



Oney Insurance (PCC) Limited

Annual Report and Financial Statements

31 December 2024

Oney Insurance (PCC) Limited

Company General Information

For the year ended 31 December 2024

Company Secretary

Willis Towers Watson Management (Malta) Limited
Willis Group, 3rd Floor, Development House,
St. Anne Street,
Floriana FRN 9010, Malta

Registered Office

171,
Old Bakery Street,
Valletta, VLT 1455, Malta

Auditors

Forvis Mazars,
The Watercourse, Level 2
Triq l-Imdina, Central Business District
Birkirkara, Malta

External Actuarial Function Holder

Declan Lavelle
Lane Clark & Peacock Ireland Ltd.
2, Grand Canal Wharf,
South Docks Road,
Dublin 4, Ireland

Oney Insurance (PCC) Limited

	Pages
Annual Report and Financial Statements	
Directors' Report	1 - 4
Financial Statements:	
Statement of Comprehensive Income	5
Statement of Financial Position	6 - 7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 56
Independent Auditor's Report	

Oney Insurance (PCC) Limited

Directors' Report

For the year ended 31 December 2024

The directors present their report of Oney Insurance (PCC) Limited (the "Company") for the year ended 31 December 2024.

Board of directors

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

Jerome Guillemard
Desmond Murray
John Bonett
Romain de Maud'Huy
Antonio Portelli (resigned with effect from 30 June 2024)
Bartosz Kolasa (appointed with effect from 18 February 2025)

Principal activities

The Company's principal activity is that of carrying on business of insurance falling within Classes 1, 2, 3, 8, 9 and 16 of the Insurance Business Act, 1998 (Chapter 403, Laws of Malta). The Company is licensed to transact general business and in accordance with the Companies Act (Cell Companies carrying on business of insurance) Regulations, 2010 was granted a license to act as a cell company in June 2011. In 2019, the 'Affinity Cell', licensed to carry out reinsurance business, was incorporated within the Company.

Review of business development and financial position

The results for the year are set out in the statement of comprehensive income on page 5, while the financial position as at close of the reporting year is set out on pages 6 and 7.

During the year ended 31 December 2024, the Company's insurance revenue amounted to €80,464,703 (2023: €83,909,398, of which €75,827,185 (2023: €78,591,378) related to the Core and €4,637,518 (2023: €5,318,020) related to the Cell. The Core insurance revenue is made up of €42,405,200 (2023: €41,962,413) relating to credit insurance, €11,461,396 (2023: €11,198,566) relating to means of payment, €20,005,965 (2023: €23,489,281) relating to other property, €1,949,348 (2023: €1,954,595) relating to purchasing power protection and €5,276 (2023: (€13,477)) relating to reinsurance inwards. The Cell's insurance revenue relates to other property insurance.

Insurance service expense amounted to €65,077,752 (2023: €62,715,228), of which €57,270,667 (2023: €57,211,541) relates to the Core and €7,807,085 (2023: €5,503,687) relates to the Cell. The Core's insurance expense is made up of €30,362,143 (2023: €25,694,776) relating to credit insurance or payment protection insurance, €7,868,882 (2023: €8,687,235) relating to means of payment, €17,968,524 (2023: €21,548,049) relating to other property, €1,217,843 (2023: €1,224,673) relating to purchasing power protection and a credit of €146,725 (2023: €56,608) relating to reinsurance inwards. The Cell's insurance revenue relates to other property insurance.

Oney Insurance (PCC) Limited

Directors' Report – continued

For the year ended 31 December 2024

Review of business development and financial position – continued

Interest revenue for the year amounted to €2,331,867 (2023: €1,837,416) of which €2,142,186 (2023: €1,674,245) relates to the Core and €189,681 (2023: 163,171) relates to the Cell. All finance income consisted of deposit interest earned on short and medium term deposits placed with various financial institutions in accordance with an investment strategy approved by the board of directors.

As a result of its operations during this year, the Company generated a profit before tax amounting to €16,232,597 (2023: €20,677,463). After accounting for a tax charge of €5,322,361 (2023: €7,237,112), the profit after tax amounted to €10,910,236 (2023: €13,440,351), whereby €12,945,592 (2023: €13,530,751) profit after tax was generated by the Core, while €2,035,356 loss (2023: €90,400 loss) after tax was generated by the Cell.

The directors are confident that the Company will continue to achieve satisfactory results during the next financial period in line with its financial projections. Notwithstanding the current economic environment and inflation pressures, the directors and management monitor the changes and challenges of current macroeconomic environment on an ongoing basis and assess any potential impact.

At the reporting date the Company had total assets amounting to €74,470,980 (2023: €79,657,713). These mainly consisted of cash and cash equivalents held primarily with highly rated financial institutions amounting to €12,753,014 (2023: €19,242,199), investments amounting to €53,514,078 (2023: €53,714,078), insurance and reinsurance contract assets amounting to €747,292 (2023: €1,000,365), and other assets amounting to €6,914,924 (2023: €4,911,600).

These were financed by capital and reserves amounting to €32,819,175 (2023: €33,878,072) and liabilities amounting to €41,651,805 (2023: €45,779,641), out of which €26,405,995 (2023: €29,251,662) consisted of insurance and reinsurance contract liabilities, €3,296,981 (2023: €2,939,649) consisted of other current liabilities while €11,748,161 (2023: €13,221,737) relates to income tax payable.

The Company is subject to the requirements of the EU Solvency II directive. The Company opted for the standard formula under the Solvency II regime to calculate the SCR as the assumptions underlying the standard formula are considered to be a good fit for the Company's risk profile. At 31 December 2024, the Company has complied with the capital and solvency requirements as stipulated in the rules issued by the MFSA. The audited Group SCR will be reported in the group-wide Solvency and Financial Condition Report (SFCR).

Risks and uncertainty

Management carefully selects and implements underwriting strategies which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits.

The future development of claims is dependent on a number of contingent events, the financial impact of which cannot be determined in advance. The models that management used in its analysis, in part, rely on the assumption that claims will emerge in the future as they have emerged in the past. While management have attempted to quantify the effects of changes in future claims development from that in the past, actual development may differ from our estimates. These differences may come about for a number of reasons including changes in the social, legal, political, technological environment or economic and health factors (such as a pandemic).

Note 4.3 to the financial statements contain further information pertaining to insurance risk.

Oney Insurance (PCC) Limited

Directors' Report - continued

For the year ended 31 December 2024

Core assets, cellular assets and share capital

The Core assets comprise the assets of the Company which are non-cellular assets relating to the Core operation. The assets of Oney Insurance (PCC) Limited are either Core assets or cellular assets. The assets attributable to the Cell comprise assets represented by the proceeds of cell share capital, reserves and other assets attributable to the Cell.

Financial risk management

Information pertaining to the entity's financial risk management is included within Note 4 to these financial statements.

Events after the reporting date

There were no other significant events after the year end.

Future developments

The directors intend to continue to operate in line with the Company's current business plan that is to increase the significance of programmes other than the payment protection insurance business relative to the whole portfolio. Therefore, besides reducing product concentration, the Company is also aiming to achieve further diversification benefits across different lines of business and across geographical territories.

Dividend

An interim dividend of €11,969,133 (2023: €12,844,063) was paid during the year under review, €11,969,133 (2023: €12,286,244) by the Core and € nil (2023: €557,819) by the Cell.

Reserves

The directors propose that the balance of retained earnings amounting to €10,910,236 (2023: €11,969,133), split into €13,850,979 (2023: €12,874,520) for the Core and (€2,940,743) (2023: (€905,387)) for the Cell be carried forward to the next financial year.

External actuarial function holder

The Company's external actuarial function holder is Mr. Declan Lavelle FSAI, a partner of Lane Clark & Peacock Ireland Ltd.

Statement of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act (Cap. 386) and Insurance Business Act, 1998 (Chapter 403, Laws of Malta) to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of each reporting period and of the profit or loss for that period.

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

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

Oney Insurance (PCC) Limited

Directors' Report – continued

For the year ended 31 December 2024

Statement of directors' responsibilities for the financial statements – continued

The directors are also responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386) and Insurance Business Act, 1998 (Chapter 403, Laws of Malta). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Auditors

Forvis Mazars have indicated their willingness to continue in office and a resolution for their reappointment will be proposed at the annual general meeting.

Approved by the Board of Directors on 2 April 2025 and signed on its behalf by:

Bartosz Kolasa
Director

John Bonett
Director

Registered Office

171,
Old Bakery Street,
Valletta, VLT 1455, Malta

Oney Insurance (PCC) Limited

Statement of Comprehensive Income For the year ended 31 December 2024

	Notes	CORE		CELL		TOTAL	
		2024	2023	2024	2023	2024	2023
		€	€	€	€	€	€
Insurance revenue	3.1.9.1	75,827,185	78,591,378	4,637,518	5,318,020	80,464,703	83,909,398
Insurance service expense	3.1.9.1	(57,270,667)	(57,211,541)	(7,807,085)	(5,503,687)	(65,077,752)	(62,715,228)
Net expense from reinsurance contracts held	3.1.9.1	(253,645)	(1,225,120)	-	-	(253,645)	(1,225,120)
Insurance service result		18,302,873	20,154,717	(3,169,567)	(185,667)	15,133,306	19,969,050
Interest income	5	2,142,186	1,674,245	189,681	163,171	2,331,867	1,837,416
Net investment income		2,142,186	1,674,245	189,681	163,171	2,331,867	1,837,416
Finance expense from (re) insurance contracts issued	5	(455,102)	(197,910)	(179,146)	(64,729)	(634,248)	(262,639)
Finance income from reinsurance contracts held	5	582	55,736	-	-	582	55,736
Net insurance finance expense		(454,520)	(142,174)	(179,146)	(64,729)	(633,666)	(206,903)
Net insurance and investment result		19,990,539	21,686,788	(3,159,032)	(87,225)	16,831,507	21,599,563
Other finance costs	12	118,000	(463,000)	-	-	118,000	(463,000)
Other operating expenses	6	(744,626)	(407,247)	27,716	(51,853)	(716,910)	(459,100)
Profit/(loss) before income tax		19,363,913	20,816,541	(3,131,316)	(139,078)	16,232,597	20,677,463
Income tax (expense) / credit	8	(6,418,321)	(7,285,790)	1,095,960	48,678	(5,322,361)	(7,237,112)
Profit/(loss) for the year attributable to shareholders – total comprehensive income		12,945,592	13,530,751	(2,035,356)	(90,400)	10,910,236	13,440,351

The Company did not have other comprehensive income in the current and comparative years. The notes on pages 11 to 56 are an integral part of these financial statements.

