to property Insurance	18,477,584	14,707,445	3,770,139	3,736,274	1,435,758	38.43%
General Liability Insurance	5,388,349	1,138,937	4,249,412	4,117,873	420,850	10.22%
Miscellaneous Financial Loss Insurance	1,102,576	1,193,117	- 90,541	- 81,568	15,513	-19.02%
Total	**67,101,720**	**34,169,858**	**32,931,862**	**31,497,185**	**13,591,761**	**43.15%**

Atlas Insurance PCC Limited - AM Cell Euro	Premium Written					Net Claims Loss Ratio
	Gross	Reinsurer	Net	Net Premium Earned	Net Claims Incurred	before
AM Cell - Income Protection Insurance	5,089,644	-	5,089,644	5,089,644	863,288	16.96%
AM Cell - Miscellaneous Financial Loss Insurai	3,160,528	-	3,160,528	3,160,528	170,651	5.40%
AM Cell Total	**8,250,172**	**-**	**8,250,172**	**8,250,172**	**1,033,939**	**12.53%**

Atlas Insurance PCC Limited - Other Cells in Euro '000	Premium Written Gross	Premium Written Reinsurer	Premium Written Net	Net Premium Earned	Net Claims Incurred	Net Claims Loss Ratio before
Income Protection Insurance	-	-	-	-	-	-
Medical Expense Insurance	806,957	-	806,957	806,957	177,868	22.04%
Asssitance	434,515	-	434,515	434,515	95,775	22.04%
Motor Vehicle Liability Insurance	-	-	-	-	-	0.00%
Other Motor Insurance	-	-	-	-	-	0.00%
Marine, Aviation and Transport Insurance	-	-	-	-	-	-
Fire and Other Damage to property Insurance	49,483,285	-	49,483,285	48,854,978	13,969,640	28.59%
General Liability Insurance	7,609,739	6,504,924	1,104,815	994,785	320,626	32.23%
Miscellaneous Financial Loss Insurance	13,544,604	11,238,626	2,305,978	3,232,586	1,121,831	34.70%
Total	**71,879,100**	**17,743,550**	**54,135,550**	**54,323,821**	**15,685,740**	**28.87%**

Quantitative Reporting Template QRTs S.05.01.02 and S.04.05.21 may be found under the appendix to the Solvency and Financial Condition Report.

2.2 Investment Performance

Atlas reports on the results for investment return of the PCC Core and for the Cells.

The PCC Core registered a return inclusive of investment expenses for the year ended 31 December 2024 of €4,092,917 (2023: €4,540,512).

The year under review saw continued stable market positions for securities held in its investment portfolio, The PCC's investment portfolio registered fair value gains as recognised in the profit and loss account of €3,336,432. Realised investment income has been positive for the year under review, with results meeting budget targets.

The Board of Directors continues to monitor the developments in the financial markets. As reported to the regulator for the Own Risk and Solvency Assessment (ORSA) the directors have reviewed shocks to the Company's assets which cause diminution, and as such are satisfied that the Company's balance sheet and Own Funds are robust enough to sustain such asset diminution. This is also demonstrated by the important excess of Own Funds over Solvency Capital Requirement (SCR) reported under Section 5 of this report.

A summary of the investment portfolio performance is included in the below table.

Atlas Insurance PCC Limited	Core		Amplifon Cell		AM Cell		Other Cells		Total	
Year ended 31 December 2024	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€	€	€	€	€
Interest revenue from financial assets not fair value through profit or loss measured at fair	9,486	-					62,512		71,997	0
Net gains on fair value through profit or loss investments	2,902,455	3,298,140	28,739	26,359	248,247	6,849	108,700	102,001	3,288,140	3,433,349
Net gains on investments measured at amortised cost	- 23,706	-						0	- 23,706	0
Net gains from fair value adjustments to properties investment	-	90,781					0	0	0	90,781
Other investment income	1,314,617	1,418,513					-54,884	3,568	1,259,733	1,422,081
Other investment expenses	- 460,425	- 400,916	-100,899		-9,973		68,049	-4,783	-503,248	-405,699
Net investment income	3,742,427	4,406,518	(72,160)	26,359	238,274	6,849	184,376	100,786	4,092,917	4,540,512
Percentage Return as on 31 December 2024	5.79%	7.64%	-8.40%	4.02%	1.90%	0.08%	1.58%	4.00%	4.60%	7.00%

The company is taking concrete action to include related risks in its forecasting and supporting sustainable development in various areas. In the 2024 ORSA process, Atlas has considered the impact of climate change risk on its business and performance by applying a specific stress scenario relating to extreme weather events to assess the impact on the projected performance over its business planning period.

The Investment Committee continues its journey to build sustainability and increased ESG direction into its investment strategy.

The principle of prudence applied for investment related risk is elaborated on under sections 3 and 4 of this report.

2.3 Revenue derived from International Business and from other activities

The Core receives Cell facility, insurance management and oversight fees for the hosting and management of the Cells, while also recognising income derived from its expert surveying resources.

3. System of Governance

3.1 General Information on the system of governance

The following is a brief outline of how the Atlas addresses its system of governance by applying appropriate corporate procedures in achieving its business objectives. The Board of Directors ensure that a system of good corporate governance is in place throughout the whole Group.

Relations with Policyholders

Atlas adheres to all regulated requirements as regards the policyholder and the public in general. The Group assesses the relevance and appropriateness of all enquiries. Senior management, including executive board members, make themselves available to any reasonable scrutiny by the policy holder and the public to ensure appropriate disclosure.

Feedback from customers is ongoing with regular research through online questionnaires and analysis including Net Promotor Score monitoring, feedback to customers following issues raised and root-cause analysis of concerns raised. A Complaints Management Function is in place in line with the MFSA Conduct of Business Rule Book.

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 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. The two Atlas executive directors also sit on this board. This structure ensures communication between the boards.

Board members of Atlas Holdings Limited are appointed by the various classes of shareholders in accordance with the Company's Memorandum and Articles and are:

Lawrence Zammit MA (Econ) – Chairperson
Jackie Attard Montalto BA
Catherine Calleja BA (Hons), ACII
Michael Gatt
Albert Formosa
John Formosa
Angelita Delicata
Matthew von Brockdorff FCII
Robert von Brockdorff

Communication with cell shareholders is also facilitated through regular meetings of the individual cell committees at which cell managers, where appointed, also participate. The Atlas Insurance board is informed through regular reporting of financial and solvency performance on a quarterly basis as well as through the Protected Cell Committee.

3.2 Responsibilities, reporting lines and allocation of functions

The Board ensures the highest standards of governance by setting the corporate culture and strategy, managing the different interests of the shareholders while overseeing the systems of control – thus ensuring long term sustainability. 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.

The Board of Directors establishes committees with delegated authority and clear reporting lines as described in sub-section 1.2 above and further elaborated under sub-section 3.2.1 below.

3.2.1 Responsibilities and reporting lines

The Board of Directors

The Board is composed of a majority of six Non-Executive Directors (NEDs), five of whom being independent including Malcolm Booker the Chair; 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.

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 current board members appointed by Atlas Holdings Limited are therefore:

Malcolm Booker FCA, FIA, FIT, CPAA – Chairperson
Catherine Calleja B.A.(Hons.), A.C.I.I. – Executive and Company Secretary
Michael Gatt – Non-Executive
Max Ganado LLD, LLM (Dal) - Non-ExecutiveKaren Pace – Non Executive, BA (Hons) Accty, MIA, CPA
Matthew von Brockdorff F.C.I.I. – Managing Director and Chief Executive Officer
Marisa Xuereb BCom (Hons), MA (Econ) - Non-Executive

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. 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 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 committees and members can devote more time to develop strategy and monitor progress in these areas together with more members of the management team and external consultants where relevant.

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 five other non-executive directors appointed are of sufficient calibre and standing to balance the strength of character of the Chair and executive directors.

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 a good platform which leads to setting the board objectives, planning for use of board time during the next period as well as setting learning and development goals.

The Managing Director & CEO answers to the board for the realisation for the Company 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. 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.

3.2.2 Group structure and allocation of responsibilities

There are four key function areas of responsibilities as defined in Chapter 6 of the Insurance Rules issued under the Insurance Business Act. These are the:

- Actuarial Function
- Risk Management Function
- Compliance Function
- Internal Audit Function

The Board of Directors has also identified other critical functions of the Group and these are:

- Distribution
- Claims Management
- Corporate
- Underwriting and Reinsurance
- Finance
- Information Systems
- Marketing and HR
- Complaints Handling
- Investments
- ESG

Atlas Group Governance Structure

Atlas Holdings Limited
Board of Directors
Lawrence Zammit - Chair
Jackie Attard Montalto
Catherine Calleja
Angelita Delicata
Albert Formosa
John Formosa
Michael Gatt
Matthew von Brockdorff
Robert von Brockdorff

Atlas Insurance PCC Limited[1]
Board of Directors
Malcolm Booker FCA, FIA, MIT, CPAA – Chair (INED)
Matthew von Brockdorff FCII – Managing and Chief Executive Officer (ED)
Catherine Calleja BA (Hons), ACII – Executive and Company Secretary (ED)
Max Ganado LLD, LLM (Dal) – Non Executive (INED)
Michael Gatt (NED)
Karen Pace BA (Hons) – Non Executive (INED)
Marisa Xuereb BCom (Hons), MA (Econ) - Non Executive (INED)

Atlas Healthcare Insurance Agency Limited
Board of Directors
Matthew von Brockdorff FCII - Chair
Catherine Calleja BA (Hons), ACII – Managing
David Mifsud FCII
Malcolm Cachia ACII

Eagle Star (Malta) Limited
Board of Directors
Matthew von Brockdorff FCII - Chair
Catherine Calleja BA (Hons), ACII

Remuneration and Nominations Committee
Malcolm Booker FCA, FIA, MIT, CPAA – Chair
Max Ganado LLD, LLM (Dal)
Marisa Xuereb BCom (Hons), MA (Econ)
Matthew von Brockdorff FCII – in attendance
Catherine Calleja BA (Hons), ACII (secretary – in attendance)
Jackie Attard Montalto BA – in attendance

Investments Committee
Malcolm Booker FCA, FIA, MIT, CPAA – Chair
Mark Camilleri
Max Ganado LLD, LLM (Dal)
Michael Gatt
Karen Pace BA (Hons)
Matthew von Brockdorff FCII
John Muscat FCCA
Rodianne Bugeja Marston BCom, MAccty (secretary – in attendance)
John Rapa B Com (Hons), MSc, CQF – in attendance

Audit Committee
Karen Pace BA (Hons) - Chair
Michael Gatt
Marisa Xuereb BCom (Hons), MA (Econ)
Ivan Distefano IA Cert (Internal Auditor - in attendance)
Martin Gauci (in attendance)
Marcela Moreno (Secretary - in attendance)

Risk and Compliance Committee
Max Ganado LLD, LLM (Dal) – Chair
Malcolm Booker FCA, FIA, MIT, CPAA
Catherine Calleja BA (Hons), ACII
Karen Pace BA (Hons)
Ian-Edward Stafrace, MSc, FCII, CFIRM, PIOR
Andrew Briffa BSc, AIA (CRCO)
Angelita Delicata ACII, IRM Cert (secretary – in attendance)

Protected Cells Committee
Matthew von Brockdorff FCII – Chair
Catherine Calleja BA (Hons), ACII
David Mifsud FCII
Ian-Edward Stafrace, MSc, FCII, CFIRM, PIOR
Mark Camilleri
Andrew Briffa BSc, AIA (CRCO)
Angelita Delicata ACII, IRM Cert (secretary – in attendance)

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

Information Systems Committee
Matthew von Brockdorff FCII – Chair
Vinay Aarohi B.A. (Comp Sci)
Catherine Calleja BA (Hons), ACII
Ian-Edward Stafrace MSc, FCII, CFIRM, PIOR
Margherita Cachia B Psy (Hons), MSc (secretary – in attendance)

Key Functions of the Group under Solvency II
Risk Management & Compliance: Andrew Briffa BSc, AIA
Internal Audit : Ivan Distefano IA Cert
Actuarial: Andrew Briffa BSc, AIA (outsourced to Barnett Waddingham LLP)

Other Critical Functions of the Group
Corporate: Catherine Calleja BA (Hons), ACII
Underwriting, Claims and Reinsurance: David Mifsud FCII
Finance: John Muscat FCCA
Complaints Handling: Jackie Attard Montalto BA
Distribution: Core - Robert Micallef, **International Business** - David Mifsud FCII

Key
INED: Independent Non-Executive Director
NED: Non-Executive Director
ED: Executive Director

Note 1: *Under SII Group Supervision rules, Atlas Insurance PCC Limited is delegated responsibility by Atlas Holdings to fulfil the governance requirements of the Group*

3.2.3 Board committees

The Board delegates specific responsibilities to a number of board and executive committees, notably the Audit Committee, the Remuneration and Nominations Committee, the Risk and Compliance Committee and the Investment Committee which are chaired by independent directors. The Executive Committee, the IT Committee, Protected Cells Committee and the POG committee provide additional support and information to the Board. All members of board and executive committees are appointed by the Board.

The Board is copied with minutes of the meetings and matters arising from such committees are a standard agenda item at board meetings. The committees also have annually reviewed charters 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 non-executive directors, two of whom are independent. Karen Pace 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. The other members of the committee are and Mr Michael Gatt and Ms Marisa Xuereb.

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. 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 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 effectiveness of the internal audit function is another important function 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 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 appetite.

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 nomination 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 such appointments and ensures fitness and properness assessments are carried out.

Risk and Compliance Committee

Dr Max Ganado, as the designated director for oversight of the risk management system, took over the chair of this committee in May 2024. The committee met four times in 2024. Malcolm Booker, Catherine Calleja, Philip Micallef, Karen Pace, Mr 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 and any operational risk events, both in the core and in cell operations.

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 2024, the Company started the Double Materiality Assessment process in preparation for Corporate Sustainability Reporting

Key members of the senior management team are invited 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. It 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 services 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. **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.

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 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 the 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 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.

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.

Individual Cell Committees

Members of the Atlas management team form part of the cell committees of the individual cells with Cell owners and managers, where relevant. These committees meet regularly to review underwriting, financial performance and risk management and compliance issues.

The individual Cell Committees are part of the first line of defence in managing the risks of the respective cells. Cell Committees review key performance indicators, and review plans and budgets on a regular basis. They also review progress of outstanding items on past cell site inspections, audits or compliance visits and other risk and compliance matters.

3.3 Fit and proper requirements

The Atlas Group must apply fit and proper criteria on an ongoing basis for all persons who effectively run the operation or hold other key functions. In terms of article 8(1) of the Insurance Business Act and more specifically as per Insurance Rules Chapter 2: Fit and Proper Criteria, Notification and Assessment, Atlas Group should ensure that all persons who effectively run the undertakings or have other key functions are at all times ‘fit and proper’ persons.

The Group’s Remuneration and Nomination Committee has been given the authority and responsibility to oversee the annual fitness and properness tests in accordance with the Committee Charter approved by the Atlas Board and Atlas’ Fit and Proper and Due Diligence Policy.

The Policy applies to:

a) Persons who effectively run the Atlas Group i.e. Directors (Executive and Non-Executive, including directors responsible for distribution activities), Controllers or Chief Executive Officers;
b) Persons responsible for the key functions or overseeing key functions where the function is outsourced (‘key function holders’);
c) Qualifying shareholders of the Atlas Group, including Cell Owners in the case of a cell company;
d) Persons registered in the Agents or Managers register and carrying out insurance distribution activities;
e) Managers and Individuals who are responsible for the effective management of Atlas Group’s Branches;
f) The appointed Money Laundering Reporting Officer for Atlas Healthcare;

g) Atlas Group's Tied Insurance Intermediaries and Ancillary Insurance Intermediaries;
h) Members of Atlas Group's various Board Committees;
i) Persons within the management structure designed to be responsible for the distribution of insurance products ('relevant persons') in terms of Chapter 6 of the Insurance Distribution Rules;
j) Investment advisors.

3.3.1 Requirement of fitness and properness and implementation

In terms of Article 8(1) of the Insurance Business Act and as per Chapter 2 of the Insurance Rules: Fit and Proper Criteria, Notification and Assessment, Atlas Group ensures that all persons who effectively run the undertaking and persons responsible for key functions satisfy the 'fit and proper' requirements at all times (i.e. both at appointment stage and on an ongoing basis:

- Have the professional qualifications, and possess the adequate level of competence, knowledge and experience, (fit), required to enable such person to carry out his duties and perform his or her key function effectively and to enable sound and prudent management of the undertaking;
- Have the personal characteristics, including that of being of good repute, integrity and transparency (proper), as well as having financially soundness.

At appointment stage, Atlas Group satisfies the assessment and notification process required by the MFSA, including the completion and submission of a detailed fitness and propriety questionnaire in respect of the proposed individual. On an ongoing basis, controls are in place to regularly monitor individuals subject to fit and proper requirements to ensure these remain satisfied at all times, and various due diligence tests are carried out on such individuals including conflicts of interest, creditworthiness, sanctions and social media checks.

Similar procedures are in place for any outsourced key functions.

3.4 Risk management system

3.4.1 Governance framework

The PCC's Board of Directors follows a Group wide Risk Management Policy and this Section outlines key elements of the Risk Management Framework adopted by Atlas Group.

For the purposes of regulatory compliance with Solvency II regulations and guidelines, the Risk Management Policy addresses the requirements to have in place strategies, processes and reporting procedures necessary to identify, measure, monitor, manage and report, on a continuous basis, the risks, both at an individual and at an aggregated level, to which Atlas Group is or could be exposed to.

This policy covers the Group's Risk Register and internal controls, including operational RM, strategic RM and reputational RM, as well as the Own Risk and Solvency Assessment (ORSA) process. The ORSA process itself is a key element towards the Enterprise Risk Management (ERM) approach adopted by Atlas.

This policy is reviewed on a yearly basis and should reflect any regulatory, organisational and risk environment changes. It is also the RM Function's objective to regularly review the risk management processes and procedures, as well as risk management practices, tools and methodologies.

Related policies, charters (terms of reference) and other documents that also contribute to having in place an effective RM system are:

Governance & Strategy

- Business Planning Cycle and Atlas Group Strategy
- Risk & Compliance Committee Charter
- Audit Committee Charter
- Internal Audit Policy
- Investments Committee Charter
- Actuarial Governance Policy and Terms of Reference

General

- Risk Appetite Statement
- Risk Register
- Capital Management Policy
- Fit & Proper Policy
- Remuneration Policy
- Outsourcing Policy
- Business Continuity Management Policy
- Common Risk Language

Risk Specific

- Asset Liability Management Policy
- Credit Risk Policy
- Investment Policy
- Liquidity Risk Policy
- Underwriting & Reinsurance Policy
- Claims Management Policy
- Compliance Policy

Protected Cells

- Cells Committee Terms of Reference
- Committee Terms of Reference of individual Cells
- Operations Manuals of individual Cells

Board policies are reviewed on a yearly basis to reflect regulatory, organisational and risk environment changes.

Risk Strategy and Guiding Principles

"Atlas Group believes that good risk management that is visible, repeatable and consistently applied to support decision making increases probability of success and reduces probability of failure and the uncertainty of achieving overall objectives."

The risk strategy defines the extent to which the Group is prepared to incur risks. The risk strategy describes the extent to which a risk is desirable and, consequently, whether it is acceptable or must be mitigated through risk limits or budgets, risk controls or risk transfer. The risk strategy is therefore determined by the risk appetite, which in turn is defined by a series of risk criteria.

Atlas' approach to risk management is guided by a number of principles. These include risk transparency, proportionality, management accountability, independent oversight, fit and proper as well as risk awareness and culture. Risk management is embedded into the culture of the organisation with all staff playing an active role in the management of risk as defined within their accountability profiles.

The implementation of risk management at the operational level includes the identification, evaluation and assessment of risks, and the resulting risk response and monitoring. This broad four-stage RM Process is emphasised with all Atlas staff in training and workshops that is to be also applied in decision-making, objective setting and project management with the aim of ensuring such is embedded into the Group's risk culture:

1. The **risk identification** process produces a comprehensive list of risks that are organised by risk category and sub-category within the Risk Register. The quantitative component of risks is identified by means of appropriate systems and indicators, and these are supplemented by expert judgment and assessments by the Risk Manager and the Risk Committee to further assess the qualitative component.

2. The **risk assessment** process has the purpose of determining how big the risks are, both individually and collectively, in order to focus management's attention on the most important threats and opportunities, and to lay the groundwork for risk response. Risk assessment is all about measuring and prioritizing risks so that risk levels are managed within the defined tolerance thresholds.

3. The **risk response** process involves determining how to respond to the assessed relevant risks. Responses include risk avoidance, reduction, sharing, and acceptance. In considering the type of response, an assessment of the effect on

risk likelihood and impact as well as on costs and benefits need to be carried out, selecting a response that brings residual risk within the desired risk tolerance limits.

As with assessing inherent risk, residual risk may be assessed qualitatively or quantitatively. Generally, the same measures used in assessing inherent risk are used in assessing residual risk.

4. The **monitoring** process involves reviewing the entirety of the risk management processes and procedures and to make modifications where necessary. This is accomplished through ongoing monitoring activities, separate evaluations, or a combination of the two.

   Some risks are dynamic and require continual ongoing monitoring and assessment. Other risks are more static and require reassessment on a periodic basis with ongoing monitoring triggering an alert to reassess sooner should circumstances change.

   A key consideration in the above processes is the availability of information. Information is needed in all functions and in all processes to identify, assess, and respond to risks. In this respect, internal communication is fundamental to create the right internal environment and have adequate information **flows.**

Roles and Responsibilities

Atlas adopts a three lines of defence approach considered as best practice. Responsibilities are defined in the Risk Management Policy along this approach:

As a first line of defence, all individuals are responsible for the management of risks in their respective areas. Risk owners and management have ownership, responsibility and accountability for identifying, assessing, controlling and mitigating risks together with maintaining effective internal controls. Risk management responsibilities are accordingly incorporated in the accountabilities of the individuals concerned. The second line of defence facilitates and monitors the implementation of effective risk management practices by operational management and risk owners. As a third line of defence, the internal audit function, through a risk-based approach, provides independent assurance to the organisation's board and senior management, on how effectively the organisation assesses and manages its risks, including the manner in which the first and second lines of defence operate.

In this regard the Group adopts a four-eyes principle whereby significant decisions are required to be supported by at least two persons having major decision-taking powers. Sufficient segregation of duties is required to be maintained to ensure persons performing tasks are not also responsible for monitoring and controlling the adequacy of this performance. Where such is not possible then any potential conflicts of interest are managed appropriately to safeguard proper decision-taking or task execution.

3.4.2 Risk register

The central active risk management document used by the Group is the Risk Register, which comprehensively captures the risks the organisation is exposed to under all Risk Categories, and for each risk identified it establishes:

- The Risk Category and detailed risk description;
- The Risk Owner (and assistants to the risk owner where applicable) responsible for the risk as part of the Group's first line of defence;
- The Atlas Group companies in scope if not Group wide
- Evaluation of risk's inherent and residual likelihood and severity together with its ranking in relation to other risks;
- Risk Appetite and Key Risk Indicators (qualitative &/or quantitative);
- The associated internal controls;
- Any planned future controls of the risk.

The risk register is in constant evolution, due to the ongoing processes of identification of new risks, changes to existing risks, changes to risk owners, formalisation or improvement of risk controls and internal audit exercises.

The risk register is maintained by the CRCO through input from Risk Owners, Senior Managers and staff in general in accordance with the established roles and responsibilities, and is reviewed by the Risk & Compliance Committee.

3.4.3 Risk evaluation

The Group defines the following risk categories:

Risk Category	Definition
Operational	Potential losses resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risk includes risks of internal and external fraud, as well as legal risks.
Underwriting	Risk of loss arising from the inherent uncertainties as to the occurrence, amount and timing of insurance liabilities. This is only applicable to Atlas PCC.
Credit	Risk of a financial loss if another party fails to perform its obligations or fails to perform them in a timely manner. Key counterparties include reinsurers, financial institutions, intermediaries, ceding companies & insureds.
Market	Risk that arises from fluctuations in values of, or income from, assets or interest or exchange rates. Credit risk associated with bonds is captured under this category, as is market concentration risks associated with equity, bonds and property. The Group considers Liquidity Risk (defined as the risk that the Group is unable to realise investments and other assets in order to settle financial obligations when they fall due) under the Market Risk category
Strategic	Risk of the current and prospective impact on earnings or capital arising from wrong business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. The Group considers Reputational Risk (defined as the risk of a potential loss through the deterioration of the Group's reputation or standing due to a negative perception of the Group's image among policyholders, counterparties, shareholders and/or supervisory authorities) under the Strategic Risk Category

The categorisation follows best practice and current regulations.

Atlas Group 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 the granting of credit facilities to customers and intermediaries would be dependent on trends and historical data in order to obtain comfort on creditworthiness.

3.4.3.1 Risk appetite

The Atlas Group takes on and manages risks to achieve its objectives. The Board has set a risk appetite statement that broadly describes the types and amounts of risk which the Group is willing to take in pursuit of these objectives.

The Group's objectives include achieving target performance and maximising shareholder value, preserving a level of solvency that would support the Group in challenging environments, maintaining adequate liquidity to satisfy obligations as they come due, and protecting all aspects of Atlas Group's value, including its brand and reputation.

Underlying the Group's risk appetite are risk tolerances, high-level quantitative measures and qualitative assertions for the maximum risk allowed, set at corporate level and in line with the needs of our stakeholders. At the highest level, they are intended to assure we maximise the likelihood of delivering on our mission, strategy and objectives.

Risk Appetite is cascaded down by senior management into more detailed expressions of appetite or limits applicable to each business function and each risk described in the Risk Register. This facilitates risk-taking decisions of all employees.

3.4.3.2 Reporting processes for the risk management system

As already expressed in this report the Group adopts a wide and detailed reporting process with the Board of Directors ultimately having full overview.

The Risk and Compliance Committee reviews updates given by the Risk Management Function through reports dealing:

- Risk appetite status updates
- Periodic status updates on risk and compliance objectives and initiatives
- Updates on the risk and control reporting given by the Risk Owners
- Escalation of risk notifications from staff and management
- Updates on other risk events and near misses logged on the Risk Events Register
- Matters related to risks listed in the Risk Register and potential new risks being identified
- Matters related to the ORSA process

The Own Risk and Solvency Assessment (ORSA) which is prescribed under regulation forms an integral part of the Group's reporting procedures on Risk Management Systems. The process is detailed under section 3.4.6 of this report.

3.4.3.3 Own Risk and Solvency Assessment

The Own Risk and Solvency Assessment (ORSA) is a continuous forward-looking process by which the Atlas Group, through an internal self-assessment, can assess all its present and prospective material risks and formulates its own required Economic Capital Requirements to mitigate these risks.

Article 45 of the Solvency II Directive states that as part of its risk-management system every insurance undertaking shall conduct its ORSA and that such shall include:

a) the overall solvency needs taking into account the specific risk profile, approved risk tolerance limits and the business strategy of the undertaking;
b) the compliance, on a continuous basis, with the regulatory capital requirements and with the requirements regarding technical provisions;
c) the significance with which the risk profile of the undertaking deviates from the assumptions underlying the SCR.

The directive also states that the ORSA shall be an integral part of the business strategy and shall be taken into account on an ongoing basis in the strategic decisions of the undertaking.

The purpose of the ORSA report is to record the ORSA and present the results of that assessment. This includes the following for the year under review:

a) Qualitative and quantitative results of the ORSA and the conclusions drawn from those results
b) Methods and assumptions used
c) Comparison between the overall solvency needs, the regulatory capital requirements and Atlas' own funds
d) The capital requirements positions under stressed scenarios, as defined and chosen yearly by the Board for the specific ORSA process under review
e) Sensitivity testing to identify potential vulnerabilities

The ORSA process produces a holistic enterprise-wide risk management evaluation and evidence of capital adequacy. It gives both the Board and senior management an effective tool to identify appropriate actions to influence the Group's risk profile and Economic Capital Requirements.

The process is steered by the Board and executed by the CRCO with input from the Actuarial Function. It is repeated at least once annually and whenever there is a material business change or strategic plan considered in accordance with the Risk Management Policy.

3.4.3.4 Risk management strategies, objectives and processes

The ORSA is required to reflect the business strategy. Hence, when performing the ORSA, Atlas Group takes into account the business strategy and any strategic decisions influencing the risk situation, regulatory capital requirement as well as overall solvency needs. A key input is any material update to Atlas' 3-Year Rolling Strategic Plan. The Board needs to be aware of the implications that strategic decisions have and to consider whether these effects are desirable, affordable and feasible over the business planning period, also considering the quantity and quality of Atlas' own funds.