Oney Insurance (PCC) Limited

Statement of Financial Position

As at 31 December 2024

	Notes	CORE		CELL		TOTAL	
		As at 31 December		As at 31 December		As at 31 December	
		2024	2023	2024	2023	2024	2023
		€	€	€	€	€	€
ASSETS							
Intangible assets	9	384,529	488,334	-	-	384,529	488,334
Tangible assets – equipment	10	99,268	91,103	-	-	99,268	91,103
Right-of-use asset	11	57,875	210,034	-	-	57,875	210,034
Investments	20	49,514,078	50,714,078	4,000,000	3,000,000	53,514,078	53,714,078
Reinsurance contract assets	3.1.9.2	747,292	1,000,365	-	-	747,292	1,000,365
Other assets	12	3,734,669	1,650,802	3,180,255	3,260,798	6,914,924	4,911,600
Cash and cash equivalents	13	10,668,969	16,033,601	2,084,045	3,208,598	12,753,014	19,242,199
Total assets		65,206,680	70,188,317	9,264,300	9,469,396	74,470,980	79,657,713
EQUITY							
Capital and reserves							
Called up share capital	14	5,600,000	5,600,000	2,500,000	2,500,000	8,100,000	8,100,000
Shareholder's contribution	15	11,062,340	11,062,340	2,746,599	2,746,599	13,808,939	13,808,939
Retained earnings		13,850,979	12,874,520	(2,940,743)	(905,387)	10,910,236	11,969,133
Total equity		30,513,319	29,536,860	2,305,856	4,341,212	32,819,175	33,878,072

The notes on pages 11 to 56 are an integral part of these financial statements.


Oney Insurance (PCC) Limited

Statement of Financial Position - continued As at 31 December 2024

	Notes	CORE		CELL		TOTAL	
		As at 31 December 2024	2023	As at 31 December 2024	2023	As at 31 December 2024	2023
		€	€	€	€	€	€
LIABILITIES							
Deferred tax liability	16	53,438	64,906	-	-	53,438	64,906
Insurance contract liabilities	3.1.9.2	17,922,827	23,997,099	8,481,074	5,254,563	26,403,901	29,251,662
Lease liability	11	147,230	301,687	-	-	147,230	301,687
Other current liabilities	17	3,280,770	2,921,417	18,305	18,232	3,299,075	2,939,649
Income tax payable	8	13,289,096	13,366,348	(1,540,935)	(144,611)	11,748,161	13,221,737
Total liabilities		34,693,361	40,651,457	6,958,444	5,128,184	41,651,805	45,779,641
Total equity and liabilities		65,206,680	70,188,317	9,264,300	9,469,396	74,470,980	79,657,713

The notes on pages 11 to 56 are an integral part of these financial statements.

The financial statements on pages 5 to 56 were approved and authorised for issue by the Board of Directors on 2 April 2025 and signed on its behalf by:


Bartosz Kolasa
Director


John Bonett
Director

Oney Insurance (PCC) Limited

Statement of Changes in Equity For the year ended 31 December 2024

	Notes	CORE			CELL			TOTAL		
		Share Capital €	Shareholders' Contribution €	Retained Earnings €	Total €	Share Capital €	Shareholders' Contribution €	Retained Earnings €	Total €	Total €
Balance as at 1 January 2023		5,600,000	15,620,159	11,630,013	32,850,172	2,500,000	2,188,780	(257,168)	4,431,612	37,281,784
Total comprehensive income for the year		-	-	13,530,751	13,530,751	-	-	(90,400)	(90,400)	13,440,351
Profit/(loss) for the year		-	-	13,530,751	13,530,751	-	-	(90,400)	(90,400)	13,440,351
Transaction with owners		-	-	(12,286,244)	(12,286,244)	-	-	(557,819)	(557,819)	(12,844,063)
Interim dividend paid	18	-	-	-	(4,557,819)	-	557,819	-	557,819	(4,000,000)
Shareholder's contribution	15	-	(4,557,819)	-	(4,557,819)	-	-	-	-	(4,000,000)
Balance as at 31 December 2023		5,600,000	11,062,340	12,874,520	29,536,860	2,500,000	2,746,599	(905,387)	4,341,212	33,878,072
Total comprehensive income for the year		-	-	12,945,592	12,945,592	-	-	(2,035,356)	(2,035,356)	10,910,236
Profit/(loss) for the year		-	-	12,945,592	12,945,592	-	-	(2,035,356)	(2,035,356)	10,910,236
Transaction with owners		-	-	(11,969,133)	(11,969,133)	-	-	-	-	(11,969,133)
Interim dividend paid	18	-	-	(11,969,133)	(11,969,133)	-	-	-	-	(11,969,133)
Balance as at 31 December 2024		5,600,000	11,062,340	13,850,979	30,513,319	2,500,000	2,746,599	(2,940,743)	2,305,856	32,819,175

The notes on pages 11 to 56 are an integral part of these financial statements.

Oney Insurance (PCC) Limited

Statement of Cash Flows

For the year ended 31 December 2024

		CORE		CELL		TOTAL	
	Notes	2024	2023	2024	2023	2024	2023
		€	€	€	€	€	€
Cash flows from operating activities							
Cash generated from operating activities	19	10,610,067	14,569,909	(1,818)	(41,142)	10,608,249	14,528,767
Interest received		1,605,811	859,024	177,629	138,309	1,783,440	997,333
Income tax paid		(6,507,041)	(6,406,469)	(300,364)	(5,887)	(6,807,405)	(6,412,356)
Net cash generated from operating activities		5,708,837	9,022,464	(124,553)	91,280	5,584,284	9,113,744
Cash flows from investing activities							
Acquisition of intangible assets	9	(136,522)	(118,404)	-	-	(136,522)	(118,404)
Acquisition of equipment	10	(46,091)	(51,496)	-	-	(46,091)	(51,496)
(Placement)/withdrawal of deposits with banks	20	1,200,000	(21,714,078)	(1,000,000)	1,000,000	200,000	(20,714,078)
Net cash (used in)/generated from investing activities		1,017,387	(21,883,978)	(1,000,000)	1,000,000	17,387	(20,883,978)
Cash flows from financing activities							
Payment of interim dividend	18	(11,969,133)	(12,286,244)	-	(557,819)	(11,969,133)	(12,844,063)
Net repayment/(receipt) of shareholders' contribution	15	-	(4,557,819)	-	557,819	-	(4,000,000)
Lease payments	11	(121,723)	(97,140)	-	-	(121,723)	(97,140)
Net cash (used in)/generated from financing activities		(12,090,856)	(16,941,203)	-	-	(12,090,856)	(16,941,203)
Net (decrease)/increase in cash and cash equivalents		(5,364,632)	(29,802,717)	(1,124,553)	1,091,280	(6,489,185)	(28,711,437)
Cash and cash equivalents at beginning of year		16,033,601	45,836,318	3,208,598	2,117,318	19,242,199	47,953,636
Cash and cash equivalents at end of year	13	10,668,969	16,033,601	2,084,045	3,208,598	12,753,014	19,242,199

The notes on pages 11 to 56 are an integral part of these financial statements.

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

	Pages
1 Reporting entity	11
2 Basis of preparation	11 – 13
3 Summary of material accounting policies	14 – 35
4 Management of insurance and financial risk	36 – 44
5 Investment income and insurance finance expense	44
6 Expenses by nature	45 – 46
7 Employee benefit expenses	46
8 Income tax expense	47
9 Intangible assets	48
10 Tangible assets – equipment	49
11 Leases	50
12 Other assets	51
13 Cash and cash equivalents	51
14 Share capital	52
15 Shareholder’s contribution	52
16 Deferred tax	52
17 Other current liabilities	52
18 Dividend	53
19 Cash generated from operating activities	53
20 Investments	54
21 Related party disclosures	55
22 Commitments	56
23 Events after reporting period	56

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

1 Reporting entity

Oney Insurance (PCC) Limited is a limited liability company incorporated and domiciled in Malta. The principal activities of the Company are described in Note 4. The Company was incorporated on 21 June 2011.

The registered office of the Company is 171, Old Bakery Street, Valletta VLT 1455, Malta.

Oney Insurance (PCC) Limited is a wholly owned subsidiary of Oney Holding Limited which is registered at 171, Old Bakery Street, Valletta VLT 1455, Malta. On 22 October 2019, BPCE S.A. whose registered office is 7, promenade Germaine Sablon, 75201 Paris, France, acquired 50.1% share in Oney Bank S.A thus since then it is the Group's ultimate parent company. Following BPCE S.A. acquisition, ELO S.A. (formerly Auchan Holding S.A.) whose registered office is situated at 40, Avenue de Flandre, 59170 Croix, France holds 49.9% share in Oney Bank S.A. These financial statements are consolidated within the consolidated accounting statements of Oney Bank S.A. which is registered at 34, Avenue de Flandre, 59170 Croix, France.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared and presented in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU ("the applicable framework"). All references in these financial statements to IAS, IFRS or SIC / IFRIC interpretations refer to those adopted by the EU. They have also been drawn up in accordance with the provisions of the Maltese Companies Act (Cap. 386) and the Insurance Business Act, 1998 (Chapter 403, Laws of Malta).

The financial statements of Oney Insurance (PCC) Limited include the financial position and financial performance of the Core and that of one Cell, referred to as the Affinity Cell. The total balances in the financial statements represent an aggregation of the Cell and the Core balances. The Company maintains separate accounts for the Core and the Cell. Cellular assets and liabilities are separate and separately identifiable from the Core or non-cellular assets.

The Company presents its statement of financial position broadly in increasing order of liquidity. An analysis regarding recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the notes.

2.2 Basis of measurement

Assets and liabilities are measured at historical cost other than insurance contract assets and liabilities which are measured in accordance with IFRS17 and financial instruments measured at amortised cost.

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

2 Basis of preparation – continued

2.4 Use of estimates and judgements – continued

Estimates and judgments are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1, other than the estimate of the ultimate liability arising from claims made under insurance contracts (within the estimates of future cash flows to fulfil insurance contracts).

There are several sources of uncertainty that need to be considered in the estimate of liabilities that the Company will ultimately pay for insurance claims including that the extent to which future claims experience could differ to historical trends. Specific uncertainty pertains to:

- the estimation of the projected unearned combined ratio on the car damage programme within the Affinity portfolio (to which the loss component pertains). The Company now has over five years of own experience including full history of claims cases paid and case estimates. This allows the Company to set reliable estimates for earned claims. Other than for hail claims, the Company's own claims experience is also a reliable guide when estimating unearned claims costs. But the projected unearned combined ratio is also influenced by the assumed level of hail claims on unearned business, which cannot be predicted with certainty.
- the extent to which future claims experience could differ to historical trends. The company has identified the likely and significant increase in inflation as a source of divergence from the historical loss experience due to the current economic environment. The Company has therefore carried out the exercise of assessing the best estimate of the reserves on its entire portfolio. The inflationary assumptions applied are derived from the OEC's estimate for price inflation over the next two years, 2025 and 2026, taking into account the sensitivity of claims to inflation by product.

The Company uses recognised actuarial models, appropriately adjusted by a risk adjustment, in order to determine the ultimate liability of claims (including loss component) as further described in Note 3.1.7. The directors believe that the liability arising from claims under insurance contracts is adequately reserved as at the financial year end. Further detail is provided in notes to these financial statements, including sensitivities to key variables.