Any strategic or other major decisions that may materially affect the Atlas Group's risk or own funds' position therefore needs to be considered through the ORSA before such a decision is taken. This does not necessarily imply a full performance of the ORSA. Atlas Group considers how the output of the last assessment of the overall solvency needs would change if certain decisions were taken and how these decisions would affect the regulatory capital requirements.

Where the Group is relying on management processes, in particular systems and controls, in order to mitigate risks, it considers the effectiveness of those systems and controls in a stress situation.

3.4.4 Internal control system

The internal controls environment is an integral part of Atlas Group's Risk Management. It encompasses controls relating to key processes and aims to ensure compliance with current law as well as operational efficiency. The ultimate responsibility for the internal controls environment lies with the PCC's Board of Directors. However, all employees play a key role in maintaining and improving the control system as part of its first line of defence.

In the Group's second line of defence, the internal controls, risk management and compliance functions are supported, facilitated and monitored by the Risk & Compliance Committee.

As per defined roles & responsibilities, Atlas Group's third line of defence includes the key function of the internal audit that provides the required independent assurance and challenge across all business functions in respect of integrity and effectiveness of the risk management framework and its internal controls.

The organisation's internal controls environment is founded on a culture of ethical behaviour and accountability of processes. Based on the Fit and Proper Policy, all the key functions, including other critical functions, are assessed in terms of competence and ethical standards. Each employee and each process owner contributes to the internal controls environment by fulfilling an ongoing control function through everyday activity. The accountability profile of each employee includes the responsibility to "report systematically and promptly to senior management any perceived new risks or failures of existing control "measures". The Board maintains a culture of openness within the Group to ensure employees report on potential threats and failures.

The Board of Directors sets the strategy for all the Group Companies and controls its implementation. The strategy is detailed in objectives, which are clear and measurable.

Additional internal control activities and monitoring mechanism include:

a) Internal controls and audit mechanisms per risk as described in the Risk Register
b) Intranet site documenting internal procedures and controls specific to each respective function and department
c) Risk Owner annual reports
d) Risk control calendar that is updated with any key controls that happen quarterly or less frequently
e) Risk events register
f) Quarterly Risk appetite status reporting

Compliance Function

Every authorised undertaking is required to identify an individual who will be responsible for ensuring adherence by the Group to all the requirements under the Act and under the Directive. Atlas Group has appointed for Compliance matters a Chief

Risk and Compliance Officer as required under regulation. The compliance function plays a very important role in the Group's internal control processes with an emphasis on regulation. As previously stated, this responsibility falls within the remit of the Group's Chief Risk and Compliance Officer.

The Group's Risk and Compliance Officer makes use of the following internal control systems to ensure that the Company is abiding by all the Laws and Regulations:

- Compliance risk register
- Compliance Control Calendar
- Compliance Annual Reports received from the process owners
- Compliance Reviews carried out by the Compliance Function on specific business processes and followed by a Compliance Report
- Internal Audits within the various departments by the Internal Auditor and followed by an Internal Audit Report
- Compliance Training Sessions
- Tied Insurance Intermediaries' (TIIs) Audits conducted by the Risk and Compliance team and followed by a Compliance Audit report
- Tied Insurance Intermediaries' Compliance Training Sessions
- Frequent updates on Compliance Matters to all Staff and Tied Intermediaries
- Drafting of various Guidelines made available to all Staff Tied Intermediaries
- Traffic Lights Reporting on compliance areas

3.4.5 Internal audit function

The Group Internal Auditor, together with his team, is responsible for conducting activities in accordance with international Internal Audit Standards and international best practices. For this purpose adherence to the Institute of Internal Auditors' (IIA) Code of Ethics, Standards for the Professional Practice of Internal Auditing and guidance position papers shall be construed as adherence to best International practices in the Internal Auditing field.

The Group Internal Auditor reports to the PCC's Audit Committee. For day-to-day operational purposes, liaison is with the PCC's Chief Executive Officer.

The organisational status promotes the independence of the function as a whole and allows the internal auditor to form their judgment objectively. The internal audit function has free and unrestricted access to management, employees, activities, physical locations and to all information considered necessary for the proper execution of the Group Internal Auditor's work. The Internal Auditor directs audit resources in a manner that ensures the delivery of the Internal Audit plan that is prepared by end October of each year. The Group Internal Auditor has full and unrestrictive access to the audit committee.

In fulfilling his responsibility in accordance with the above, the Group Internal Auditor:

- generally assumes an advisory role in the design, installation and operation of control procedures. Established controls are reviewed periodically in order to assess their continued effectiveness and application;
- is fundamentally concerned with the evaluation of the Group's management of risk. Its role in this respect is to provide assurance to management that key risks are effectively being taken into consideration by the Group's Risk Management Framework;
- reports diverging points of view with management and instances in which a request for access or response is not granted or provided in a reasonable time, format and manner to Senior Management and the Audit Committee;
- holds data and information obtained during the course of its audit activities with due care and the appropriate level of confidentiality. The Group Internal Auditor has the authority to grant, limit and restrict access to work papers and records;
- does not:
  - perform any operational duties for the organisation or its affiliates, and/or
  - initiate or approve accounting transactions external to the Internal Audit Function.
- co-ordinates the work with other internal functions and third parties that provide assurance on controls as a result of their activities. Generally, this includes the risk management and compliance functions within the Group and the external auditors and regulator/s as external parties.

3.4.6 Actuarial Function

Article 48 of the Solvency II Directive places the Actuarial Function on a statutory basis covering, inter alia:

- Skill sets required for those working within the Actuarial Function;
- Tasks & responsibilities assigned to the Actuarial Function;
- Actuarial Function interactions with other prescribed functions under Solvency II (Risk and Compliance Function, Finance Function, Internal Audit Function); and
- Prescribed outputs & reporting required from the Actuarial Function on an ongoing basis.

The Company is required to have an Actuarial Function. The Board of Directors oversees that the Actuarial Function policy in place is adhered to.

In accordance with EIOPA guidelines, Atlas Group requires the actuarial function to provide input as to whether the Group and the Solo Undertaking would comply continuously with EIOPA requirements regarding the calculation of technical provisions and identify potential risks arising from the uncertainties connected to this calculation. The Actuarial Function is tasked to:

a) apply methodologies and procedures to assess the sufficiency of technical provisions and to ensure that their calculation is consistent with the requirements set out in Articles 75 to 86 of the Solvency II Directive;
b) assess the uncertainty associated with the estimates made in the calculation of technical provisions;
c) ensure that any limitations of data used to calculate technical provisions are properly dealt with;
d) ensure that the most appropriate approximations for the purposes of calculating the best estimate are used in cases referred to in Article 82 of the Solvency II Directive;
e) ensure that homogeneous risk groups of insurance and reinsurance obligations are identified for an appropriate assessment of the underlying risks;
f) consider relevant information provided by financial markets and generally available data on underwriting risks and ensure that it is integrated into the assessment of technical provisions;
g) compare and justify any material differences in the calculation of technical provisions from year to year; and
h) ensure that an appropriate assessment is provided of options and guarantees included in insurance and reinsurance contracts.

The Group's Actuarial Function is currently outsourced to Barnett Waddingham, UK.

Barnett Waddingham are responsible to prepare the annual Actuarial Function Report, and to ensure that the results contained therein are accurate. Wan Hsien Heah from

Barnett Waddingham, UK, is the Actuarial Function Holder for Atlas . Mr Heah is also supported by senior actuaries who run the valuation processes for the Group. Andrew Briffa, the Chief Risk and Compliance Officer has been appointed within Atlas to oversee the outsourced actuarial function.

Carrying out the tasks required of the Actuarial Function requires the application of expert judgement, including judgement on the choice of assumptions and methodologies adopted. Further detail of the methodologies and approach on these procedures are detailed under Section 5.3 of this report.

3.4.7 Outsourcing

Atlas Group oversees services provided to Group Companies by third parties on a continuous basis, which would otherwise be performed by the Atlas Group. The Group follows the Board approved Outsourcing policy.

Outsourcing of critical or important functions (key operational activities) is subject to particular oversight and approval by the regulator. Critical or Important Functions are fundamental activities of the firm, without which it would be unable to deliver its services to policyholders. Examples of such activities include pricing insurance products, investment management, claims handling, actuarial assessments and risk management. Any outsourcing agreement which could materially impact the performance or materially increase operational risk for Atlas Group would also be classified as material function.

Due Diligence

Before outsourcing any key or critical & important function, Atlas Group carries out a due diligence process on the service provider, irrespective of whether it is a supervised entity.

The due diligence process should assess:

1. the technical and financial ability of the service provider and its capacity to perform the outsourced function;
2. the internal control system of the service provider;
3. any conflicts of interest that may exist between Atlas Group and the service provider or arrangements with competitors;
4. track record;
5. reputation;
6. confidentiality/data protection concerns;
7. business continuity plans;

The results of the due diligence should enable Atlas Group to assess the level of risk it is facing as a result of the outsourcing. The due diligence exercise performed by the

Group Companies and its outcome are documented to enable subsequent review at any time.

Approval and Monitoring

Outsourcing of key or critical/important functions is approved by the Board. Other outsourced functions can be approved by the CEO of the relevant Group Company. Approval is based on a business case specifying the scope and content of the outsourced function, the related costs and potential risks to the firm. The Board shall only grant approval of critical/important functions if it deems the governance requirements defined in this Outsourcing Policy are fulfilled.

The Compliance function maintains a Register of outsourced functions. A list of all outsourced functions is presented once a year to the Board through the Atlas Group's Risk and Compliance Committee. The Board reviews on a yearly basis whether the governance criteria and economic rationale for existing agreements are still met.

Control

As Atlas Group remains fully responsible for all outsourced functions and activities it needs to include in its risk management systems and controls a process for monitoring and reviewing the quality of the service provided.

The Function Owners as identified within the 'Register of Outsourced Functions' are the persons responsible for overseeing and controlling the outsourced activities in terms of risks and performance. Such persons must monitor and review the service providers on an on-going basis and ensure the functions under their control are performed in accordance with the agreed terms. On a yearly basis, the Function Owners confirm to the Group Chief Risk and Compliance Officer that the terms of the outsourcing agreements are actually being adhered to by the providers of the outsourced functions.

3.4.8 Any other information

The Atlas Group and the PCC follow all requirements of Directive 2009/138/EC (Solvency II Directive) and the Commission Delegated Regulation (EU) 2015/35. All governance structures in place as defined under this section also apply the principle of proportionality related to its business nature, scale and complexity of the risks attaching to its operations.

Furthermore the Company applies all governance procedures to the PCC as a whole, but also to its individual Cells incorporated within the PCC.

4. Risk profile

Atlas takes and manages risks to achieve its objectives. Risk is accepted as a potential cost of being open for new business, and servicing existing business. The cost of controlling all risks to a "minimal" level could easily outweigh any benefits derived from reducing the cost of risk events. The Company does accept some volatility in operational profit in order to generate profits over the long term.
The risk profile of the Group is defined by the Risk Appetite Statement and approved risk tolerance limits. Risk Appetite is the expression of the level of risk to be pursued (propensity to take risk), the maximum level of risk to be tolerated in pursuit of the Group's objectives (propensity to exercise control) and the level of risk that is unacceptable, as defined by the Board of Directors and Senior Management. Risk appetite reflects the Company's willingness to take on risk as derived from its capacity to bear risk and the philosophy and attitude toward risk taking. Atlas' philosophy, guiding principles and approach to Enterprise Risk Management is described in its Risk Management Policy. Its objectives include achieving target performance and maximising shareholder value, preserving a level of solvency that would support the Company in challenging environments, maintaining adequate liquidity to satisfy obligations as they come due, and protecting all aspects of the Group's value, including its brand and reputation.

Underlying Atlas' risk appetite are risk tolerances, high-level quantitative measures and qualitative assertions for the maximum risk allowed, set at corporate level and in line with the needs of its stakeholders. At the highest level, they are intended to assure that the undertakings maximise the likelihood of delivering on set missions, strategies and objectives.

To the extent pragmatically possible, the framework is based on quantitative risk measures. Qualitative risk measures are also used as applicable for risks that are difficult and not practical to quantify.

Principal risks and uncertainties

The Board is confident that it addresses all risk exposures the PCC's administration and operations face through its risk management structure.

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.

4.1.1 Management of insurance 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 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.

Core

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 islands and is well spread among the various sectors of commerce, including retail and import, manufacturing and other 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.

Cells

During the year the Company licensed one new cell, the Grange Cell, which 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 went 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.

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.

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.

4.1.2 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).

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.

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 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 works 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.

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.

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.

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-Dec-24	Profit and loss Net €
Profit before tax (1,00% increase)	13,471,055
Profit before tax (1,00% decrease)	14,323,134

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)	(2,395)	(20,212)	20,212
Claims ratio (1,00% decrease)	2,395	20,212	(20,212)
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)	243,511	(191,993)	191,993
Lapse rates (5,00% decrease)	(243,489)	191,991	(191,991)

31 December 2024	CSM Gross €	Profit and loss Net €	Equity Gross €
Health			
Claims ratio (1,00% increase)	(4,315)	(26,474)	26,474
Claims ratio (1,00% decrease)	4,315	26,474	(26,474)
Lapse rates (5,00% increase)	198,037	(256,036)	256,036
Lapse rates (5,00% decrease)	(198,036)	256,036	(256,036)
Non-Life			
Claims ratio (1,00% increase)	(1,631)	(7,327)	7,327
Claims ratio (1,00% decrease)	1,631	7,327	(7,327)
Lapse rates (5,00% increase)	176,893	(105,462)	105,462
Lapse rates (5,00% decrease)	(176,868)	105,460	(105,460)

4.1.3 Financial risk

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.

4.1.3.1 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.

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. The Company monitors its interest rate risk exposure through periodic reviews of asset and liability positions. Additionally, estimates of cash flows and the impact of interest rate fluctuations are modelled and reviewed periodically.

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

	2024	2023
	€	€
Assets at floating interest rates - bank balances	**30,069,936**	30,262,265
Assets at fixed interest rates		
- Listed debt securities	**27,408,519**	15,637,695
- Treasury Bills	**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.

In the case of any impact of interest rates on insurance liabilities on both the Core and Cellular operations this is deemed to be insignificant and immaterial.

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 250BPS 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 250 basis points (2023: 250 basis points) lower with all other variables held constant, pre-tax profit for the year would have been €2,060,217 higher (2023: €1,377,652 higher). An increase of 250 basis points (2023: 250 basis points), with all other variables held constant, would have resulted in pre-tax profits being €2,540,683 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.

Equity 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	
	2024	2023	**2024**	2023	**2024**	2023
	€	€	**€**	€	**€**	€
Assets subject to equity price risk						
Equity securities	**7,332,329**	5,605,860	**-**	-	**7,332,329**	5,605,860
Units in unit trusts	**29,329,185**	24,521,050	**5,355,143**	2,363,486	**34,684,328**	26,884,536
	36,661,514	30,126,910	**5,355,143**	2,363,486	**42,017,657**	32,490,396
				-		

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).

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).

4.1.3.2 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'.

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.

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. Amounts receivable from subsidiaries amounting to €1,949,485 (2023: €2,264,848) gross of ECL of €381, are included in Company's unrated debtors not arising from direct insurance operations, prepayments and accrued income.

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.

	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	1,294,142	3,195,002	4,074,805	4,811,500	12,758,818	725,470	71,243	477,541	27,408,521
Treasury Bills	-	-	-	-	-	-	-	-	-
	1,294,142	3,195,002	4,074,805	4,811,500	12,758,818	725,470	71,243	477,541	27,408,521
Financial assets at amortised cost - stage									
Debtors not arising from direct insurance operations, prepayments and accrued income	7,112	43,411	65,774	3,225,264	120,994	26,063	637	935,773	4,425,028
Debtors included within insurance contract assets and liabilities	-	-	-	(4,966,554)	-	-	-	19,348,821	14,382,267
Cash equivalents	19,033	1,450,423	4,583,432	3,205,459	5,624	4,653,035	-	16,377,663	30,294,669
Treasury bills	-	-	-	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	1,803,585	126,618	4,679,098	637	36,658,765	49,437,695
Reinsurance contract assets	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	6,635,619	15,674,992	5,415,342	1,242,912	39,133,097	90,305,680

4.1.3.3 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 contract

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. Liabilities for remaining coverage measured under the PAA have been excluded from this analysis.

The table is split up between Core and Cell operations as follows:

	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	(10,738,360)	814,695	-	-	(9,923,665)
	(5,071,458)	1,812,444	(1,495,635)	(361,039)	(5,115,688)

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:

	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	-1,645,545	-	-	-	-1,645,545
Other payables	-1,505,618	-	-	-	-1,505,618
Accruals and deferred income	9,256,555	-	-	-	9,256,555
Cash and cash equivalents	606,892	134,882	2,879,285	9,754,389	13,375,448
Financial investments					
Treasury bills	341,395	-	-	-	341,395
Debtors not arising from direct insurance operations, prepayments and accrued income	3,341,561	-	-	-	3,341,561
	10,395,240	134,882	2,879,285	9,754,389	23,163,796
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	8,653,650	2,574,703	2,444,421	366,080	14,038,854
Debtors not arising from direct insurance operations, prepayments and accrued income	1,083,467	-	-	-	1,083,467
	29,759,903	2,574,703	2,444,421	366,080	35,145,107

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.

4.1.3.4 Property Risk

Atlas is exposed to property risk and this risk only affects the Core with practically the entire balance sheet values of Tangible Assets – Land, Buildings & Improvements and Investments – Land & Buildings pertaining to the Company.

The property is valued on periodic valuation 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. An adjustment to the carrying amount of the property is only reflected if it has been determined that there has been significant change.

A valuation exercise was carried out by a professional entity during 2023 on both land and buildings included in property, plant and equipment (PPE) and investment property. Following the revaluation exercise the carrying amount of PPE was not material and was not adjusted based on current market prices as was also the case of investment property. No adjustments were carried out for 2024 (in 2023 the investment property valuation was revised upward by €91,071).

4.1.3.5 Fair Value Estimation

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.

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	**36,661,514**	30,126,910	**5,355,143**	2,363,486	**42,016,657**	32,490,396
- Debt securities	**13,375,448**	10,779,697	**14,033,072**	4,857,998	**27,408,520**	15,637,695
Total assets	**50,036,962**	40,906,607	**19,388,215**	7,221,484	**69,425,177**	48,128,091

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 2023 and 2022, the carrying amount of the Company's other financial assets and liabilities approximate their fair value in view of their short-term maturity.

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

4.2 Operational risk and Strategic Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

Strategic Risk relates to the current and prospective impact on earnings or capital arising from wrong business decisions, improper implementation of decisions, or lack of responsiveness to internal or external changes or events. This covers risks:

- leading to actual strategic outcomes differing adversely to expectations;
- which may inhibit strategy and strategic choices; and
- that the strategy chosen is sub-optimal

Previously Atlas considered Strategic Risk as a sub-category of Operational Risk. Since 2020, Strategic Risk has been considered as a separate risk category. Also, as part of enhancing the Risk & Internal Control Frameworks of the Group, a review of the utilised risk classification within the risk register was carried out. To this end, standardized risk classifications were applied to split both Operational and Strategic Risk categories into risk groups, which, in turn, were further opened into risk sub-groupings. The intention of having Atlas-specific operational and strategic risk exposures categorized into standardized risk classifications was to enhance both internal and external risk reporting as well as to facilitate the risk identification and review processes within the ongoing risk management framework.

Strategic risk is split into the following risk groupings:

(a) Macro, Meso & Micro Environment Risk
(b) Lack of Innovation
(c) Project Risk
(d) International Business
(e) Competitor Risk
(f) ESG related Risk

Operational Risk is split into the following risk groupings, which are then split further into risk sub-groupings:

(a) Internal Fraud;
- Internal Fraud

(b) External Fraud;
- External Fraud

(c) Digital Operational Resilience
- Cyber Security
- ICT-Related incidents
- ICT third party risk

(d) Employment Practices and Workplace Safety
- Employee Relations
- Health and Safety
- Diversity and Discrimination

(e) Clients, Products & Business Practices
- Improper Business or Market Practices

(f) Damage to Physical Assets

(g) Business Disruption and System Failures

(h) Execution, Delivery & Process Management
- Transaction Capture, Execution & Maintenance
- Monitoring and Reporting
- Expense Risk
- Trade Counterparties & Service Providers
- Cell Management Risk

(i) Compliance – Legal and Regulatory Risk
- AML/CFT
- Authorisation
- Cell Management Risk
- Complaints handing
- Distribution
- Marketing
- Data Protection
- Employment
- Supervisory Fees
- Governance
- Health and Safety
- Outsourcing
- Reporting
- Tax

Operational Risk can be challenging to quantify. EIOPA recognises this and the standard formula in effect assesses Operational Risk as a function of premium and technical provisions and therefore is not particularly risk sensitive. For the purposes of determining the operational risk charge under the Economic Capital Requirement, Atlas bases the assessment on the Risk Register. The approach that Atlas adopts is to determine worst case costs for each of the risk categories defined above, through reference of own experience of operational risk events and/or the application of expert judgement on possible loss scenarios.

4.3 Other material risk

Cellular Solvency Capital Deficit Risk

In line with EU regulations, EIOPA guidelines on ring fenced funds and MFSA's Guidance Note on solvency requirements in relation to PCCs, other than for cells with a non-recourse provision, cells would be allowed to be in deficit on capital requirements so long as there are sufficient unrestricted surplus funds in the PCC Core and in the Group to meet such cellular deficits.

Regulations do not allow for consideration of any surplus funds in cells when calculating the solvency position of the PCC as a whole, since such funds can only be used in respect of the specific cell to which the funds appertain. Regulations also do not allow for any diversification benefits to accrue between the Cells and the Core.

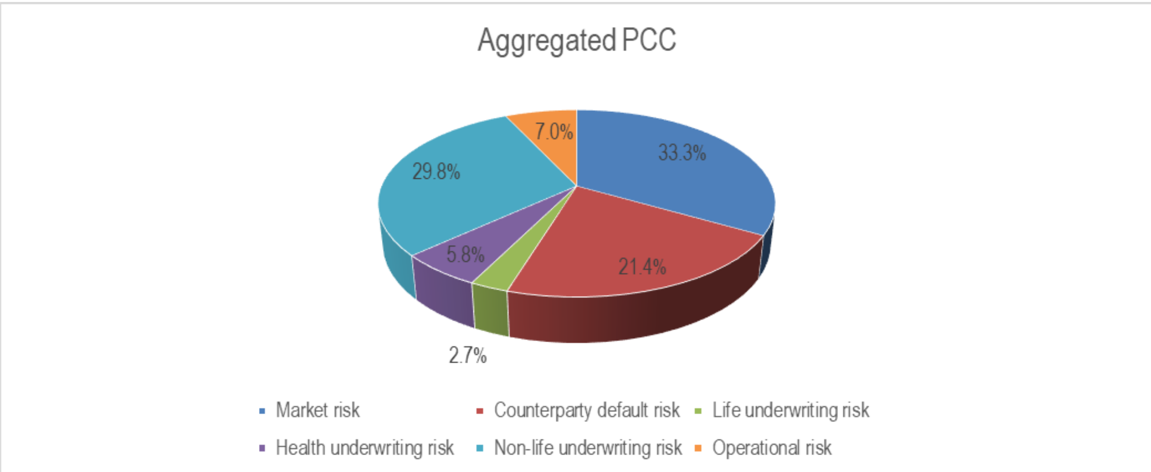
4.4 Any other information

Mitigation of risk ranks highly in priority in all the various Board of Directors business within the PCC as evidenced throughout this report. The key highlights for mitigating the risks identified are:

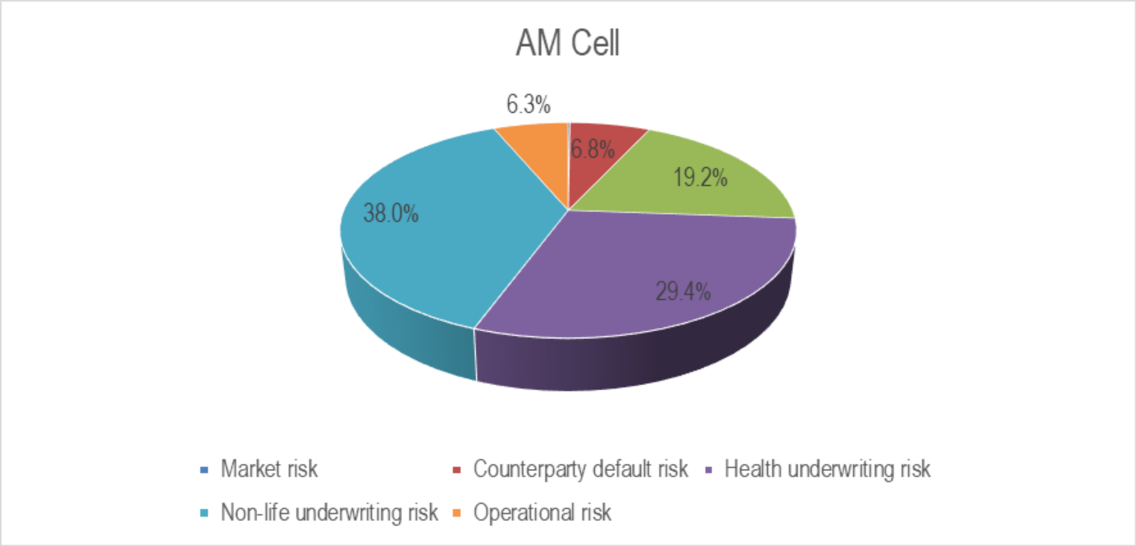
- A diversified and balanced insurance risk portfolio;
- Diversification in its operations taking opportunity of the leading regulatory positioning of Malta as a primary financial services provider within the European Union;
- Prudent application of risk management techniques and risk mitigation policies;
- Absolute prudence applied through its investment policy and strategy for its asset base;
- Investment in its human resources for their personal development through both external and in-house training of staff;
- The reserving of capital that goes beyond the regulatory driven requirement. This financial strategy is further enhanced through the Group's detailed ORSA which reviews and promotes the use of "economic capital" in matching all risks.

Both reporting processes for the PCC under insurance regulation and financial requirements set under the Company's Act are complete. All insurance technical contingent liabilities are recognised under the Solo Undertakings reporting of technical provisions and more than adequately reserved as reported in the balance sheets reproduced in this report. Furthermore all other contingent liabilities are disclosed in the PCC's financial statements for the year under review as evidenced by the external auditor report attaching to the respective financial statements.

The PCC's risk profile is simply reproduced and expressed in percentages of the end 2024 solvency capital requirement (SCR) of €33,356,078 as follows:



Included in the above SCR is the nSCR for AM Cell and Grange Cell. This too is calculated as at end 2024 and reported at €4,599,852 and €1,445,680 respectively.



Solvency II regulation requires that the PCC as a whole is to match its SCR with an equal amount or more of Own Funds (Equity). It also defines Equity in three tiers, with Tier 1 ranking to its full capacity and Tiers 2 and 3 allowed to apply for up to 50% of the nSCR. One must here note that Cells having recourse to the Core's Equity are allowed under regulation to fall short of their nSCR by having the shortfall offset against the Core's surplus equity.

The following table identifies the Equity applied by the PCC in matching the individual component nSCR's:

PCC Aggregate in Euro '000		**2024**		2023
Own funds	**IFRS**	**Solvency II Adjustment**	**Solvency II value**	Solvency II value
Paid up ordinary shares	35,398	0	**35,398**	32,361
Other reserves	6,150	-6,150	**0**	0
Retained earnings	45,197	-45,197	**0**	0
Reconciliation reserve	0	33,072	**33,072**	31,019
Ancillary own funds - issued capital unpaid	0	673	**673**	695
	86,745	-17,603	**69,142**	64,075

Solvency II regulations also require an insurance undertaking to ensure that it matches appropriate own funds to the minimum capital requirement (MCR) at all times and may not fall below a 100% ratio of the MCR threshold.

The MCR is a product of the entity's SCR calculation as determined under the standard formula. The regulations apply the principle of an Absolute Minimum Capital Requirement (AMCR) which is currently set at €7,9m. The undertaking would be required to hold sufficient own funds in excess of the MCR or AMCR whichever is the highest. The PCC's MCR for 2024 is being reported at €7.9m.

This regulation applies to the PCC as a whole and the PCC's qualifying own funds in aggregate serve the purpose for satisfying the MCR rule.

Atlas' own funds do not fall short of this requirement and notes material surplus capital over its SCR.