2.5 New standards and interpretations not yet adopted

Standards, interpretations and amendments to published standards that are not yet effective in 2024

- Amendments to IAS 21, The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued 15 August 2023) (effective on 1 January 2025)

The amendments specifies when a currency is exchangeable into another currency and when not. It also specifies how an entity can determine the exchange rate to apply when a currency is not exchangeable and requires additional disclosures when a currency is not exchangeable.

The company is of the opinion that this amendment will not have a material impact on the financial statements of the company.

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

2 Basis of preparation – continued

2.6 Standards, interpretations and amendments to published standards effective in 2024

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

- Amendments to IAS 1, Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020), Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020) and Non-Current Liabilities with Covenants (issued on 31 October 2020) (effective on 1 January 2024)

The amendments requires that a right to defer settlement for at least 12 months must exist at the reporting date and have substance. This right may be subject to compliance with conditions specified in a loan arrangement and only those existing at the reporting date are to be considered. However, information about conditions or covenants that apply in future periods are to be disclosed. Also, liabilities relating to convertible debt may become current. The amendments apply retrospectively.

- Amendments to IFRS 16, Leases: Lease liability in a sale and leaseback (issued on 22 September 2022) (effective on 1 January 2024)

The narrow scope amendment impact how a seller-lessee accounts for variable payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and requires seller-lessees to reassess and potentially restate retrospectively as from date of application of IFRS 16.

- Amendments to IAS 7, Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023) (effective on 1 January 2024)

The amendments relate to disclosure requirements in connection with supplier financing arrangements - also known as supply chain financing, financing of trade payables or reverse factoring arrangements.

2.7 Standards, interpretations and amendments issued by the International Accounting Standards Board (IASB) but not yet adopted by the European Union

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (issued on 30 May 2024)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024)
- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)
- Contracts Referencing Nature-dependent Electricity – Amendment to IFRS 9 and IFRS 7 (issued on 18 December 2024).
- Annual improvements Volume 11 (issued on 18 July 2024)

The company is assessing the impact that the adoption of these Financial Reporting Standards will have in the financial statements of the Company in the period of initial application.

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

3 Summary of material accounting policies

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 (Re) insurance contracts

Summary of measurement approaches and type of contracts, as follows:

The Company uses only Premium Allocation Approach (PAA) approach for different types of contracts as follows:

Portfolios of (re) insurance contracts issued	Product classification	Measurement model
Credit insurance contracts	Insurance contracts	PAA
Insurance on means of payments	Insurance contracts	PAA
Other property insurance	Insurance contracts	PAA
Purchase payment protection	Insurance contracts	PAA
Reinsurance inwards	Insurance contracts	PAA
Reinsurance contracts held		
Other property Insurance - quota share reinsurance	Reinsurance contract held	PAA
Other property Insurance - excess of loss reinsurance	Reinsurance contract held	PAA

3.1.1 (Re) Insurance contracts classification

(Re) insurance contracts are those contracts in which the Company (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

The Company issues contracts that transfer significant insurance risk and has defined all its contracts as insurance contracts. Unless specified otherwise, the term 'insurance contracts' may also refer to reinsurance contracts held.

3.1.2 Unit of account

The Company manages insurance contracts issued by product lines within an operating segment, where each product line includes contracts that are subject to similar risks. All insurance contracts within a product line represent a portfolio of contracts. A portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts) and are: (i) contracts that are onerous at initial recognition; (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or (iii) a group of remaining contracts. These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

The Company holds five portfolios of (re) insurance contracts issued measured using PAA, as follows: credit insurance, insurance on means of payment, other property insurance, purchase payment protection insurance, and reinsurance inwards (insurance contracts entered into by the Company under which the contract holder is another insurer). The business line was assessed by management at the level of grouping at which it represents contracts that share similar risk. All contracts are measured using PAA as per note 3.1.5.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies – continued

3.1 (Re)insurance contracts – continued

3.1.2 Unit of account – continued

The Company assumes that no such contracts are onerous at initial recognition unless facts and circumstances indicate otherwise. If facts and circumstances indicate that some contracts are onerous, an additional assessment is performed to distinguish onerous contracts from non-onerous ones.

Portfolio of reinsurance contracts held are contracts entered with reinsurers under which the Company is compensated for losses on one or more contracts issued by the Company and that meet the classification requirements for insurance contracts. These are assessed for aggregation separately from portfolios of insurance contracts issued. Applying the grouping requirements to reinsurance contracts held, the Company aggregates reinsurance contracts held concluded within a calendar year into groups of (i) contracts for which there is a net gain at initial recognition, if any; (ii) contracts for which at initial recognition there is no significant possibility of a net gain arising subsequently; and (iii) remaining contracts in the portfolio, if any. Reinsurance contracts held are assessed for aggregation requirements on an individual contract basis.

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

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

The Company does not have any contracts that require further separation or combination of insurance contracts.

3.1.3 Recognition and derecognition

Groups of insurance contracts issued and non-proportionate reinsurance contracts held are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous.

A group of reinsurance contracts held that covers the losses of separate insurance contracts on a proportionate basis is recognised at the later of:

- the beginning of the coverage period of the group; or
- the initial recognition of any underlying insurance contract.

The Company does not recognise a group of quota share reinsurance contracts held until it has recognised at least one of the underlying insurance contracts.

Only contracts that individually meet the recognition criteria by the end of the reporting period are included in the groups. When contracts meet the recognition criteria in the groups after the reporting date, they are added to the groups in the reporting period in which they meet the recognition criteria, subject to the annual cohorts restriction. Composition of the groups is not reassessed in subsequent periods.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies – continued

3.1 (Re) insurance contracts – continued

3.1.3 Recognition and derecognition – continued

For all the portfolios, the group of insurance contracts issued by the Company is recognised on the date when the first payment from a policyholder in the group becomes due.

Accounting for contract modification and derecognition

The Company derecognises insurance contract when:

- its rights and obligations relating to the contract are extinguished (that is, discharged, cancelled or expired); or
- the contract is modified such that the modification results in a change in the measurement model, or the applicable standard for measuring a component of the contract. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

3.1.4 Measurement

Fulfilment cash flows ('FCF') within contract boundary

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

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

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

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

The Company estimates FCF at a product by product level and then allocates these to groups of contracts.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies – continued

3.1 (Re)insurance contracts – continued

3.1.4 Measurement – continued

Fulfilment cash flows ('FCF') within contract boundary— continued

The yield curves that were used to discount the estimates of future cash flows that do not vary based on the returns of the underlying items are as follows:

December 2024

	1 year €	2 years €	3 years €	4 years €	5 years €
Property and casualty (issued and reinsurance held)	2.25%	2.01%	1.97%	1.96%	1.97%

December 2023

	1 year €	2 years €	3 years €	4 years €	5 years €
Property and casualty (issued and reinsurance held)	3.73%	3.21%	2.96%	2.85%	2.81%

Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- a. the Company has the practical ability to reprice the risks of the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b. both of the following criteria are satisfied:
 - the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

In assessing the practical ability to reprice, risks transferred from the policyholder to the Company, such as insurance risk, are considered; other risks, such as lapse or surrender and expense risks, are not included.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive services from the reinsurer.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies – continued

3.1 (Re) insurance contracts – continued

3.1.4 Measurement – continued

Contract boundary – continued

During 2024 and 2023, the Company had two reinsurance contracts held on a quota share basis. One contract covered losses incurred during a 12-month period thus, all cash flows arising from claims incurred and expected to be incurred during the treaty period are included in the measurement of the reinsurance contracts held. The other contract covered claims incurred from underlying contracts issued and attached during the treaty period, thus in this instance cashflows may exceed the 12-month boundary, however contract was eligible to apply PAA.

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

Insurance acquisition costs

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

Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

- a. to that group; and
- b. to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio. The Company does not currently incur cash flows which would result in a recognition of an asset for pre-recognition cash flows.

Risk adjustment for non-financial risk

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

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

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in note 3.1.7.4.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies – continued

3.1 (Re) insurance contracts – continued

3.1.5 Initial and subsequent measurement – groups of contracts measured under the PAA

The Company uses the PAA for measuring its contracts, as the contract boundary for credit insurance portfolio, prevoyance portfolio, means of payment portfolio and other property – material damage and pet programmes assessed to be less than one year. In relation to reinsurance inwards portfolio, other property - motor damage and extended warranty programmes have a coverage period longer than one year. For such contracts longer than one year, the Company has modelled possible future scenarios. However, there is no material difference in the measurement of the liability for remaining coverage ('LRC') between the PAA and the General Measurement Model ('GMM'), therefore these qualify for PAA. In assessing materiality, the Company has also considered qualitative factors such as the nature of the risk and types of its lines of business.

For (re)insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group.

For reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid.

For (re)insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset (if any).

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a. the LRC (including loss component and cash inflows receivable related to past service); and
- b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a. increased for premiums received in the period;
- b. decreased for insurance acquisition cash flows paid in the period;
- c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expense.

Onerous contracts— Loss component

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Company increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expense, and a loss component is established for the amount of the loss recognised.

Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component. Where applicable, resulting changes in the loss component are disaggregated between insurance service expense and insurance finance income or expense for the effect of the time value of money, financial risk and effect of changes therein.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies – continued

3.1 (Re) insurance contracts - continued

3.1.5 Initial and subsequent measurement – groups of contracts measured under the PAA - continued

Reinsurance contracts held – Loss-recovery component

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised. The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts. Where applicable, changes in the loss-recovery component are disaggregated between net income from reinsurance contracts held and insurance finance income or expenses for the effect of the time value of money, financial risk and effect of changes therein in proportion to the disaggregation applied to the changes in the underlying loss component.

3.1.6 Insurance service result from (re) insurance contracts issued and reinsurance contracts held

Insurance revenue

As the Company provides insurance contract services under the group of insurance contracts, it reduces the LRC and recognises insurance revenue. The amount of insurance revenue recognised in the reporting period depicts the transfer of promised services at an amount that reflects the portion of consideration that the Company expects to be entitled to in exchange for those services.

The Company recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

Insurance service expense

Insurance service expense include the following:

- a. incurred claims and benefits;
- b. other incurred directly attributable expenses;
- c. insurance acquisition cash flows amortisation;
- d. changes that relate to past service – changes in the FCF relating to the LIC; and
- e. changes that relate to future service – changes in the FCF that result in onerous contract losses or reversals of those losses; and
- f. insurance acquisition cash flows assets impairment, net of reversals.

Amortisation of insurance acquisition cash flows is based on the passage of time.

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

Insurance finance income or expense

Insurance finance income or expense comprise the change in the carrying amount of the group of insurance contracts arising from:

- a. the effect of the time value of money and changes in the time value of money; and
- b. the effect of financial risk and changes in financial risk.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies – continued

3.1 (Re) insurance contracts – continued

3.1.6 Insurance service result from (re) insurance contracts issued and reinsurance contracts held – continued

Insurance finance income or expense - continued

The main amounts within insurance finance income or expense are:

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

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

The Company includes all insurance finance income or expense for the period in profit or loss.