As part of the Atlas' regulated Own Risk and Solvency Assessment (ORSA) the PCC carries out several stress tests on various risk scenarios, while also comparing these results with those produced under the standard formula.

5. Valuation of assets and liabilities for solvency purposes

The financial statements of Atlas Insurance PCC Limited are prepared in accordance with International Financial Reporting Standards (IFRS) 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). As such they are prepared under the historical cost convention as modified by the fair valuation of Investment property, Land and buildings – property, plant and equipment, and financial assets recognised at fair value through profit or loss.

Reporting the accounting of Insurance Contracts and Financial Instruments

The adoption of **IFRS 17** in January 2023 has brought significant changes to the accounting for insurance and reinsurance contracts.

The Company generally applies the Premium Allocation Approach (PAA) to simplify the measurement of contracts and the General Measurement Model (GMM) for one of its Cells.

When measuring liabilities for remaining coverage (LFRC), the PAA is similar to the Company's previous accounting treatment. Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in profit or loss. Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

However, measurement of the LFRC under the GMM varies significantly from IFRS 4. This would be equal to the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and the Contractual Service Margin (CSM) (which represents the future profits arising from the insurance contracts recognised).

A significant change as a result of IFRS 17 (regardless if one is applying the PAA or GMM), is in relation to the valuation of the liabilities for incurred claims (LIC), previously referred to as technical provisions.

When measuring LIC, the Company now discounts the best estimate of future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Insurance contract assets/ liabilities within the Statement of Financial Position are made up of:

- Liability for Remaining Coverage which,
    - when applying the PAA, corresponds to UPR where all the calculations are based on the premiums received, less the expected premiums to be received allocated to the period (net of deferred acquisition costs and receivables arising from insurance business since the Company elected to treat these using IFRS 17 as opposed to IFRS 9); and
    - when applying the GMM is equal to the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and the Contractual Service Margin (CSM) (which represents the future profits arising from the insurance contracts recognised); and

- Liability for Incurred claims which corresponds to the discounted probably-weighted expected future cash flows (i.e. on a best estimate basis) together with an explicit risk adjustment to cater for non-financial risk.

The future cash flows for incurred claims (i.e. which includes claims outstanding and claims incurred but not reported) are calculated on a best estimate basis (same basis for Solvency II Technical Provisions). This means that the claims provision should equal the expected present value of future cash inflows and outflows arising from claim events occurring before or at the valuation date. It is therefore intended to equal the expected value of the distribution of all possible future outcomes, with no allowance for prudence.

To the best estimate of future cash flows, an expense reserve is added to include expenses that are attributable to claims which the Company would need to incur in the future to run-off the current book of claims.

Furthermore, similar to SII Technical provisions, an events not in data (ENID) allowance is made in order to account for any extreme values that are not present in the historical data.

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 Core and for each of the individual Cells at set confidence levels.

Reconciliation of the components aggregated as indicated may be referred to in the Audited Financial Statements attaching to Atlas' Annual Report as published under regulation.

Changes in SII valuation in light of IFRS17

The gross contractual service margin (applicable only to AM cell) represents the unearned profit in relation to policies issued prior to the reporting period, which is to be recognised over the coverage period of such policies, as assessed by the expected claims period.

The main valuation principles of Solvency II leading to differences from net technical provision under statutory accounting are:

- The recognition of the risk adjustment as recognised under IFRS 17;
- The consideration of the deferred profit (CSM) as recognised under IFRS 17.

Inflation impacting claims costs and reserving

The Board remains vigilant for claims reserving procedures in the light of the continued developments for increased costs on claims and for European and National Central Bank interventions on interest rates.

The Board seeks to ensure that the ratio of confidence levels applied to arriving at the insurance contract liabilities and reinsurance assets arising therefrom are appropriate to the risk profile of Atlas.

Solvency II Values

Assets and liabilities under Solvency II are valued in accordance with the SII Directive and the Commission Delegated Regulation 2015/35. Article 75 of Directive 2009/138/EC requires an economic, market-consistent approach to the valuation of assets and liabilities. According to the risk-based approach of Solvency II, when valuing balance sheet items on an economic basis, undertakings need to consider the risks that arise from a particular balance sheet item, using assumptions that market participants would use in valuing the asset or the liability.

The PCC is required to report on such valuations. In the following subsections the Company reports its PCC financial positions on a PCC aggregate basis, the Core and separate aggregate Cellular positions. The Grange Cell and AM Cell are also reported separately and are not included in the Cells' aggregate position due to the fact that the Cells do not have recourse to the Core Capital. Up until 2023 the Amplifon Cell was also reported separately on the same basis.

Therefore, all financial information being reproduced is reported for:

- The PCC aggregate;
- The Core;
- The AM Cell;
- The Grange Cell;
- Other Cells.

5.1 Assets

The total assets reported in the PCC's balance sheet are reproduced below for the PCC and for separate components being the Core, the AM Cell, the Grange Cell and the aggregate for other Cells.

The following Asset table represents the aggregated total assets for the PCC as a whole as recognised under IFRS and those as recognised in accordance with Solvency II regulation.

PCC Aggregate in Euro '000 Assets	IFRS	2024 Solvency II Adjustment	Solvency II value	2023 Solvency II value
Intangible assets	71	-71	**0**	0
Deferred tax assets	0	68	**68**	38
Property, plant & equipment held for own use	10,036	0	**10,036**	10,302
Investments (other than assets held for index-				
Property (other than for own use)	9,615	0	**9,615**	9,607
Holdings in related undertakings, including particip	4,623	1,265	**5,888**	3,717
Equities				
Equities - listed	7,332	11,159	**18,491**	13,232
Bonds				
Government Bonds	14,738	4,110	**18,848**	13,214
Corporate Bonds	13,012	14,056	**27,068**	23,071
Collective Investments Undertakings	34,684	-29,329	**5,355**	2,363
Deposits other than cash equivalents	4,886	9	**4,895**	0
Loans and mortgages				
Other loans and mortgages	0	341	**341**	0
Reinsurance recoverables from:				
Non-life and health similar to non-life				
Non-life excluding health	19,152	-19,431	**-279**	-299
Health similar to non-life	0	4,806	**4,806**	4,756
Deposits to cedants	1,704	0	**1,704**	1,027
Insurance and intermediaries receivables	524	8,375	**8,900**	13,635
Re-Insurance receivables	0	1,381	**1,381**	1,001
Receivables (trade, not insurance)	4,024	928	**4,952**	3,761
Cash and cash equivalents	30,287	0	**30,287**	30,728
Any other assets, not elsewhere shown	0	0	**0**	168
Total assets	154,688	-2,333	**152,355**	130,321

You will note that adjustments are made to IFRS values in arriving at Solvency II balance sheet values. The following are the explanations for the movements arising therefrom which result in a reduction in total assets held for the PCC of €2.3 million (€1.2 million for 2023).

Intangible Assets

For the Solvency II balance sheet the intangible asset values recognised under IFRS are removed. The IFRS assets are recognised for goodwill (value for business acquired which is impaired in accordance with IFRS) and computer software (depreciated in accordance with IFRS rules). The Company does not hold any goodwill assets as on the reporting period. This regulation also requires that any intangible asset other than goodwill must carry a value equal to its resale value. The Company does not consider any resale value for its computer software.

Deferred Acquisition Costs

These assets are assigned a nil value for Solvency II purposes.

Deferred Tax Assets

See note under subsection 5.2.2 “Deferred Tax Liabilities”.

Property, Plant and Equipment held for Own Use (PPE)

The Company carries a substantial investment in PPE. Like investment property, which is disclosed below, these assets are reported in the balance sheet at the value established by the Board based on a valuation carried out by external valuers and in accordance with Board policy.

Investment Property

The Company holds a substantial investment in property which is intended to derive rental income or held for capital appreciation. These assets are reported in the IFRS and Solvency II balance sheets at the value established by the Board based on a valuation carried out by external valuations and in accordance with the Board 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.

Holdings in Related Undertakings

Direct holdings in related undertakings are held at cost and tested for impairment as required where this is appropriate under IFRS. Under Solvency II, these assets are valued based on an adjusted equity method (based on Solvency II valuation if the related undertaking is an insurer).

Equities

The Company’s exposure to Equity is held both within the Company’s Fund portfolios and also under discretionary portfolio agreements with investment managers. The securities are accounted for at market value on the reporting date of the balance sheet.

Bonds

Fixed income securities are reported in the IFRS balance sheet at fair value through profit and loss. For the purpose of the Solvency II balance sheet valuation, accrued income has been added to such fair value. This, together with the “look through” procedure to identify bonds within funds, accounts for the increase in Solvency II balance sheet values.

Collective Investment Undertakings

Collective investment undertakings (funds) are reported in the IFRS balance sheet at fair value through profit and loss. Solvency II regulations allow for a "look through" procedure where the funds' securities are identified and reclassified according to their nature and valued accordingly. This mainly accounts for the adjustments to equities and bonds in the table above.

Loans and Mortgages

The Company also holds its temporary free cash in short term deposits with preferred security in treasury bills. The Company does not hold any mortgage exposures

Reinsurance Recoverables

According to the Atlas Reinsurance Policy, all reinsurers require a minimum S&P credit rating of A- (or equivalent). This is consistent with the Risk Appetite which has an appetite of A and a floor of A-. Lower or unrated reinsurers may be used if agreed by both the Chief Underwriting Officer and Chief Executive Officer provided the Board is notified at the next available board meeting.

All of the reinsurance treaties in place comply with the above requirement. One of the cells reinsured its portfolio with Citadel Reinsurance Company Limited (Citadel Re) until November 2024. Citadel Re had been downgraded to the extent that it fell below the threshold expected by the Board for its credit rating. While this circumstance did not pose any credit risk, the Company has since terminated this treaty and entered into a new treaty with PVI Insurance Corporation (PVI) with effect from 1 December 2024. PVI has a credit rating of A-.

Reinsurance recoverables from such reinsurers have a direct relationship with the gross technical provisions shown in the liabilities section of the balance sheet and arise as a direct consequence of the valuations of such technical provisions reserved in the balance sheet.

The IFRS and Solvency II valuations are both calculated on a "Best Estimate" basis. Therefore, any differences between IFRS and Solvency II amounts are driven by items that are included in Insurance and Reinsurance balances under IFRS but which do not pertain to claims outstanding and IBNR reserves, such as LFRC, which are not considered for Solvency II.

Insurance and Intermediaries Receivables

Atlas operates its insurance underwriting either on a direct line of business with negotiation carried out with its policyholders on a direct basis or through a network of intermediaries. This gives rise to timing differences for the collection of premiums. For IFRS 17 purposes, Insurance and Intermediaries Receivables are included within the LFRC (captured in Gross Technical Provisions within liabilities). Any balances that are past due are not considered to be future cash flows under the Solvency II balance sheet and therefore reclassified from technical provisions in the calculation of "best estimate" values for such provisions. The adjustment from technical provisions to insurance and intermediaries' receivables is shown in the above table.

Reinsurance Receivables

For IFRS17 purposes, reinsurance receivables are included within the Asset for Remaining Coverage (ARC). Any balances that are past due are not considered to be future cash flows under the Solvency II balance sheet and therefore reclassified from technical provisions in the calculation of best estimate values for such provisions.

Receivables (trade, not insurance)

Receivables which are not classified as insurance receivables include accrued income and prepayments under IFRS valuations. For the purpose of Solvency II valuation, the amount of accrued income arising from interest to be earned on fixed income securities is reclassified to the fair value for such securities.

The following Asset tables highlight the balance sheet movements of the PCC components as explained above.

PCC Core in Euro '000		2024		2023 Tables
Assets	**IFRS**	**Solvency II Adjustment**	**Solvency II value**	Solvency II value
Intangible assets	71	-71	**0**	0
Property, plant & equipment held for own use	10,036	0	**10,036**	10,302
Investments (other than assets held for index-linked and unit-				
Property (other than for own use)	9,615	0	**9,615**	9,607
Holdings in related undertakings, including participations	4,623	1,265	**5,888**	3,717
Equities				
Equities - listed	7,332	11,159	**18,491**	13,232
Bonds				
Government Bonds	1,674	3,987	**5,662**	9,059
Corporate Bonds	12,043	14,036	**26,078**	22,312
Collective Investments Undertakings	29,329	-29,329	**0**	0
Loans and mortgages				
Other loans and mortgages	0	341	**341**	0
Reinsurance recoverables from:				
Non-life and health similar to non-life				
Non-life excluding health	13,432	-6,424	**7,008**	5,952
Health similar to non-life	0	4,783	**4,783**	4,750
Insurance and intermediaries receivables	0	2,952	**2,952**	2,875
Re-Insurance receivables	0	0	**0**	403
Receivables (trade, not insurance)	3,341	147	**3,488**	3,459
Cash and cash equivalents	9,257	0	**9,257**	6,415
Total assets	100,753	2,847	**103,599**	92,083

AM Cell Euro '000		2024		2023
Assets	**IFRS**	**Solvency II Adjustment**	**Solvency II value**	Solvency II value
Investments (other than assets held for index-linked and unit-linked contracts)				
Government Bonds	12,570	118	**12,688**	3,994
Deposits other than cash equivalents	3	0	**3**	0
Reinsurance recoverables from:				
Non-life and health similar to non-life				
Non-life excluding health	1,337	-1,337	**0**	0
Deposits to cedants	1,704	0	**1,704**	1,027
Insurance and intermediaries receivables	0	2,688	**2,688**	5,498
Receivables (trade, not insurance)	170	-118	**52**	91
Cash and cash equivalents	449	0	**449**	912
Total assets	16,232	1,352	**17,584**	11,523

Grange Cell Euro '000 Assets	2024 IFRS	 Solvency II Adjustment	 Solvency II value
Cash and cash equivalents	4,099	0	**4,099**
Total assets	4,099	0	**4,099**

Other Cells Euro '000 Assets	2024 IFRS	 Solvency II Adjustment	 Solvency II value	2023 Solvency II value
Deferred tax assets	0	68	**68**	38
Investments (other than assets held for index-linked and unit-linked contracts)				
Government bonds	494	4	**498**	161
Corporate bonds	970	20	**990**	759
Collective Investments Undertakings	5,355	0	**5,355**	1,530
Deposits other than cash equivalents	4,883	9	**4,892**	
Reinsurance Recoverables		0		
Non-life and health similar to non-life		0		
Non-life excluding health	4,384	-11,671	**-7,287**	-6,250
Health similar to non-life	0	23	**23**	6
Insurance and intermediaries receivables	524	2,734	**3,259**	5,262
Reinsurance receivables	0	1,381	**1,381**	597
Receivables (trade, not insurance)	513	899	**1,412**	168
Cash and cash equivalents	16,482	0	**16,482**	23,198
Any other assets, not elsewhere shown	0	0	**0**	168
Total assets	33,604	-6,532	**27,073**	25,637

5.2 Total liabilities

The following Liabilities table represents the aggregated total liabilities for the PCC as a whole.

PCC Aggregate in Euro '000 Liabilities	IFRS	2024 Solvency II Adjustment	Solvency II value	2023 Solvency II value
Technical provisions – non-life				
Technical provisions – non-life (excluding health)	51,124	-51,124	**0**	0
Best Estimate	0	21,921	**21,921**	19,803
Risk margin	0	1,742	**1,742**	1,551
Technical provisions - health (similar to non-life)				
Best Estimate	0	6,534	**6,534**	5,361
Risk margin	0	445	**445**	324
Technical provisions - life				
Best Estimate	0	-7,173	**-7,173**	-4,990
Risk margin	0	207	**207**	250
Provisions other than Technical Provisions	0	0	**0**	0
Deferred tax liabilities	2,874	6,124	**8,998**	8,221
Debts owed to credit institutions	0	0	**0**	0
Insurance & intermediaries payables	0	5,280	**5,280**	5,940
Reinsurance payables	0	2,406	**2,406**	2,462
Payables (trade, not insurance)	13,945	715	**14,660**	8,373
Any other liabilities, not elsewhere shown	0	0	**0**	6
Total liabilities	67,944	-12,924	**55,020**	47,301

Similar to Assets, adjustments are carried out to IFRS values in arriving at Solvency II balance sheet values. As such this results in a reduction in total liabilities held for the PCC of €12.9 million (€11.5 million for 2023).

The following Liabilities tables highlight the balance sheet component movements of the PCC as explained above.

PCC Core in Euro '000 Liabilities	IFRS	2024 Solvency II Adjustment	Solvency II value	2023 Tables Solvency II value
Technical provisions – non-life				
Technical provisions – non-life (excluding health)	38,195	-38,195	**0**	0
Best Estimate	0	22,899	**22,899**	21,499
Risk margin	0	877	**877**	801
Technical provisions - health (similar to non-life)	0	0	**0**	0
Best Estimate	0	7,869	**7,869**	7,130
Risk margin	0	128	**128**	95
Deferred tax liabilities	2,874	1,929	**4,804**	4,900
Insurance & intermediaries payables	0	1,350	**1,350**	951
Reinsurance payables	0	2,406	**2,406**	1,907
Payables (trade, not insurance)	5,559	0	**5,559**	2,780
Total liabilities	46,629	-737	**45,892**	40,064

AM Cell Euro '000 Liabilities	IFRS	2024 Solvency II Adjustment	Solvency II value	2023 Solvency II value
Technical provisions – non-life				
Technical provisions – non-life (excluding health)				
Best Estimate	0	-2,731	**-2,731**	-1,845
Risk margin	0	409	**409**	275
Technical provisions - health (similar to non-life)				
Best Estimate	0	-1,357	**-1,357**	-1,775
Risk margin	0	316	**316**	230
Technical provisions - life (excluding index-linked and unit-linked)				0
Technical provisions – life (excluding health and index-linked and unit-linked)				
Best Estimate	0	-7,173	**-7,173**	-4,990
Risk margin	0	207	**207**	250
Deferred tax liabilities	0	4,089	**4,089**	2,834
Payables (trade, not insurance)	5,489	0	**5,489**	2,244
Total liabilities	5,489	-6,242	**-753**	-2,778

Grange Cell Euro '000 Liabilities	IFRS	2024 Solvency II Adjustment	Solvency II value
Payables (trade, not insurance)	97	0	**97**
Total liabilities	97	0	**97**

Other Cells Euro '000 Liabilities	IFRS	2024 Solvency II Adjustment	Solvency II value	2023 Solvency II value
Technical provisions – non-life		0		
Technical provisions – non-life (excluding health)	12,929	-12,929	**0**	0
Best Estimate		1,753	**1,753**	149
Risk margin		457	**457**	475
Technical provisions – health (similar to non-life)	0	0	**0**	0
Best Estimate		23	**23**	6
Deferred tax liabilities	0	106	**106**	487
Insurance & intermediaries payables	0	3,930	**3,930**	4,988
Reinsurance payables	0	0	**0**	555
Payables (trade, not insurance)	2,801	715	**3,515**	3,308
Any other liabilities, not elsewhere shown	0	0	**0**	6
Total liabilities	15,730	-5,945	**9,785**	9,975

5.2.1 Technical provisions

Technical provisions as reported under IFRS and referred to as Insurance Contract Liabilities are revalued under Solvency II requirements. The best estimate technical provisions comprise the claims provision and premium provision.

The claims provision is the discounted best estimate of cash flows relating to past claim events that occurred before the valuation date, whether reported or not. The cash flows include: future cash flows resulting from past claims events (including salvage and subrogation) and cash flows arising from allocated and unallocated expenses in respect of past claims events.

The premium provision is the discounted best estimate of cash flows relating to future claim events that have not yet occurred, but that are covered by existing and legally binding pre-inception contracts.

There is a limitation upon the accuracy of best estimates in that there is an inherent uncertainty in the estimates of loss amounts that underlie the calculations. This arises as the ultimate liability for claims is subject to the outcome of events yet to occur, including changes in the attitudes of courts and claimants towards the settlement of claims. In applying expert judgement, we have employed techniques and assumptions that are appropriate, given the information currently available. It should be recognised that future loss emergence is likely to deviate from our estimates. Uncertainty is likely to increase in cases where there is limited historical data. Management recognises the presence of uncertainty and carry out careful monitoring to address this on a routine basis. In this regard, assumptions are continuously reviewed and updated as new information becomes available. Therefore, management remains confident that any emergence of uncertainty is addressed immediately.

The following Technical Provisions extracted from the total liabilities tables highlight the balance sheet component movements of the PCC as explained above.

PCC Aggregate in Euro '000		**2024**		2023
Technical provisions	**IFRS**	**Solvency II Adjustment**	**Solvency II value**	Solvency II value
Technical provisions – non-life				
Technical provisions – non-life (excluding health)	51,124	-51,124	**0**	0
Best Estimate	0	21,921	**21,921**	19,803
Risk margin	0	1,742	**1,742**	1,551
Technical provisions - health (similar to non-life)	0	0	**0**	0
Best Estimate	0	6,534	**6,534**	5,361
Risk margin	0	445	**445**	324
Technical provisions - life				
Best Estimate	0	-7,173	**-7,173**	-4,990
Risk margin	0	207	**207**	250
	51,124	-27,449	**23,675**	22,300

Whilst the starting point for the liabilities for incurred claims under IFRS17 are the best estimate future cashflows, which is similar to the best estimate cashflows under the Solvency II claims provisions, there are differences to the adjustments for expenses within these cash flows. Also, whilst Solvency II cash flows are discounted at the risk-free rates, the cash flows under IFRS17 are discounted at rates which allow for the illiquidity premium on top of the risk free rates. In addition, the risk adjustment under IFRS17 uses a VaR approach whilst the risk margin under Solvency II uses a Cost of Capital approach. All these differences result in the value of technical provision liabilities represented in the Solvency II balance sheet totalling €23.7 million, being different from the total of the liabilities as represented under IFRS of €51.2 million.

PCC Core in Euro '000 Technical provisions	2024 IFRS	Solvency II Adjustment	Solvency II value	2023 Solvency II value
Technical provisions – non-life				
Technical provisions – non-life (excluding health)	38,195	-38,195	**0**	0
Best Estimate	0	22,899	**22,899**	21,499
Risk margin	0	877	**877**	801
Technical provisions - health (similar to non-life)	0	0	**0**	0
Best Estimate	0	7,869	**7,869**	7,130
Risk margin	0	128	**128**	95
	38,195	-6,422	**31,773**	29,525

AM Cell Euro '000 Technical provisions	2024 IFRS	Solvency II Adjustment	Solvency II value	2023 Solvency II value
Technical provisions – non-life				
Technical provisions – non-life (excluding health)				
Best Estimate	0	-2,731	**-2,731**	-1,845
Risk margin	0	409	**409**	275
Technical provisions - health (similar to non-life)				
Best Estimate	0	-1,357	**-1,357**	-1,775
Risk margin	0	316	**316**	230
Technical provisions – life (excluding health and index-linked and unit-linked)				
Best Estimate	0	-7,173	**-7,173**	-4,990
Risk margin	0	207	**207**	250
	0	-10,331	**-10,331**	-7,855

Other Cells Euro '000 Technical provisions	2024 IFRS	Solvency II Adjustment	Solvency II value	2023 Solvency II value
Technical provisions – non-life				
Technical provisions – non-life (excluding health)	12,929	-12,929	**0**	0
Best Estimate	0	1,753	**1,753**	149
Risk margin	0	457	**457**	475
Technical provisions – health (similar to non-life)	0	0	**0**	0
Best Estimate	0	23	**23**	6
Risk margin	0	0	**0**	0
	12,929	-10,696	**2,233**	630

A description of each step of the change in technical provisions as reported in the above tables is as follows:

a) Best estimate of claims reserves has been calculated using standard actuarial techniques including: Paid & incurred Chain Ladder or Link Ratio Method, Bornhuetter Ferguson Method and Bootstrap Method.

b) Future allocated expenses are implicitly allowed for in the technical provisions. An explicit allowance has been made for unallocated loss adjustment expenses which include projected investment management expenses, administration expenses and other overhead expenses.

c) An explicit allowance has been made for Events Not in Data (ENIDs).

Premium Provision

a) Cash flows resulting from future claims events have been estimated by applying assumed loss ratios to year-end expected future premium as explained under Section 5 for IFRS 17. The loss ratio assumption is based on historic loss ratio experience arising from the claims provision analysis. Any movements in the assumed loss ratios from previous assessments are reflective of additional information experienced throughout 2024, including that of increased claims costs as a result of rising inflation.

b) An allowance for ENIDs is included in the expected future claims cash flows.

c) An allowance for the expenses associated with the servicing of in force policies has been made.

d) Future premium cash flows have been included.

Discounting

Both claims and premium provisions cash flows were modelled using payment patterns derived from historic experience. These were discounted by the year end 2024 yield curves as published by EIOPA.

Risk Margin

The risk margin was calculated by approximating the future SCRs to be projected in line with the projected cashflows of the best estimate technical provisions. This was then discounted using the year end 2024 yield curve and a 6% cost of capital was applied.

Reinsurers' share of SII Technical Provisions (Section 5.1 – Reinsurance recoverables)

This was calculated based on the gross less net best estimate liabilities, where the net claims liabilities have been derived based on the reinsurance share of future expected claims recoverable and allowance for additional reinsurance cash flows. An allowance for the reinsurers' default has been included.

Valuation principles

The Technical Provisions have been calculated as the sum of a best estimate plus a risk margin in accordance with the Solvency II Directive and associated texts.

Segmentation

The technical provision analysis is performed based on the following line of business segmentation:

Motor vehicle liability insurance (“MTPL”), Other motor insurance, Fire and other damage to property insurance (“Fire”), General liability insurance, Income protection insurance, Marine, aviation and Transport, Miscellaneous financial loss and Medical expenses.

Contract boundaries

Under Solvency II, undertakings shall only recognise the obligations within the boundary of the contract.

A contract boundary is defined as where the insurance or reinsurance undertaking has at a future date:

A unilateral right to terminate the contract or a part of it;
A unilateral right to reject premiums payable under the contract; or
A unilateral right to amend the premiums or the benefits payable under the contract such that the premiums of the portfolio fully reflect the risk.

The assumption here is that the policy renewal date is the contract boundary since the PCC has the ability to re-price policies at each renewal date.

Quantitative Reporting Template QRTs S.12.01.02, S.17.01.02 and S.19.01.21 may be found under the appendix to the Solvency and Financial Condition Report.

5.2.2 Other liabilities

Section 5.2 above provides the reporting for the PCC's total liabilities in aggregate and by component. The following section reports on the movements for other liabilities. Liabilities arising from technical provisions have been reported on under Section 5.2.1 of this report.

PCC Aggregate in Euro '000		2024		2023
Other liabilities	**IFRS**	**Solvency II Adjustment**	**Solvency II value**	Solvency II value
Deferred tax liabilities	2,874	6,124	**8,998**	8,221
Insurance & intermediaries payables	0	5,280	**5,280**	5,940
Reinsurance payables	0	2,406	**2,406**	2,462
Payables (trade, not insurance)	13,945	715	**14,660**	8,373
Any other liabilities, not elsewhere shown	0	0	**0**	6
	16,820	14,525	**31,345**	25,001

PCC Core in Euro '000		2024		2023
Other liabilities	**IFRS**	**Solvency II Adjustment**	**Solvency II value**	Solvency II value
Deferred tax liabilities	2,874	1,929	**4,804**	4,900
Insurance & intermediaries payables	0	1,350	**1,350**	951
Reinsurance payables	0	2,406	**2,406**	1,907
Payables (trade, not insurance)	5,559	0	**5,559**	2,780
	8,433	5,685	**14,119**	10,539

AM Cell Euro '000		2024		2023
Other liabilities	**IFRS**	**Solvency II Adjustment**	**Solvency II value**	Solvency II value
Deferred tax liabilities	0	4,089	**4,089**	2,834
Payables (trade, not insurance)	5,489	0	**5,489**	2,244
	5,489	4,089	**9,578**	5,077

Grange Cell Euro '000		2024	
Other liabilities	**IFRS**	**Solvency II Adjustment**	**Solvency II value**
Payables (trade, not insurance)	97	0	**97**
	97	0	**97**

Other Cells Euro '000		2024		2023
Other liabilities	**IFRS**	**Solvency II Adjustment**	**Solvency II value**	Solvency II value
Deferred tax liabilities	0	106	**106**	487
Insurance & intermediaries payables	0	3,930	**3,930**	4,988
Reinsurance payables	0	0	**0**	555
Payables (trade, not insurance)	2,801	715	**3,515**	3,308
Any other liabilities, not elsewhere shown	0	0	**0**	6
	2,801	4,750	**7,551**	9,344

Deferred tax liabilities

Atlas recognises deferred tax liabilities under IFRS 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.

The transition of IFRS balance sheet values to those of Solvency II as reported causes balance sheet movements adjusting the net asset value reported in the PCC's Solvency II balance sheet. Such movement gives rise to the recognition of a deferred tax asset/liability adjustment for such movements in the Solvency II balance sheet.