3.1.7 Estimates and assumptions

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

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

For the sensitivities with regards to the assumptions made that have the most significant impact on measurement under IFRS 17, refer to note 3.1.8.

3.1.7.1 *Estimates of future cash flows to fulfil insurance contracts*

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

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

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies – continued

3.1 (Re)insurance contracts – continued

3.1.7 Estimates and assumptions – continued

3.1.7.1 *Estimates of future cash flows to fulfil insurance contracts*— continued

Certain expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts and number of policies in force within groups. Certain acquisition cash flows are allocated to groups of contracts based on gross premiums written, where appropriate.

Uncertainty in the estimation of future claims and benefit payments arises primarily from the severity and frequency of claims and uncertainties regarding future inflation rates leading to claims and claims-handling expenses growth. Note 4.3 contains further information.

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

3.1.7.2 *Expenses*

The Company projects estimates of future expenses relating to fulfilment of contracts within the scope of IFRS 17 using current expense levels adjusted for inflation. These comprise expenses directly attributable to the groups of contracts, including an allocation of fixed and variable overheads. In addition, under certain methods used to assess claims incurred for the Other Property insurance, estimates of future claim payments are adjusted for inflation.

3.1.7.3 *Methods used to measure insurance contracts*

Estimates are performed on an accident year basis. Judgement is involved in assessing the most appropriate technique to estimate insurance liabilities for the claims incurred. A combination of two techniques is being used, the chain-ladder projection of claims payments and average cost per claim applied to a chain-ladder projection of claim numbers. In addition to the two techniques, the Bornhuetter-Ferguson method adjustment is applied. These techniques are the industry standards for these type of claims. The chain-ladder technique involves an analysis of historical claims development factors and the selection of estimated development factors based on this historical pattern. The selected development factors are then applied to cumulative claims data for each accident year that is not yet fully developed, to produce an estimated ultimate claims cost for each accident year. The Bornhuetter-Ferguson method uses a combination of a benchmark or market-based estimate and an estimate based on claims experience. The former is based on a measure of exposure, such as gross premiums; the latter is based on the paid or incurred claims to date. The two estimates are combined, using a formula that gives more weight to the experience-based estimate as time passes.

In its claims incurred assessments, the principal assumptions underlying the estimated insurance liabilities are based on the past claims experience within the book of business, combined with a short-term view of the outlook for the French, Italian, Portuguese, Spanish and Polish economies. The Company's methodology assumptions and calculations are based on actuarial techniques and the Company's external independent actuarial function holder and internal actuarial team were both involved in the process.

The key assumptions are loss ratios, claim payment delays, management expenses.

Refer to note 3.1.8 for sensitivity of insurance liabilities to assumptions used.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies – continued

3.1 (Re) insurance contracts – continued

3.1.7 Estimates and assumptions - continued

3.1.7.4 *Methods used to measure the risk adjustment for non-financial risk*

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

Quantiles are already calculated in the annual actuarial reports when quantifying uncertainty around the best estimate of the outflows. This quantile approach (i.e. Value at Risk) was used to derive the overall risk adjustment for non-financial risk. The Company has derived its risk adjustment for non-financial risk using the confidence level (probability of sufficiency) approach at the 77.5th percentile (2023: 77.5th percentile) of the estimated distribution of future ultimate claims cash flows. This leads to an uplift of 12% (2023: 10%) of the projected cashflows related to claims.

The methodology, assumptions and calculations are based on actuarial techniques and the Company's external independent actuarial function holder and internal actuarial team were both involved in the process.

3.1.8 Sensitivity analysis to underwriting risk variables

The general insurance claims provision is sensitive to the above key assumptions in note 3.1.7. The sensitivity of certain variables like legislative change, uncertainty in the estimation process, etc, is not possible to quantify. Furthermore, because of delays that arise between occurrence of a claim and its subsequent notification and eventual settlement, the liability for incurred claims is not known with certainty at the end of the reporting period.

Consequently, the ultimate liabilities will vary, possibly materially, as a result of subsequent developments. Differences resulting from reassessment of the ultimate liabilities are recognised in subsequent years' financial statements.

The following table presents information on how reasonably possible changes in assumptions made by the Company with regard to underwriting risk variables impact its insurance liabilities, and profit or loss and equity. These contracts are measured under the PAA and, thus, only the LIC component of insurance liabilities is sensitive to possible changes in underwriting risk variables.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies – continued

3.1 (Re) insurance contracts - continued

3.1.8 Sensitivity analysis to underwriting risk variables –continued

Company

31 December 2024

	Impact on LIC €	Impact on profit before income tax €	Impact on equity €
1% nominal increase in:			
IBNR Loss ratio— Accident and sickness	199,780	(199,780)	(129,857)
IBNR Loss ratio – Unemployment	309,954	(309,954)	(201,470)
IBNR Loss Ratio – Fire and Damage	534,282	(534,282)	(347,283)
IBNR Loss ratio – Motor vehicle damage	448,992	(448,992)	(291,845)

31 December 2023

	Impact on LIC €	Impact on profit before income tax €	Impact on equity €
IBNR Loss ratio— Accident and sickness	303,952	(303,952)	(197,569)
IBNR Loss ratio – Unemployment	308,646	(308,646)	(200,620)
IBNR Loss Ratio – Fire and Damage	244,318	(244,318)	(158,807)
IBNR Loss ratio – Motor vehicle damage	66,511	(66,511)	(43,232)

The above sensitivities are provided on a gross of reinsurance basis.

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

3 Summary of material accounting policies - continued

3.1 (Re) insurance contracts – continued

3.1.9 (Re) insurance contracts financial information

3.1.9.1 Insurance revenue and expense

An analysis of insurance revenue and insurance service expense for 2024 and 2023 is included in the following table:

2024	CORE Credit Insurance	CORE Means of payment	CORE Other property	CORE Prevoyance	CORE Reinsurance inwards	CELL Other property	Company Total
	€	€	€	€	€	€	€
Insurance revenue							
Insurance revenue from contracts measured under PAA	42,405,200	11,461,396	20,005,965	1,949,348	5,276	4,637,518	80,464,703
Total insurance revenue	42,405,200	11,461,396	20,005,965	1,949,348	5,276	4,637,518	80,464,703
Insurance service expense							
Amortisation of insurance acquisition cash flows (PAA)	(21,261,843)	(6,366,399)	(7,843,649)	(766,936)	826	29,457	(36,208,544)
Incurred claims and other expenses (PAA)	(8,197,692)	(1,515,130)	(11,738,925)	(444,748)	-	(4,600,813)	(26,497,308)
Changes that relate to past service - changes in the FCF relating to LIC (PAA)	(495,900)	14,910	1,201,673	(4,985)	148,719	(1,976,454)	(1,112,037)
Adjustments to LIC- Risk adjustment (PAA)	(406,708)	(2,263)	217,905	(1,174)	(2,820)	(724,837)	(919,897)
Losses on onerous contracts and reversal of such losses	-	-	194,472	-	-	(534,438)	(339,966)
Total insurance service expense	(30,362,143)	(7,868,882)	(17,968,524)	(1,217,843)	146,725	(7,807,085)	(65,077,752)
Net expense from reinsurance contracts held							
Reinsurance expense - contracts measured under PAA	-	-	(253,645)	-	-	-	(253,645)
Total insurance service result	12,043,057	3,592,514	1,783,796	731,505	152,001	(3,169,567)	15,133,306

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

3 Summary of material accounting policies - continued

3.1 (Re) insurance contracts – continued

3.1.9 (Re) insurance contracts financial information - continued

3.1.9.1 Insurance revenue and expense - continued

2023	CORE Credit Insurance	CORE Means of payment	CORE Other property	CORE Purchasing power protection	CORE Reinsurance inwards	CELL Other Property	TOTAL Company
	€	€	€	€	€	€	€
Insurance revenue							
Insurance revenue from contracts measured under PAA	41,962,413	11,198,566	23,489,281	1,954,595	(13,477)	5,318,020	83,909,398
Total insurance revenue	41,962,413	11,198,566	23,489,281	1,954,595	(13,477)	5,318,020	83,909,398
Insurance service expense							
Amortisation of insurance acquisition cash flows (PAA)	(21,087,587)	(7,052,407)	(8,818,396)	(830,366)	(9,151)	(473,704)	(38,271,611)
Incurred claims and other expenses (PAA)	(5,539,150)	(1,740,480)	(16,274,580)	(475,042)	-	(4,491,979)	(28,521,231)
Changes that relate to past service - changes in the FCF relating to LIC (PAA)	921,682	100,333	2,596,520	81,660	(59,568)	(622,636)	3,017,991
Adjustments to LIC - Risk adjustment (PAA)	10,279	5,319	124,353	(925)	11,911	107,947	258,884
Losses on onerous contracts and reversals of such losses	-	-	824,054	-	-	(23,315)	800,739
Total insurance service expense	(25,694,776)	(8,687,235)	(21,548,049)	(1,224,673)	(56,808)	(5,503,687)	(62,715,228)
Net income from reinsurance contracts held							
Reinsurance income - contracts measured under PAA	-	-	(1,225,120)	-	-	-	(1,225,120)
Total insurance service result	16,267,637	2,511,331	716,112	729,922	(70,285)	(185,667)	19,969,050