Insurance and intermediaries payables and reinsurance payables

IFRS 17 determines that insurance and reinsurance payables are reported as forming part of the Insurance and Reinsurance Contract Liabilities (classified within technical provisions and reinsurance recoverables in the tables above) and as such the movement for Solvency II values reported are the past due amounts reclassified from technical provisions and reinsurance recoverables to Insurance and intermediaries payables and reinsurance payables.

5.3 Alternative methods for valuation

Atlas does not use any alternative methods for the calculation of the arising liabilities.

Quantitative Reporting Template QRT S.02.01.02 Balance Sheet may be found under the appendix to the Solvency and Financial Condition Report.

6. Capital management

The value of own funds varies under Solvency II valuations compared to IFRS valuations, due to the revaluation of assets and liabilities in accordance with the valuation principles. The differences between the financial statements balance sheet and the Solvency II balance sheet have been reported under Section 5 of this report.

In order to maintain or adjust the capital structure, the PCC may issue new shares or capitalise contributions received from its shareholders. The PCC applies the same policy for its cellular shareholders.

The PCC is required to hold regulatory capital for its general insurance business in compliance with the rules issued by the MFSA. The minimum capital requirement must be maintained at all times throughout the year. Atlas monitors its capital level, and that of the cells, on a regular basis at least once a month through detailed reports compiled from management accounts.

Any transactions that may potentially affect the PCC's solvency position are immediately reported to the directors for resolution prior to notifying the MFSA.

As part of its annual ORSA exercise, Atlas continues to test the resilience of its capital adequacy under various stress scenarios. These include stressing premium and claims projections and stressing investment performance. The most significant impact of such tests remains the market stress on the investment assets, having a direct impact on own funds, albeit a lower market risk exposure for the purposes of calculating solvency capital requirements.

The Directors acknowledge that the global and local economic environment remain uncertain, although 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. This means that the main driver impacting the solvency cover is the possible reduction in own funds mentioned above.

With a cover of 297% resulting in surplus eligible own funds of €35.8 million over the SCR for the core, Atlas considers that it is sufficiently capitalised to withstand the risk of diminution of values for its investment portfolio, and still retain an adequate solvency cover, and on this basis does not consider the going-concern basis to be uncertain.

6.1 Own Funds

A major component of the Own Funds of the PCC is that of Tier 1 Capital, which include:

a) **Paid-in Ordinary Share Capital** of the highest quality Own Funds which can be relied on to absorb losses on a going-concern basis. Such shares are issued directly by Atlas Holdings Limited and the PCC with the prior approval of its shareholder and, where applicable, of the Atlas Core and cell shareholders, and ultimately the approval of the MFSA.
b) **Reconciliation Reserve** which is the resultant variance in Own Funds between the Solvency II and the IFRS balance sheet with an allowance for Deferred Tax Assets/ Liability movements also being factored in the PCC's (where applicable) Own Funds total as Tier 1 Capital.
c) **Other Reserves** which include reserves in equity being the resultant movement in property revaluation under IFRS as per the Audited Annual Financial Statements.
d) **Retained Earnings** which include accumulated profit reserves after the payment of dividends as confirmed through the PCC's Audited Annual Financial Statements.
e) **Capital Contributions** which allow for shareholders to top up capital with reserves. Such contributions do not give rise to any increased rights the shareholder may have arising from issued shares.
f) **Functional Currency Exchange Reserve** which is the resulting difference between functional and reporting currencies arising from the cellular operations.

As per the Commission Delegated Regulation 2015/35 on Solvency II, Atlas' Board consider the use of Share Premium accounts and further Capital Contributions as a form of Own Funds eligible as Tier 1 Capital. Under regulation the PCC is obliged to seek regulatory approval for such instruments.

Another component of the Own Funds of the PCC is that of ancillary own funds qualifying as Tier 2 Capital. Preferred instruments by Atlas are in the form of unpaid ordinary share capital. Under special circumstances the Board will also consider Letters of Credit. It is the responsibility of the Board to review and ensure the substance and ultimate financial strength underlying the capital instruments which qualify as ancillary own funds under Tier 2 capital.

The aggregate own funds for all components of the PCC in matching the Company's Solvency Capital Requirement total €69.1 million as on 31 December 2024 (2023: €64.1 million).

This is inclusive of available unpaid capital for ancillary own funds of €1.84 million, and eligible under Solvency II regulation up to €0.70 million (2023: €0.70 million) in matching the Minimum Capital Requirement.

The Own Funds applied in matching the Solvency Capital Requirements are detailed in the below tables for the PCC on an aggregate basis.

PCC Aggregate in Euro '000 Own funds	IFRS	2024 Solvency II Adjustment	Solvency II value	2023 Solvency II value
Paid up ordinary shares	35,398	0	**35,398**	32,361
Other reserves	6,150	-6,150	**0**	0
Retained earnings	45,197	-45,197	**0**	0
Reconciliation reserve	0	33,072	**33,072**	31,019
Ancillary own funds - issued capital unpaid	0	673	**673**	695
	86,745	-17,603	**69,142**	64,075

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.

- 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 of €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. .

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.

Under Solvency II regulatory reporting foreseeable dividends payable are being reported totalling €9,543,355. This includes the above noted dividends of €1,500,000 and €2,300,000, both in relation to the Core, and €5,743,355 in relation to the cells.

Under Solvency II regulation, certain components for equity recognised under IFRS are reclassified to a reconciliation reserve, which also accounts for the valuation differences between the IFRS and Solvency II balance sheets disclosed in the chapter 'Valuation of assets and liabilities for solvency purposes'. The movement brought about by such valuation differences is considered to be an unrealised gain/loss in valuation and on that basis, the movement is recognised net of deferred taxation. Clearly this is a dynamic component for Own Funds in that the value is the product of balance sheet Net Asset Value movements from IFRS reporting to that of Solvency II.

All of the Core's Own Funds are classified under Solvency II as Tier 1 capital since they are considered to be of high quality. In the case of two Cells, an element of unpaid capital totalling €1.84 million is eligible for consideration to be recognised as Tier 2 Capital. This qualifies as ancillary own funds but up to €0.7 million. Such capital undergoes ongoing due process for MFSA authorisation for its applicability.

Application and review of own funds

It is also the responsibility of the Board of Directors of the PCC to monitor on a continuous basis the adequacy of Eligible Own funds according to the medium-term capital management plan and it is its responsibility to ensure before issuance of any own fund items that it can satisfy the criteria for the appropriate tier on a continuous basis, where this is applicable.

The Chief Financial Officer liaises with the Company Secretary, where applicable, to support backing calculations showing the effect of any proposed increase in paid/unpaid share capital for the PCC.

This procedure is to be also followed by the Chief Financial Officer in the event that any Regulatory Solvency shortfalls are identified to be matched by financial instruments other than capital instruments. An example of this would be bankers' guarantees issued by shareholders.

Medium-Term Capital Management Plan

The PCC adopts a medium-term capital management plan which is consistently reflected in other risk management policies and procedures set by the Board.

This plan considers the various disciplines and parameters which govern the underlying asset exposures to the Core's balance sheet and Cells within the Company. Priority is given to the loss absorbency aspects of these assets. They are driven by:

- The Group's policy on Risk Management and the risk register arising therefrom;
- The Group's Investment Policy; and
- The Group's Asset Liability Management Policy and set investment parameters arising therefrom which include consideration for:
    - Counterparty default risk;
    - Currency risk;
    - Market risk;
    - Liquidity risk;
    - Concentration risk

Quantitative Reporting Template QRT S.23.01.01 Own Funds may be found under the appendix to the Solvency and Financial Condition Report.

6.2 SCR & LACDT Allowance, and MCR

The PCC does not make use of internal models, partial internal models or undertaking specific parameters in calculating its solvency capital requirement (SCR). The Company calculates its respective nSCR's and ultimate aggregated SCR utilising the standard formula.

Individual cells are not obliged to hold the absolute minimum capital requirement (AMCR of €7.9 million) as this is an obligation imposed on the PCC's Core, nor are individual cells obliged under regulation to match their own nSCR with its own funds for as long as that Cell has financial recourse to the Core's own funds. Under the Companies Act (Cell Companies Carrying on Business of Insurance) Regulations, the PCC may impose non-recourse for cells authorised to carry on Captive insurance or reinsurance business. Under such circumstances each of these cells would have to match their own nSCR with its own funds. In the case of the AM Cell and the Grange Cell, non-recourse is in place and on that basis, these cells have to match their own funds to their nSCR. As at 31 December 2024, the AM Cell and Grange Cell had a solvency ratio of 274% and 277%, respectively.

The following table illustrates in thousand Euro the various risk components making up the SCR requirements for both the PCC, its Core, and Cells.

2024

Solvency Capital Requirement	Core Euro '000	Grange Cell Euro '000	AM Cell Euro '000	Other Cells Euro '000	Aggregated PCC Euro '000
Market risk	16,355	-	12	2,121	**19,999**
Counterparty default risk	4,555	1,446	538	3,523	**10,883**
Life underwriting risk	-	-	1,523	-	**1,648**
Health underwriting risk	981	-	2,331	23	**3,607**
Non-life underwriting risk	7,361	-	3,011	5,186	**16,829**
Diversification	(7,238)	-	(2,769)	(2,056)	**(16,064)**
Operational risk	1,920	-	502	1,211	**3,633**
LACDT	(5,813)	-	(548)	(817)	**(7,178)**
Total SCR	**18,121**	**1,446**	**4,600**	**9,190**	**33,356**

2023

Solvency Capital Requirement	Core Euro '000	Amplifon Cell Euro '000	AM Cell Euro '000	Other Cells Euro '000	Aggregated PCC Euro '000
Market risk	12,563	20	-	1,668	**15,530**
Counterparty default risk	3,748	72	1,000	5,697	**11,460**
Life underwriting risk	-	-	2,490	-	**2,713**
Health underwriting risk	912	-	2,283	6	**3,488**
Non-life underwriting risk	6,847	3	2,734	5,053	**15,951**
Diversification	(6,202)	(14)	(3,230)	(2,026)	**(15,519)**
Operational risk	1,716	0	449	1,172	**3,338**
LACDT	(4,609)	-	(660)	(1,123)	**(6,392)**
Total SCR	**14,974**	**81**	**5,067**	**10,448**	**30,569**

The PCC registered a €2.8 million increase in its SCR for the year under review over the previous year. Increases in bSCR are primarily driven by increases in market risk, health underwriting risk and non-life underwriting risk. Exposures under counterparty risk and life underwriting risk have both decreased.

Assessment of the Loss Absorbing Capacity of Deferred Tax (LACDT) adjustment

Requirements around the assessment of LACDT include the need to consider the impact that the current notional loss would have on future pricing, profitability and uncertainty of the Company.

Following scenario tests to determine profit recoverability following various severe scenarios, the extent that can be recovered from deferred tax assets from separate 1 in 200-year losses in insurance, market or counterparty risk (i.e. from the respective capital charges) is estimated. This is applied to both solvency and economic capital requirements.

The allowance for LACDT recoverability is limited for insurance risk (non-life U/W and health U/W) charge to 20% for the Core, resulting in a 7% tax charge. Additionally, the LACDT recoverability has also been limited for the other risk categories to 80%, implying a 28% tax charge:

	Core
Market Risk	28%
Counterparty Risk	28%
Non-Life Insurance Risk	7%
Health NSLT	7%
Operational	28%

Over and above the recoverability limitation applied above, another layer of prudence is applied by limiting the future profitability over the 3-year business planning period under a stressed scenario. In this case, the amount that could be recovered is limited to the tax payable on 50% of future base profits in year 1 and 75% of future base profits in year 2. The recoverability period is also limited to 3 future years, in line with the business planning period.

The minimum resulting LACDT adjustment between the two approaches described above is chosen.

The amount of LACDT adjustment allowed for in the assessment of the regulatory SCR for the Core for the 2024 valuation year is detailed below:

2024			
Loss Absorbing Capacity of Technical Provision and Deferred Tax	**-5,812,633**		
Losses predicted by SCR Model which can be recovered from future profits	**-5,812,633**	**Risk Charge**	**Applicable tax rate**
Market Risk	**-4,579,417**	€16,355,062	28%
Counterparty Risk	**-1,275,377**	€4,554,917	28%
Non-Life Insurance Risk	**-515,253**	€7,360,764	7%
Health NSLT	**-68,640**	€980,571	7%
Diversification (Market, Counterparty, Insurance)	**1,163,657**		
Operational Risk	**-537,603**	€1,920,010	28%
LACDT Cappings:			
35% x (BSCR+Op)	**-8,376,759**		
35% x 3 Year Proj Profits Before Tax Net of Inv Income / 3 x 3 (3 yr)	**-10,553,174**		
35% x 3 Year Proj Profits Before Tax Net of Inv Income - limited profitability: 50% yr 1, 75% yr 2, 100% yr 3	**-8,036,518**		

The maximum allowable LACDT in relation to the calculated BSCR and operational risk charge amounts to €8.4 million. When this is assessed against the projected future profitability over the 3-year business planning period, the amount is capped at €10.6 million. This is further limited by considering the future profitability under a stressed position in the first and second projected years, resulting in an allowance of €8.0 million. Finally, this is compared to the limitation on the tax charge as described above, resulting in the LACDT adjustment of €5.8 million.

In the case of cells, Atlas has adopted similar approaches in limiting the recoverability of LACDT, by either applying a limitation on the tax charges and/or limiting the extent of recoverability in relation to future profits, as explained above.

Authorised insurance undertakings are required to also report on the minimum capital requirement (MCR) which is required to be matched at all times by own funds. This regulation allows exceptions for cells incorporated within a PCC as this is covered by the PCC as a whole.

The individual cells do not have an MCR, therefore the PCC's MCR cap and MCR floor are calculated by reference to the Core SCR. As the calculated MCR floor is lower than the AMCR, the resulting overall MCR for the PCC is €7.9m. The own funds reported for Solvency II comfortably exceed the MCR requirements.

Quantitative Reporting Templates QRT S.25.01.21 Solvency Capital Requirement and QRT S.28.01.01 Minimum Capital requirement may be found under the appendix to the Solvency and Financial Condition Report.

6.3 Use of the duration-based equity risk sub-module in the calculation of Solvency Capital Requirement

The PCC did not use the duration-based equity risk sub module set out in Article 304 of the Directive for the calculation of its Solvency Capital Requirement.