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

3.1 (Re) insurance contracts – continued

3.1.9 (Re) insurance contracts financial information - continued

3.1.9.2 Reconciliation of the liability for remaining coverage and the liability for incurred claims

CORE	2024 LRC Liabilities for Remaining Coverage excluding LC €	2024 LRC Loss Component €	2024 LRC Estimates of PV of future cash flows €	2024 LRC Risk adjustment for non-financial risk €	2024 Total €	2023 LRC Liabilities for Remaining Coverage excluding LC €	2023 LRC Loss Component €	2023 LRC Estimates of PV of future cash flows €	2023 LRC Risk adjustment for non-financial risk €	2023 Total €
Insurance contract assets as at 01/01	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 01/01	(6,749,902)	(3,408,326)	(12,705,966)	(1,132,905)	(23,997,099)	(12,933,139)	(4,313,181)	(14,259,650)	(1,283,803)	(32,789,773)
Net opening balance	(6,749,902)	(3,408,326)	(12,705,966)	(1,132,905)	(23,997,099)	(12,933,139)	(4,313,181)	(14,259,650)	(1,283,803)	(32,789,773)
Revenue from insurance contracts	75,827,185	-	-	-	75,827,185	78,591,378	-	-	-	78,591,378
Insurance service expense	-	-	-	-	-	-	-	-	-	-
Incurred claims and other expenses	-	-	(21,896,495)	(909,691)	(22,806,186)	-	-	(24,078,241)	(861,870)	(24,940,111)
Amortisation of insurance acquisition cash flows	(36,238,001)	-	-	-	(36,238,001)	(37,797,907)	-	-	-	(37,797,907)
Changes that relate to past service - changes in the FCF relating to LIC	-	-	864,417	714,632	1,579,049	-	-	3,640,627	1,012,768	4,653,395
Losses on onerous contracts and reversals of those losses	-	194,472	-	-	194,472	-	904,855	-	-	904,855
Insurance service expense	(36,238,001)	194,472	(21,032,078)	(195,059)	(57,270,666)	(37,797,907)	904,855	(20,437,614)	150,898	(57,179,768)
Insurance service result	39,589,184	194,472	(21,032,078)	(195,059)	18,556,519	40,793,471	904,855	(20,437,614)	150,898	21,411,610
Insurance finance expense through profit or loss	-	-	(455,102)	-	(455,102)	-	-	(197,910)	-	(197,910)
Total changes in the statement of profit or loss	39,589,184	194,472	(21,487,180)	(195,059)	18,101,417	40,793,471	904,855	(20,635,524)	150,898	21,213,700
Cash flows										
Premium received	(72,050,145)	-	-	-	(72,050,145)	(70,965,133)	-	-	-	(70,965,133)
Insurance acquisition cash flows	37,111,789	-	-	-	37,111,789	36,354,899	-	-	-	36,354,899
Claims and other expenses paid	-	-	22,911,211	-	22,911,211	-	-	22,189,208	-	22,189,208
Total cash flows	(34,938,356)	-	22,911,211	-	(12,027,145)	(34,610,234)	-	22,189,208	-	(12,421,026)
Net closing balance	(2,099,074)	(3,213,854)	(11,281,935)	(1,327,964)	(17,922,827)	(6,749,902)	(3,408,326)	(12,705,966)	(1,132,905)	(23,997,099)
Insurance contract assets as at 31/12	-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 31/12	(2,099,074)	(3,213,854)	(11,281,935)	(1,327,964)	(17,922,827)	(6,749,902)	(3,408,326)	(12,705,966)	(1,132,905)	(23,997,099)
Net closing balance	(2,099,074)	(3,213,854)	(11,281,935)	(1,327,964)	(17,922,827)	(6,749,902)	(3,408,326)	(12,705,966)	(1,132,905)	(23,997,099)

Note: LC= Loss component; PV=present value

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

3.1 (Re) insurance contracts – continued

3.1.9 (Re) insurance contracts financial information - continued

3.1.9.2 Reconciliation of the liability for remaining coverage and the liability for incurred claims - continued

CELL	Notes	2024 LRC Liabilities for Remaining Coverage excluding LC €	2024 LRC Loss Component €	2024 LRC Estimates of PV of future cash flows €	2024 LRC Risk adjustment for non-financial risk €	2024 Total €	2023 LRC Liabilities for Remaining Coverage excluding LC €	2023 LRC Loss Component €	2023 LRC Estimates of PV of future cash flows €	2023 LRC Risk adjustment for non-financial risk €	2023 Total €
Insurance contract assets as at 01/01		3,873,743	-	-	-	-	3,311,029	-	-	-	-
Insurance contract liabilities as at 01/01		3,873,743	(739,025)	(8,050,286)	(338,995)	(5,254,563)	3,311,029	(676,428)	(6,625,454)	(446,942)	(4,437,795)
Net opening balance											
Revenue from insurance contracts	3.1.9.1	4,637,518	-	-	-	4,637,518	5,318,020	-	-	-	5,318,020
Insurance service expense											
Incurred claims and other expenses		-	-	(4,600,813)	(259,460)	(4,860,273)	-	-	(4,442,990)	(103,133)	(4,546,123)
Amortisation of insurance acquisition cash flows	3.1.9.1	29,457	-	-	-	29,457	(473,704)	-	-	-	(473,704)
Changes that relate to past service - changes in the FCF relating to LIC		-	-	(1,976,454)	(465,378)	(2,441,832)	-	-	(622,636)	211,080	(411,556)
Losses on onerous contracts and reversals of such losses		-	(534,438)	-	-	(534,438)	-	(62,597)	-	-	(62,597)
Insurance service expense		29,457	(534,438)	(6,577,267)	(724,838)	(7,807,066)	(473,704)	(62,597)	(5,065,626)	107,947	(5,493,980)
Insurance service result		4,666,975	(534,438)	(6,577,267)	(724,838)	(3,169,568)	4,844,316	(62,597)	(5,065,626)	107,947	(175,960)
Insurance finance (expense)/income through profit or loss	5	-	-	(179,146)	-	(179,146)	-	-	(64,729)	-	(64,729)
Total changes in the statement of profit or loss		4,666,975	(534,438)	(6,756,413)	(724,838)	(3,348,714)	4,844,316	(62,597)	(5,130,355)	107,947	(240,689)
Cash flows											
Premium received		219,032	-	-	-	219,032	(4,804,295)	-	-	-	(4,804,295)
Insurance acquisition cash flows		(161,087)	-	-	-	(161,087)	522,693	-	-	-	522,693
Claims and other expenses paid		-	-	64,258	-	64,258	-	-	3,705,523	-	3,705,523
Total cash flows		57,945	-	64,258	-	122,203	(4,281,602)	-	3,705,523	-	(576,079)
Net closing balance		8,598,663	(1,273,463)	(14,742,441)	(1,063,833)	(8,481,074)	3,873,743	(739,025)	(8,050,286)	(338,995)	(5,254,563)
Insurance contract assets as at 31/12		-	-	-	-	-	-	-	-	-	-
Insurance contract liabilities as at 31/12		8,598,663	(1,273,463)	(14,742,441)	(1,063,833)	(8,481,074)	3,873,743	(739,025)	(8,050,286)	(338,995)	(5,254,563)
Net closing balance											

Note: LC= Loss component; PV=present value

Notes to the Financial Statements
For the year ended 31 December 2024

Note: LC= Loss-recovery component; AIC=Assets for incurred claims; PV=present value

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies - continued

3.1 (Re) insurance contracts – continued

3.1.9 (Re) insurance contracts financial information - continued

3.1.9.3 Gross and net claims development

The Company provides information on the claims development for the current reporting period and three years prior to it. The information pertaining to the 2021 Accident year as at the end of 2021, and 2022 (i.e., for the periods prior to the transition to IFRS 17) is based on accounting policies that existed prior to IFRS 17 adoption. Other figures have been restated in accordance with IFRS 17. Below is an exhibit that shows the development of claims over a period of time on a gross and net basis.

	2020	2021	2022	Accident year 2023	2024	Total
	€	€	€	€	€	€
Gross estimate of ultimate claims						
as at end 2021	20,387,039	24,412,741				
as at end 2022	19,922,910	23,626,145	25,221,685			
as at end 2023	19,394,816	22,629,736	23,974,234	23,579,277		
as at end 2024	19,310,174	23,124,473	24,329,178	24,256,755	21,832,046	
Net estimate of ultimate claims						
as at end 2021	20,408,925	22,949,260				
as at end 2022	19,784,378	21,927,752	18,981,386			
as at end 2023	19,256,066	21,192,309	18,024,351	22,136,657		
as at end 2024	19,171,398	21,673,610	18,641,002	22,756,247	21,822,520	
Gross cumulative claims paid						
as at end 2021	17,138,713	13,720,486				
as at end 2022	18,231,163	20,230,042	13,537,920			
as at end 2023	18,636,328	21,619,006	21,099,477	13,702,273		
as at end 2024	18,584,561	21,611,165	21,547,991	19,493,596	12,741,159	
Net cumulative claims paid						
as at end 2021	16,982,258	13,617,355				
as at end 2022	18,093,175	18,768,857	10,766,496			
as at end 2023	18,498,417	20,202,704	15,823,366	12,387,217		
as at end 2024	18,446,649	20,304,126	16,430,455	18,138,705	12,733,567	
Gross o/s claims						
as at end 2021	3,248,326	10,692,255				
as at end 2022	1,691,747	3,396,104	11,683,765			
as at end 2023	758,488	1,010,730	2,874,757	9,877,005		
as at end 2024	725,614	1,513,308	2,781,187	4,763,159	9,090,887	
Net o/s claims						
as at end 2021	3,426,668	9,331,905				
as at end 2022	1,691,203	3,158,895	8,214,890			
as at end 2023	757,649	989,605	2,200,985	9,749,440		
as at end 2024	724,749	1,369,484	2,210,547	4,617,542	9,088,953	
Net cumulative claims liabilities - accident years from 2021 to 2024						18,011,275
Net cumulative claims liabilities - prior accident years						541,210
Effect of discounting						(257,420)
Effect of the risk adjustment margin for non- financial risk						2,306,614
Claims payable						6,877,495
Net LIC for the contracts issued (refer to note 3.1.9.2)						27,479,174

The Company considers that there is no significant uncertainty with regards to claims that were incurred more than four years before the reporting period.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies - continued

3.2 Financial instruments

3.2.1 Financial assets

Classification and measurement

The Company classifies its financial assets into the following categories:

Type of financial instruments	Classification	Reason
Cash and cash equivalents	Amortised cost (AC)	Solely payments of principal and interest (SPPI), hold to collect business model
Financial assets (deposits with banks)	Amortised cost (AC)	Solely payments of principal and interest (SPPI), hold to collect business model

The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

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

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI, and that are not designated at FVTPL, are measured at AC. The carrying amount of these assets is adjusted by any expected credit loss ('ECL') allowance recognised and measured as described further below. Interest income from these financial assets is included in interest income from financial assets using the effective interest rate ('EIR') method.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method for any difference between the initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its AC before any impairment allowance). The calculation does not consider the ECL and includes transaction costs, premiums or discounts and fees and points paid or received that are integral to the EIR. When the Company revises the estimates of future cash flows, the carrying amount of the respective financial asset or financial liability is adjusted to reflect the new estimated discounted value using the original EIR. Any changes are recognised in profit or loss. Interest income is calculated by applying the EIR to the gross carrying amount of financial assets recognised at AC.

Impairment

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets measured at amortised cost and recognises a respective loss allowance, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies - continued

3.2 Financial instruments - continued

3.2.1 Financial assets – continued

Impairment - continued

At each reporting date, the Company shall measure the loss allowance on financial assets measured at amortised cost at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, on the other hand, the credit risk has not increased significantly, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability in the statement of financial position.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.2.1.1 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalent comprise cash balances and call deposits with original maturities of three months or less or deposits which can be called within a three month span, unless the deposit pertains to amounts earmarked for investment purposes as opposed to meeting short-term cash commitments. Deposits earmarked for investment purposes are classified within 'Investments' (financial assets at amortised cost).

3.2.2 Financial liabilities

The Company recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument.

Such financial liabilities are recognised initially at fair value net of any directly attributable transaction costs. Subsequently to initial recognition these financial liabilities are measured at amortised cost using the effective interest method. In both the current and prior periods, the Company's financial liabilities are classified and subsequently measured at AC and comprise other current liabilities.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies - continued

3.3 Share capital

3.3.1 Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

3.4 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity where there is an intention to settle the balances on a net basis.

3.5 Foreign currency transactions

Transactions in foreign currencies are translated to the Company's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the reporting period. Foreign currency differences arising on retranslation are recognised in profit or loss.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies - continued

3.6 Dividend distribution

Dividend distribution to the Core or Affinity Cell shareholders is recognised as a liability in the Company's financial statements in the period in which an obligation to pay a dividend is established.

3.7 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Assets and liabilities arising from a lease are initially measured on a present value basis.

Lease liabilities include the net present value of lease payments which include, among other, fixed payments and payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company uses as a starting point third-party financing rate applicable had the Company received financing and makes adjustments specific to the lease such as the lease term. The weighted average incremental borrowing rate applied to the lease liabilities on the start of the lease contract was 0.73% (2023: 0.73%).

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

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability, any lease payments made at or before the commencement date less any lease incentives received (if any), any initial direct costs and restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The Company's right-of-use assets are depreciated over 3 years.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

3 Summary of material accounting policies - continued

3.8 Intangible assets

Acquired computer software (including software licences) are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of four to five years. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of intangible assets.

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

3.9 Equipment

3.9.1 Recognition and measurement

Items of equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Gains or losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment and are recognised net within other income in profit or loss.

3.9.2 Subsequent costs

The cost of replacing a part of an item of equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embedded within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of equipment are recognised in profit or loss as incurred.

3.9.3 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current period are as follows:

- | | |
|--|-------------|
| • Computers and electronic equipment | 4 – 5 years |
| • Furniture and fixtures and office improvements | 10 years |

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

4 Management of insurance and financial risks

4.1 Overview

This note presents information about the Company's exposure to insurance and financial risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

4.2 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

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

Capital management objectives, policies and approach

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

- To maintain the required level of stability of the Company thereby providing a degree of security to policyholders;
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and of its shareholders;
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets;
- To align the profile of assets and liabilities taking account of risks inherent in the business;
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders;
- To maintain healthy capital ratios in order to support its business objectives and maximise shareholders value;
- To comply with the insurance capital requirements required by the Maltese Insurance Regulator (i.e., Maltese Financial Services Authority or MFSA).

In order to maintain or adjust the capital structure, the Company may issue new shares or capitalise contributions received from its shareholders.

The Company is required to hold regulatory capital for its insurance business in compliance with the rules issued by the MFSA. The minimum capital requirement must be maintained at all times throughout the year. The Company monitors its capital level on a regular basis, by ensuring that sufficient assets are maintained to match insurance liabilities and to provide solvency cover. Any transactions that may potentially affect the Company's solvency position are immediately reported to the directors and shareholders for resolution prior to notifying the MFSA.

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

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

4 Management of insurance and financial risks - continued

4.2 Risk management framework

Capital management objectives, policies and approach - continued

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

The Company opted for the standard formula under the Solvency II regime to calculate the SCR as the assumptions underlying the standard formula are considered to be a good fit for the Company's risk profile. At 31 December 2024, the Company's eligible own funds adequately covered the required SCR and amounted to €40,417,268 (unaudited) (2023: €44,925,014 (unaudited)). The audited group SCR will be reported in the group-wide Solvency and Financial Condition Report (SFCR). The Company was compliant with its regulatory capital requirements throughout the financial year.

Pursuant to regulation 14 of the PCC Regulations, where any liability arises which is attributable to a particular cell of a cell company:

- a. The cellular assets attributable to the cell shall be primarily used to satisfy the liability;
- b. The Company's non-cellular assets shall be secondarily used to satisfy the liability, provided that the cellular assets attributable to the relevant cell have been exhausted; and
- c. Any cellular assets not attributable to the relevant cell shall not be used to satisfy the liability.

The Company has taken the following safeguards in this respect:

- a. If the cellular assets are at any time insufficient to meet any cellular liability, the Company shall notify the Cell owners in writing and the Cell owners shall ensure that the Cell is adequately funded;
- b. In the event that the cellular assets are exhausted, and any non-cellular assets are paid or transferred to the creditors of the Cell, the Cell owners agreed to indemnify the Company of such assets.

4.3 Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims and actual benefits paid. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

Risk exposure is mitigated by diversification of different classes of business across a portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines and claim review policies.

The Company principally underwrites the following types of covers:

Payment protection insurance (PPI) which is grouped within the portfolio of credit insurance contracts, covering accident and sickness and miscellaneous financial loss to clients of its parent undertaking, Oney Bank S.A. registered and incorporated in France, branch of a parent, Oney Bank S.A. (Portugal branch) registered and incorporated in Portugal and fellow subsidiary Oney Servicios Financieros registered and incorporated in Spain. Risks are written under annually renewable group

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

4 Management of insurance and financial risks - continued

4.3 Insurance risk – continued

policies although premium for policies in France and Portugal is invoiced and accounted for on a monthly basis (ie. monthly contract boundary). As at the end of the year the Company was operating its PPI business in France, Portugal and Spain.

Miscellaneous financial loss cover for which the most significant risk is a recession leading to high unemployment, whilst that for accident and sickness cover, significant risks arise from lifestyle changes and epidemics. This risk is mitigated by the increased diversification of other portfolios as is further explained below.

Insurance on guarantee of Means of Payment launched in 2013 in France under classes 8 and 9 (fire and other damage to property). This portfolio is written under an annually renewable group policy

Purchase Power Protection insurance portfolio, launched in 2014 in France covering accident and sickness and unemployment. This portfolio is written under an annually renewable group policy.

Other property insurance portfolio groups all affinity business line, the main programmes within this portfolio are as follows:

- Garantie Tranquillite insurance, launched in 2015 in France under class 16 (Miscellaneous Financial loss). Garantie Tranquillite is an extended warranty covering three different product families beyond the expiration of the manufacturer's or distributor's warranty. The Company provides cover for three or five years depending on the product family. The cover guarantees the cost of repair or replacement value of all household goods within the chosen product family.
- Pet Insurance programme in France launched in October 2016, covering medical and surgical expenses following a physical accident and/or an illness suffered by a dog/cat owned as a pet.
- Auchan Extended Warranty in France launched in June 2017, covering electronic devices bought at Auchan Store for 1-3 years after the manufacturer's warranty. This programme was repriced in 2019.
- Electro Depot Casse Mobile in France launched in January 2017 covering accidental damage on all mobile phones purchased new, or less than 3 years old, owned by all household members.
- Passway in Italy launched in November 2018 covering damages to the car, personal accident, financial loss and collision cover, which is now in run-off.

Inward Reinsurance portfolio of the Cell covers a treaty that was entered into effective 1 February 2018. The Company assumes reinsurance risks on a quota share basis underwritten by the ceding company on pre-approved programs covering material damage and extended warranty programmes. In 2019, the Affinity Cell licensed to carry out reinsurance business was incorporated within the Company. Following the establishment of a Cell, the 15% quota share started being written in the Cell as from 1 January 2019. Furthermore, on 1 January 2021, the Company entered into another reinsurance treaty with the same Insurer, covering the same risk for another distributor for a quota share of 20%. In 2022, upon renewal further changes were made on the quota share, ranging from 15% to 30%.

The variability of risks is improved by careful selection and implementation of underwriting strategies. The Company's direct business is underwritten through an intermediary-network consisting of Group companies and third parties. Through increased expansion and diversification of

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

4 Management of insurance and financial risks - continued

4.3 Insurance risk – continued

its portfolio risk, the Company is increasingly being exposed to third parties. Internal underwriting guidelines are in place to enforce appropriate risk selection criteria and are reinforced by controls that are in place at an intermediary level. Further, strict claim review practices to assess all new and ongoing claims, regular detailed review of claims handling procedures and frequent investigation of possible fraudulent claims processes are in place to reduce the risk exposure of the Company.

The Company further enforces a policy of actively managing and promptly pursuing claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. The Company engages an external actuarial function as well as an internal actuarial team in order to determine the ultimate cost of insurance claims as further described in Note 3.1.7 to the financial statements.

The Company considers reinsurance as part of its risk mitigation program but does not have any active outward reinsurance as at 31 December 2024 and 2023. Notwithstanding this, the Company remains liable to its policyholders with respect to past ceded insurance if the reinsurer fails to meet the obligations it assumes. Hannover Re and Swiss Reinsurance Company Ltd have a credit rating of AA- and A+, respectively.

4.4 Financial risks

The most important components of financial risk are credit risk, liquidity risk and market risk (including interest rate risk). The Board, Investment Committee and management regularly monitor the Company's exposures to financial risks are cognisant of the risks emanating from the current macroeconomic environment. While the directors recognise that the current macroeconomic environment gives rise to uncertainties, on the basis of information available to the Company to date, they do not anticipate a material adverse impact on net assets. The risk management policies employed by the Company to manage its financial risks are discussed below.

4.4.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations.

The Company deposits cash and holds investments with highly rated financial institutions licensed and regulated in their respective countries, including a parent company as described in Note 13 and Note 20.

The Company mainly underwrites payment protection insurance through related parties in France, Portugal and Spain. The Company's payment protection insurance receivables as recognised within 'LIC' are mainly from its parent undertaking, Oney Bank S.A. registered and incorporated in France and regulated by the Autorité de Contrôle Prudentiel (ACP), branch of a parent, Oney Bank S.A. (Portugal branch) registered and incorporated in Portugal and regulated by ORIAS in France and Oney Servicios Financieros registered and incorporated in Spain. The Company, therefore, limits its exposure of counterparty insurance credit risk in respect to its main product given that it deals with parties within the Group. However, in the attempt to limit dependency on payment protection insurance, as from 2017 the Company further expanded its portfolio and increased its exposure to third parties. In order to limit its credit risk exposure, management ensures that it works with a limited number of international reputable brokers with a sound historical financial background.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

4 Management of insurance and financial risks - continued

4.4 Financial risks - continued

4.4.1 Credit risk – continued

Insurance receivables within insurance contract liabilities/ assets are followed up regularly to ensure no amounts exceed credit terms.

Commission payable to intermediaries is set-off against amounts receivable, given the Company's right to settle on a net basis. The net amount forms part of the liability for remaining coverage, as included in 'Insurance contract liabilities'.

Credit exposure

The table below shows the maximum exposure to credit risk for the respective components of the statement of financial position as at 31 December.

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
Investments (Note 20)	49,514,078	50,714,078	4,000,000	3,000,000	53,514,078	53,714,078
Cash and cash equivalents (Note 13)	10,667,778	16,033,510	2,084,045	3,208,598	12,751,823	19,242,108
Cash flows arising from insurance contract liabilities	11,383,278	23,725,022	3,711,882	2,618,604	15,095,160	26,343,626
Reinsurance contract assets	747,292	1,000,365	-	-	747,292	1,000,365
Total credit risk exposure	72,312,426	91,472,975	9,795,927	8,827,202	82,108,353	100,300,177

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Company at 31 December by classifying assets according to the Standard and Poor's credit ratings (or equivalent) of the counterparties. AAA is the highest possible rating. Cash and cash equivalents classified as unrated are held with an unrated subsidiary of a financial institution with a credit rating of A+.