6.4 Differences between the Standard Model and any Internal Model used

The PCC does not make use of the possibility allowed under the Solvency II Directive to apply internal or partial internal models and on this basis has nothing to report.

6.5 Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

As on 31 December 2024 the PCC reports a Core Solvency Ratio of 297% acting as a strong base for a PCC aggregated Solvency Ratio of 207% for Solvency II Own Funds over the Solvency Capital Requirement. In calculating this ratio all surplus own Funds arising from cells is discarded. The surplus Own Funds that have been discarded in arriving to full compliance of this rule for the Cells totals €19,322,102.

As such there is no non-compliance issue to report.

Atlas Insurance PCC Limited

Solvency and Financial Condition Report (SFCR)

for the Financial Year ended 31 December 2024

Quantitative Reporting Templates (QRT)

QRT Table 1 – PCC Aggregated Core and Cells in Euro '000

S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**									Total
		Medical expense insurance	Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Assistance	Miscellaneous financial loss	
		C0010	**C0020**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0110**	**C0120**	**C0200**
Premiums written											
Gross - Direct Business	**R0110**	20,096	591	9,542	10,103	1,999	59,590	12,998	107	14,647	129,675
Gross - Proportional reinsurance accepted	**R0120**	608	5,090				8,371		327	3,161	17,556
Gross - Non-proportional reinsurance accepted	**R0130**										
Reinsurers' share	**R0140**	15,790	4	953		1,028	50,805	7,644	348	13,040	89,613
Net	**R0200**	4,914	5,677	8,589	10,103	971	17,156	5,354	87	4,767	57,618
Premiums earned											
Gross - Direct Business	**R0210**	18,858	585	8,864	9,710	1,993	58,674	11,778	107	15,192	125,761
Gross - Proportional reinsurance accepted	**R0220**	608	5,090				8,097		327	3,161	17,283
Gross - Non-proportional reinsurance accepted	**R0230**										
Reinsurers' share	**R0240**	14,861	4	845		1,021	50,006	6,666	348	12,650	86,400
Net	**R0300**	4,604	5,670	8,019	9,710	972	16,765	5,113	87	5,703	56,643
Claims incurred											
Gross - Direct Business	**R0310**	24					7,665	920	13	7,623	16,244
Gross - Proportional reinsurance accepted	**R0320**	154	863				1,961		83	171	3,232
Gross - Non-proportional reinsurance accepted	**R0330**										
Reinsurers' share	**R0340**	9,670	0	920		239	11,679	882	77	7,181	30,648
Net	**R0400**	-9,492	863	-920		-239	-2,054	38	19	613	-11,172
Expenses incurred	**R0550**	11,186	598	5,282	5,618	1,114	11,664	3,271	55	729	39,517
Balance - other technical expenses/income	**R1200**										2,682
Total expenses	**R1300**										42,199

QRT Table 2 – PCC Aggregated Core and Cells in Euro ‘000

Top 5 Countries other than Malta

S.04.05.21
Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

		Home Country	Top 5 countries: non-life				
			C0011	**C0012**	**C0013**	**C0014**	**C0015**
	R0010		AT	DE	GB	RS	HR
		C0010	**C0020**	**C0021**	**C0022**	**C0023**	**C0024**
Premiums written (gross)							
Gross Written Premium (direct)	**R0020**	172	16,330	4,911	10,120		6,077
Gross Written Premium (proportional reinsurance)	**R0021**			8,250		8,737	
Gross Written Premium (non-proportional reinsurance)	**R0022**						
Premiums earned (gross)							
Gross Earned Premium (direct)	**R0030**	134	16,622	4,746	11,030		5,861
Gross Earned Premium (proportional reinsurance)	**R0031**			8,250		8,520	
Gross Earned Premium (non-proportional reinsurance)	**R0032**						
Claims incurred (gross)							
Claims incurred (direct)	**R0040**	19	4,963	2,357	6,072		847
Claims incurred (proportional reinsurance)	**R0041**			1,034		2,133	
Claims incurred (non-proportional reinsurance)	**R0042**						
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	**R0050**	4	10,986	38	2,509		4,890
Gross Expenses Incurred (proportional reinsurance)	**R0051**			399		6,207	
Gross Expenses Incurred (non-proportional reinsurance)	**R0052**						

Home country: Life insurance and reinsurance obligations

		Home Country	Top 5 countries: life				
			C0031	**C0032**	**C0033**	**C0034**	**C0035**
			DE				
		C0030	**C0040**	**C0041**	**C0042**	**C0043**	**C0044**
Gross Written Premium	**R1020**		3,453				
Gross Earned Premium	**R1030**		3,453				
Claims incurred	**R1040**		849				
Gross Expenses Incurred	**R1050**		213				

QRT Table 3 – PCC Aggregated Core and Cells in Euro '000

S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance									
		Medical expense insurance	Income protection insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport	Fire and other damage to property	General liability insurance	Assistance	Miscellaneous financial loss	Total Non-Life obligation
		C0020	C0030	C0050	C0060	C0070	C0080	C0090	C0120	C0130	C0180
Technical provisions calculated as a sum of BE and RM											
Best estimate											
Premium provisions											
Gross	R0060	5,839	-2,359	2,714	2,312	177	-1,235	-1,802	-1	-2,483	3,163
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	3,439	-8	-287	-298	55	-5,389	-5,260	0	-120	-7,866
Net Best Estimate of Premium Provisions	R0150	2,401	-2,351	3,001	2,610	122	4,153	3,458	-1	-2,363	11,029
Claims provisions											
Gross	R0160	1,997	1,057	8,415	-13	424	5,587	4,497	13	3,315	25,292
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	1,375	0	1,856	0	150	4,063	2,232	13	2,703	12,393
Net Best Estimate of Claims Provisions	R0250	623	1,057	6,558	-13	273	1,524	2,265	1	611	12,900
Total Best estimate - gross	R0260	7,836	-1,302	11,129	2,300	601	4,352	2,696	12	832	28,455
Total Best estimate - net	R0270	3,023	-1,294	9,560	2,597	395	5,677	5,723	0	-1,752	23,929
Risk margin	R0280	125	320	552	124	17	290	211	0	547	2,187
Technical provisions - total											
Technical provisions - total	R0320	7,961	-982	11,681	2,424	618	4,642	2,907	12	1,379	30,642
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	4,813	-8	1,569	-298	206	-1,326	-3,027	12	2,584	4,527
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	3,148	-974	10,112	2,721	413	5,967	5,934	0	-1,205	26,116

QRT Table 4 – PCC Aggregated Core and Cells in Euro '000

S.12.01.02
Life and Health SLT Technical Provisions

		Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
		C0100	C0150
Technical provisions calculated as a sum of BE and RM			
Best Estimate			
Gross Best Estimate	R0030	-7,173	-7,173
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080		
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	-7,173	-7,173
Risk Margin	R0100	207	207
Technical provisions - total	R0200	-6,967	-6,967

QRT Table 5 – PCC Aggregated Core and Cells in Euro '000

S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	**Z0020**	Accident year [AY]

Gross Claims Paid (non-cumulative)
(absolute amount)

		Development year													In Current year	Sum of years (cumulative)
	Year		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**				
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**			**C0170**	**C0180**
Prior	**R0100**											-6		**R0100**	-6	-6
2015	**R0160**	5,960	1,432	220	68	42	1	9	0	5	-6			**R0160**	-6	7,731
2016	**R0170**	6,488	2,101	323	433	194	125	41	7	0				**R0170**	0	9,711
2017	**R0180**	7,333	2,111	227	209	198	55	33	1					**R0180**	1	10,168
2018	**R0190**	8,697	2,303	372	148	165	73	23						**R0190**	23	11,782
2019	**R0200**	13,168	2,253	28	21	-19	2							**R0200**	2	15,454
2020	**R0210**	14,703	2,871	52	4	5								**R0210**	5	17,635
2021	**R0220**	17,505	3,845	22	13									**R0220**	13	21,384
2022	**R0230**	18,716	3,356	139										**R0230**	139	22,211
2023	**R0240**	25,434	3,952											**R0240**	3,952	29,387
2024	**R0250**	32,574												**R0250**	32,574	32,574
													Total	**R0260**	36,698	178,030

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year													Year end (discounted data)
	Year		**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10 & +**			
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**			**C0360**
Prior	**R0100**											19		**R0100**	37
2015	**R0160**	230	125	138	89	40	12	0	26	18	9			**R0160**	7
2016	**R0170**	384	1,547	288	196	2	0	20	22	10				**R0170**	9
2017	**R0180**	1,357	622	311	18	10	348	269	156					**R0180**	129
2018	**R0190**	2,162	1,240	64	40	138	85	32						**R0190**	27
2019	**R0200**	290	136	74	27	6	0							**R0200**	25
2020	**R0210**	236	74	27	5	3								**R0210**	3
2021	**R0220**	291	74	33	3									**R0220**	1
2022	**R0230**	458	412	355										**R0230**	321
2023	**R0240**	1,399	1,016											**R0240**	942
2024	**R0250**	1,904												**R0250**	4,625
													Total	**R0260**	6,127

QRT Table 6 – PCC Aggregated Core and Cells in Euro '000

S.02.01.02

Balance sheet

		Solvency II value
Assets		**C0010**
Deferred tax assets	**R0040**	68
Property, plant & equipment held for own use	**R0060**	10,036
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	90,160
Property (other than for own use)	**R0080**	9,615
Holdings in related undertakings, including participations	**R0090**	5,888
Equities	**R0100**	18,491
Equities - listed	**R0110**	18,491
Bonds	**R0130**	45,916
Government Bonds	**R0140**	18,848
Corporate Bonds	**R0150**	27,068
Collective Investments Undertakings	**R0180**	5,355
Deposits other than cash equivalents	**R0200**	4,895
Loans and mortgages	**R0230**	341
Other loans and mortgages	**R0260**	341
Reinsurance recoverables from:	**R0270**	4,527
Non-life and health similar to non-life	**R0280**	4,527
Non-life excluding health	**R0290**	-279
Health similar to non-life	**R0300**	4,806
Deposits to cedants	**R0350**	1,704
Insurance and intermediaries receivables	**R0360**	8,900
Reinsurance receivables	**R0370**	1,381
Receivables (trade, not insurance)	**R0380**	4,952
Cash and cash equivalents	**R0410**	30,287
Total assets	**R0500**	152,355

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	30,642
Technical provisions – non-life (excluding health)	**R0520**	23,663
Best Estimate	**R0540**	21,921
Risk margin	**R0550**	1,742
Technical provisions - health (similar to non-life)	**R0560**	6,979
Best Estimate	**R0580**	6,534
Risk margin	**R0590**	445
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	-6,967
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	-6,967
Best Estimate	**R0670**	-7,173
Risk margin	**R0680**	207
Deferred tax liabilities	**R0780**	8,998
Insurance & intermediaries payables	**R0820**	5,280
Reinsurance payables	**R0830**	2,406
Payables (trade, not insurance)	**R0840**	14,660
Total liabilities	**R0900**	55,020
Excess of assets over liabilities	**R1000**	97,335

QRT Table 7 – Atlas PCC Aggregated Core and Cells in Euro '000

S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 2
		C0010	C0020	C0040
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35				
Ordinary share capital (gross of own shares)	R0010	35,398	35,398	
Reconciliation reserve	R0130	33,072	33,072	
Total basic own funds after deductions	R0290	68,470	68,470	
Ancillary own funds				
Unpaid and uncalled ordinary share capital callable on demand	R0300	1,844		1,844

		Total	Tier 1 - unrestricted	Tier 2
		C0010	C0020	C0040
Total ancillary own funds	R0400	1,844		1,844
Available and eligible own funds				
Total available own funds to meet the SCR	R0500	70,314	68,470	1,844
Total available own funds to meet the MCR	R0510	68,470	68,470	
Total eligible own funds to meet the SCR	R0540	69,142	68,470	673
Total eligible own funds to meet the MCR	R0550	68,470	68,470	
SCR	R0580	33,356		
MCR	R0600	7,900		
Ratio of Eligible own funds to SCR	R0620	207.29%		
Ratio of Eligible own funds to MCR	R0640	866.71%		

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	97,335
Foreseeable dividends, distributions and charges	R0720	9,543
Other basic own fund items	R0730	35,398
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	19,322
Reconciliation reserve	R0760	33,072

QRT Table 8 – PCC Aggregated Core and Cells in Euro '000

S.25.01.21

Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement
		C0110
Market risk	**R0010**	19,998
Counterparty default risk	**R0020**	10,884
Life underwriting risk	**R0030**	1,648
Health underwriting risk	**R0040**	3,607
Non-life underwriting risk	**R0050**	16,829
Diversification	**R0060**	-16,064
Basic Solvency Capital Requirement	**R0100**	36,901

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	3,633
Loss-absorbing capacity of deferred taxes	**R0150**	-7,178
Solvency capital requirement excluding capital add-on	**R0200**	33,356
Solvency capital requirement	**R0220**	33,356
Other information on SCR		
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	18,121
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	15,235

		Yes/No
Approach to tax rate		**C0109**
Approach based on average tax rate	**R0590**	1 - Yes

		LAC DT
Calculation of loss absorbing capacity of deferred taxes		**C0130**
LAC DT	**R0640**	-7,178
LAC DT justified by reversion of deferred tax liabilities	**R0650**	-258
LAC DT justified by reference to probable future taxable economic profit	**R0660**	-71
LAC DT justified by carry back, future years	**R0680**	-6,849

QRT Table 9 – PCC Aggregated Core and Cells in Euro '000

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		MCR components
		C0010
MCR_{NL} Result	R0010	7,305

		Background information	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	3,023	4,914
Income protection insurance and proportional reinsurance	R0030		5,677
Motor vehicle liability insurance and proportional reinsurance	R0050	9,560	8,589
Other motor insurance and proportional reinsurance	R0060	2,597	10,103
Marine, aviation and transport insurance and proportional reinsurance	R0070	395	971
Fire and other damage to property insurance and proportional reinsurance	R0080	5,677	17,156
General liability insurance and proportional reinsurance	R0090	5,723	5,354
Assistance and proportional reinsurance	R0120	0	87
Miscellaneous financial loss insurance and proportional reinsurance	R0130		4,767

		C0070
Linear MCR	R0300	7,305
SCR	R0310	33,356
MCR cap	R0320	15,010
MCR floor	R0330	4,530
Combined MCR	R0340	7,305
Absolute floor of the MCR	R0350	7,900
Minimum Capital Requirement	R0400	7,900