31 December 2024	A+ Core €	A Core €	AA- Core €	BBB- Core €	Not rated Core €	BBB- Cell €	Not rated Cell €	Total €
Investments	31,500,000	6,000,000	-	12,014,078	-	4,000,000	-	53,514,078
Cash and cash equivalents	4,451,175	25,387	-	4,193,419	1,997,797	2,080,098	3,947	12,751,823
Cash flows arising from insurance contract liabilities	-	-	-	2,336,625	9,046,653	-	3,711,882	15,095,160
Reinsurance contract assets	-	-	747,292	-	-	-	-	747,292
Total	35,951,175	6,025,387	747,292	18,544,122	11,044,450	6,080,098	3,715,829	82,108,353

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

4 Management of insurance and financial risks - continued

4.4 Financial risks – continued

4.4.1 Credit risk – continued

Credit exposure by credit rating – continued

	A+ Core	A Core	AA- Core	BBB Core	Not rated Core	BBB Cell	Not rated Cell	Total
31 December 2023	€	€	€	€	€	€	€	€
Investments	28,700,000	5,000,000	-	17,014,078	-	3,000,000	-	53,714,078
Cash and cash equivalents	5,332,750	7,647,815	-	2,230,098	822,847	3,202,833	5,765	19,242,108
Cash flows arising from insurance contract liabilities	-	-	-	4,273,616	19,451,406	-	2,618,604	26,343,626
Reinsurance contract assets	-	-	1,000,365	-	-	-	-	1,000,365
Total	34,032,750	12,647,815	1,000,365	23,517,792	20,274,253	6,202,833	2,624,369	100,300,177

In line with the requirements of IFRS 17, receivables from insurance contracts are disclosed above as 'Cashflows arising from insurance contract liabilities' and form part of LRC within insurance contract liabilities.

As at 31 December 2024 and 2023, no credit exposure limits were exceeded. The Company actively manages its product mix to ensure that there is no significant non-related party concentration of credit risk by limiting investments in individual counterparties to a limit of 40% of the total deposit funds.

The Company measures credit risk and expected credit losses using probability of default, exposure at default, and loss given default. Management considers both historical data and forward-looking information in determining any expected credit loss. Based on 12-month expected credit losses, no loss allowance has been recognised during 2024 and 2023 as any such impairment would be wholly insignificant to the Company.

Past due or impaired financial assets

At 31 December 2024 and 2023, none of the Company's assets were past due or impaired.

4.4.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. In respect of catastrophic events there is also a liquidity risk associated with the timing differences between gross cash outflows, expected reinsurance recoveries and liquidation of the investments. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has procedures in place to mitigate the Company's exposure to liquidity risk. Management monitors asset allocations, and maturity profiles of assets, in order to ensure sufficient funding is available to meet insurance contract and other contractual obligations.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

4 Management of insurance and financial risks - continued

4.4 Financial risks – continued

4.4.2 Liquidity risk - continued

The following table presents the estimated amount and timing of the remaining contractual undiscounted cashflows arising from investment assets and discounted insurance liabilities for all portfolios (the LRC for insurance contracts issued under the PAA is not included in the tables).

31 December 2024

	0 – 1 year €	1 – 2 years €	2 – 3 years €	3 – 4 years €	>5 years €
Assets					
Investments	29,214,078	9,000,000	13,300,000	2,000,000	-
Cash and cash equivalents	12,753,014	-	-	-	-
Reinsurance contract assets -AIC	855,440	75,353	5,743	429	36
Other assets	3,754,961	-	-	3,512,603	-
Liabilities					
Insurance contract liabilities- LIC (discounted)	25,790,437	2,187,767	356,484	63,562	17,923
Other current liabilities	3,299,075	-	-	-	-
Net cash flows	17,487,983	6,887,586	12,949,259	5,449,470	(17,887)

31 December 2023

	0 – 1 year €	1 – 2 years €	2 – 3 years €	3 – 4 years €	>5 years €
Assets					
Investments	27,600,000	15,914,078	5,000,000	5,200,000	-
Cash and cash equivalents	19,242,199	-	-	-	-
Reinsurance contract assets -AIC	803,792	101,170	19,144	4,760	1,731
Other assets	1,398,891	-	2,247,215	1,265,494	-
Liabilities					
Insurance contract liabilities- LIC (discounted)	19,199,300	2,416,548	457,265	113,692	41,347
Other current liabilities	2,939,649	-	-	-	-
Net cash flows	26,905,933	13,598,700	6,809,094	6,356,562	(39,616)

The current and non-current split of insurance contracts and reinsurance contracts broadly aligns to the above analyses, other than cash inflows arising from the respective contracts which are all within one year. The lease liability has maturity as disclosed in Note 11.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

4 Management of insurance and financial risks - continued

4.4 Financial risks - continued

4.4.3 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises risk arising from changes to: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk). The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company invests in term fixed income deposits thereby exposes itself to interest rate risk, while it has no interest-bearing liabilities. The Company's assets and liabilities are mainly denominated in Euro thereby leaving the Company with no material currency exposure. On the other hand, the Company is not exposed to price risk since it has no investments in equities.

4.4.3.1 Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Company to cash flow interest risk, whereas fixed interest rate instruments expose the Company to fair value interest risk. The Company invests primarily in short and long-term deposits which are re-priced at renewal of the deposit.

Profile

At the reporting date the interest rate profile of the Company's interest-bearing financial assets was as follows:

	CORE		CELL		TOTAL	
	Carrying amount 2024 €	Carrying amount 2023 €	Carrying amount 2024 €	Carrying amount 2023 €	Carrying amount 2024 €	Carrying amount 2023 €
Fixed rate instruments						
Deposits with banks	49,514,078	50,714,078	4,000,000	3,000,000	53,514,078	53,714,078
Variable rate instruments						
Cash at bank	10,667,778	16,033,512	2,084,045	3,208,597	12,751,823	19,242,109
	60,181,856	66,747,590	6,084,045	6,208,597	66,265,901	72,956,187

Fair value sensitivity analysis for fixed and variable rate instruments

Fixed interest instruments are measured at amortised cost. Although these investments give rise to fair value interest rate risk, any change in market interest rates will accordingly not impact the Company's profit or loss or equity. The Company's interest rate risk principally arises from investments at fixed rates and cash and cash equivalents at variable rates which expose the Company to cash flow interest rate risk.

Management monitors the impact of changes in market interest rates on amounts reported in the income statement in respect of these instruments. Based on this analysis, management considers the potential impact on profit or loss of a defined interest rate shift that is reasonably possible at the end of the reporting period to be immaterial.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

4 Management of insurance and financial risks - continued

4.4 Financial risks - continued

4.4.3 Market risk - continued

The Company's interest-bearing instruments are bank deposits with a fixed interest rate and accordingly the level of interest rate risk is contained. The Company's operating cash flows are substantially independent of changes in market interest rates.

4.5 Fair values

At 31 December 2024 and 2023, the carrying amounts of financial assets and liabilities reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments.

5 Investment income and finance income/ (expense) from (re)insurance contracts issued

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
Net investment income						
Interest income from investments	2,142,186	1,674,245	189,681	163,171	2,331,867	1,873,416
Net investment income	2,142,186	1,674,245	2,142,186	163,171	2,331,867	1,837,416
Finance income/(expense) from (re) insurance contracts issued						
Interest accreted to (re) insurance contracts using current financial assumptions	(423,106)	(202,451)	(126,605)	(70,479)	(549,711)	(272,930)
Effect of changes in interest rates and other financial assumptions	(31,996)	4,541	(52,541)	5,750	(84,537)	10,291
Finance income/ (expense) from (re) insurance contracts issued	(455,102)	(197,910)	(179,146)	(64,729)	(634,248)	(262,639)
Finance income/ (expense) from reinsurance contracts held						
Interest accreted to reinsurance contracts using current financial assumptions	-	57,396	-	-	-	57,396
Effect of changes in interest rates and other financial assumptions	(582)	(1,660)	-	-	(582)	(1,660)
Finance income/ (expense) from reinsurance contracts held	(582)	55,736	-	-	(582)	55,736

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

6 Expenses by nature

2024	CORE Expenses attributed to insurance acquisition cash flows €	CORE Other directly attributable expenses €	CORE Other operating expenses €	CELL Expenses attributed to insurance acquisition cash flows €	CELL Other directly attributable expenses €	CELL Other operating expenses €	TOTAL €
Commissions	(35,167,814)	-	-	87,402	-	-	(35,080,412)
Computer operational costs	(61,190)	(709,324)	(3,333)	-	-	-	(773,847)
Amortisation of software (Note 9)	(13,585)	(157,476)	4,630	-	-	-	(166,431)
Depreciation of equipment (Note 10)	(11,120)	(12,012)	(3,133)	-	-	-	(26,265)
Professional fees	(261,608)	(799,548)	(229,160)	-	(12,668)	-	(1,302,984)
Directors' fees	-	-	(26,747)	-	-	-	(26,747)
Employee benefit expense (Note 7)	(688,475)	(890,659)	199,679	-	-	-	(1,379,455)
Management fees	-	-	(543,298)	(57,945)	(49,771)	27,716	(623,298)
Other expenses	(34,209)	(57,926)	(143,264)	-	(1,819)	-	(237,218)
	(36,238,001)	(2,626,945)	(744,626)	29,457	(64,258)	27,716	(39,616,657)

2023	CORE Expenses attributed to insurance acquisition cash flows €	CORE Other directly attributable expenses €	CORE Other operating expenses €	CELL Expenses attributed to insurance acquisition cash flows €	CELL Other directly attributable expenses €	CELL Other operating expenses €	TOTAL €
Commissions	(36,819,309)	-	-	(473,704)	-	-	(37,293,013)
Computer operational costs	(62,879)	(671,379)	-	-	-	-	(734,258)
Amortisation of software (Note 9)	(16,956)	(179,505)	-	-	-	-	(196,461)
Depreciation of equipment (Note 10)	(11,925)	(14,692)	(3,142)	-	-	-	(29,759)
Professional fees	(48,194)	(510,611)	(163,293)	-	(20,474)	-	(742,572)
Directors' fees	-	-	(27,950)	-	-	-	(27,950)
Employee benefit expense (Note 7)	(608,492)	(935,932)	(40,873)	-	-	-	(1,585,297)
Other expenses	(27,319)	(292,006)	(154,837)	-	(28,147)	(51,853)	(554,162)
Management fees	(202,833)	(55,928)	(17,152)	-	(368)	-	(276,281)
	(37,797,907)	(2,660,053)	(407,247)	(473,704)	(48,989)	(51,853)	(41,439,753)

Amortisation of software and depreciation of equipment are stated net of recharges of €73,896 (2023: €85,330) and €11,661 (2023: €12,926), respectively to a fellow subsidiary.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

6 Expenses by nature - continued

Professional fees include fees, excluding VAT, charged by the auditor for services rendered during the financial year ended 31 December relating to the following:

	2024	2023
	€	€
Annual statutory audit	(47,250)	(57,800)
Other assurance services	(53,748)	(27,500)
Other services	-	-
Tax compliance and advisory services	-	(11,400)
	(100,998)	(96,700)

7 Employee benefit expense

Personnel expenses incurred by the Core during the year are analysed as follows:

	2024	2023
	€	€
Wages and salaries	(2,176,038)	(2,120,806)
Social security costs	(85,737)	(80,526)
	(2,261,775)	(2,201,332)
Secondment and management fees recharged by a parent undertaking	356,045	-
Other personnel related expenses	(86,212)	(72,510)
Less recharges to a fellow subsidiary	612,486	688,545
	(1,379,455)	(1,585,297)

The number of employees employed by the Core as at year-end is analysed as follows:

	2024	2023
	No.	No.
Key management personnel	5	6
Middle management	12	11
Officers	16	15
	33	32

During its course of operations the Company seconded employees to a fellow subsidiary. As a result wages and salaries, secondment fees and related benefits amounting to €612,486 (2023: €688,545) were recharged by the Company.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

8 Income tax expense

The income tax expense for the year comprises:

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
Current tax expense	(6,429,789)	(6,932,433)	1,095,960	487,518	(5,333,829)	(6,444,915)
Deferred tax (expense)/ credit (Note 16)	11,468	(353,357)	-	(438,840)	11,468	(792,197)
Income tax (expense)/ credit	(6,418,321)	(7,285,790)	1,095,960	48,678	(5,322,361)	(7,237,112)

The income tax expense for the year and the result of the accounting profit multiplied by the tax rate applicable in Malta, the Company's country of incorporation, are reconciled as follows:

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
Profit/(loss) before taxation	19,363,913	20,816,541	(3,131,316)	(139,078)	16,232,597	20,677,463
Tax using the domestic income tax rate of 35%	(6,777,370)	(7,285,790)	1,095,961	48,678	(5,681,409)	(7,237,112)
Adjusted for tax effect of FRFTC	348,105	-	-	-	348,105	-
Other differences	10,944	-	(1)	-	10,943	-
Income tax (expense)/ credit	(6,418,321)	(7,285,790)	1,095,960	48,678	(5,322,361)	(7,237,112)

Total income tax payable amounted to €11,748,161 as at 31 December 2024 (2023: €13,221,737). The balance of income tax payable of €5,322,361 (2022: €7,237,112) is non-current in nature. An amount of €13,289,096 (2023: €13,366,348) is due by the Core while €1,540,935 is recoverable by the Cell (2023: €144,611 was recoverable by the Cell).

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

9 Intangible assets

	Core and the Company
	Software €
Cost	
At 1 January 2023	4,094,533
Additions	118,404
At 31 December 2023	4,212,937
At 1 January 2024	4,212,937
Additions	136,522
At 31 December 2024	4,349,459
Amortisation	
At 1 January 2023	3,442,812
Charge for the year	281,791
At 31 December 2023	3,724,603
At 1 January 2024	3,724,603
Charge for the year	240,327
At 31 December 2024	3,964,930
Net book amount	
At 1 January 2023	651,721
At 31 December 2023 – non-current	488,334
At 1 January 2024	488,334
At 31 December 2024 – non-current	384,529

During the year, the Company continued to capitalise costs charged by third parties in relation to the development of its insurance system. Management started to amortise the system from the date of implementation, while it continued to capitalise costs development costs. During the year the Company continued also invest in a Business Intelligence tool resulting in the capitalisation of additional development costs. The amortisation charged to the income statement of the intangible assets amounted to €240,327 (2023: €281,791), while the net book value as at year-end amounted to €384,529 (2023: €488,334).

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

10 Tangible assets - equipment

	Core and the Company		
	Computers and electronic equipment	Furniture, fixtures and office improvements	Total
	€	€	€
Cost			
At 1 January 2023	231,077	167,243	398,320
Additions	43,815	7,681	51,496
At 31 December 2023	274,892	174,924	449,816
At 1 January 2024	274,892	174,924	449,816
Additions	39,868	6,223	46,091
At 31 December 2024	314,760	181,147	495,907
Depreciation			
At 1 January 2023	192,611	123,417	316,028
Charge for the year	27,226	15,459	42,685
At 31 December 2023	219,837	138,876	358,713
At 1 January 2024	219,837	138,876	358,713
Charge for the year	22,374	15,552	37,926
At 31 December 2024	242,211	154,428	396,639
Net book amount			
At 1 January 2023	38,466	43,826	82,292
At 31 December 2023 – non-current	55,055	36,048	91,103
At 1 January 2024	55,055	36,048	91,103
At 31 December 2024 – non-current	72,549	26,719	99,268

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

11 Leases

Right-of-use asset

	Core and the Company
	€
At 1 January 2023	350,057
Amortisation charge	(140,023)
At 31 December 2023 – non-current	210,034
At 1 January 2024	210,034
Amortisation charge	(152,159)
At 31 December 2024 – non-current	57,875

Lease liability

	€
At 1 January 2023	397,255
Lease payments	(97,140)
Interest amortisation	1,572
At 31 December 2023	301,687
At 1 January 2024	301,687
Lease payments	(121,723)
Other adjustments	(33,282)
Interest amortisation	548
At 31 December 2024	147,230

The undiscounted maturity analysis of lease liability is as follows:

	2024	2023
	€	€
Not later than 1 year	147,230	143,095
Later than 1 year and not later than 5 years	-	158,592
	147,230	301,687

The right-of-use asset and the lease liability relate to property being leased for own use. The right-of-use asset is a non-current asset.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

12 Other assets

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
Other receivables						
- due from fellow subsidiary	1,814,790	425,078	-	-	1,814,790	425,078
- due from immediate parent	34,804	16,062	-	-	34,804	16,062
- other receivables	1,885,075	1,209,662	3,180,255	3,260,798	5,065,330	4,470,460
	3,734,669	1,650,802	3,180,255	3,260,798	6,914,924	4,911,600

At 31 December 2024, other assets include a prepayment of insurance premium tax amounting to €3,159,963 (2023: €3,053,874) prepaid in line with Italian regulations on business written in Italy. These amounts are unsecured, interest free and are expected to be received in the short to medium term via tax refund in this jurisdiction. The balance as at 31 December 2024 is stated at present value and an upward adjustment of €118,000 (2023: 463,000 downward adjustment) is recognised within other finance costs.

13 Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
Cash in hand	1,191	91	-	-	1,191	91
Cash at bank	10,667,778	16,033,510	2,084,045	3,208,598	12,751,823	19,242,108
	10,668,969	16,033,601	2,084,045	3,208,598	12,753,014	19,242,199

Cash at bank are available on demand. The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

At year end cash at bank amounting to €6,273,517 (2023: €5,432,931) were held with a parent company, €4,193,419 (2023: €2,230,098) relating to Core and €2,080,103 (2023: €3,202,833) relating to Cell.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

14 Share capital

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
Authorised share capital ordinary shares of €1 each	5,600,000	5,600,000	3,000,000	3,000,000	8,600,000	8,600,000
Issued and fully paid up share capital ordinary shares of €1 each	5,600,000	5,600,000	2,500,000	2,500,000	8,100,000	8,100,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All core shares rank equally with regards to the Company's residual assets.

In 2019, the Affinity Cell licensed to carry out reinsurance business was incorporated within the Company by virtue of issuance of share capital totalling €2,500,000 split into 1 Ordinary Call A share and 2,499,999 Ordinary Cell B shares. Cell A shares have a 15% of the proportional cellular dividend declared out of profits of the Affinity Cell as agreed between the parties. Cell B shares have the right to received proportional cellular dividends declared out of the profits of the Affinity Cell.

15 Shareholder's contribution

During 2024, both the Core and the Cell received no contribution and the Core paid no shareholder's contribution back to Oney Holding Limited. During 2023, the Core received a contribution of €4,442,181, Cell received €557,819 and the Core paid shareholder's contribution of €9,000,000 back to Oney Holding Limited.

16 Deferred tax

Deferred tax liability amounting to €53,438 (2023: €64,906) at the reporting date is attributable to temporary differences on intangible assets and equipment.

A deferred tax expense amounting to €11,468 (2023: €792,197) was recognised in the income statement during the year.

Deferred tax is substantially not current in nature.

17 Other current liabilities

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
Payables to a parent company	340,341	510,083	-	-	340,341	510,083
Payables to a related company	320,000	-	-	-	320,000	-
Other payables	2,620,429	2,411,334	18,305	18,232	2,638,734	2,429,566
	3,280,770	2,921,417	18,305	18,232	3,299,075	2,939,649

The above amounts are current in nature, unsecured, interest free and payable on demand.

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

18 Dividends

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
Net interim dividend paid	11,969,133	12,286,244	-	557,819	11,969,133	12,844,063
Dividend per share	2.14	2.19	-	0.22	1.48	1.59

19 Cash generated from operating activities

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
Profit/(loss) before taxation	19,363,913	20,816,541	(3,131,316)	(139,078)	16,232,597	20,677,463
Adjustment for:						
Amortisation of intangible assets (Note 9)	240,327	281,791	-	-	240,327	281,791
Depreciation of equipment (Note 10)	37,926	42,685	-	-	37,926	42,685
Amortisation of right-of-use asset (Note 11)	152,159	140,023	-	-	152,159	140,023
Interest income (Note 5)	(2,142,186)	(1,674,245)	(189,681)	(163,171)	(2,331,867)	(1,837,416)
Other finance costs (Note 12)	(118,000)	463,000	-	-	(118,000)	463,000
Interest amortisation	548	1,573	-	-	548	1,573
Movements in items in the statement of financial position:						
(Increase)/Decrease in reinsurance contract assets	253,073	2,206,974	-	-	253,073	2,206,974
Increase/(Decrease) in insurance contract liabilities	(6,074,272)	(8,792,674)	3,226,511	816,768	(2,847,761)	(7,965,906)
(Increase)/Decrease in other assets	(1,429,492)	217,513	92,595	(557,903)	(1,336,897)	(340,390)
(Increase)/Decrease in other liabilities	326,071	866,728	73	2,242	326,144	868,970
Cash generated from / (used in) operating activities	10,610,067	14,569,909	(1,818)	(41,142)	10,608,249	14,528,767

Oney Insurance (PCC) Limited

Notes to the Financial Statements For the year ended 31 December 2024

20 Investments

Financial assets at amortised cost

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
At 31 December						
Deposits with banks	49,514,078	50,714,078	4,000,000	3,000,000	53,514,078	53,714,078

Maturity of deposits with banks:

	CORE		CELL		TOTAL	
	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
Within 1 year	27,214,078	25,600,000	2,000,000	2,000,000	29,214,078	27,600,000
Between 1 and 5 years	22,300,000	25,114,078	2,000,000	1,000,000	24,300,000	26,114,078
	49,514,078	50,714,078	4,000,000	3,000,000	53,514,078	53,714,078

At year end deposits with banks, classified as financial assets at amortised cost, amounting to €16,014,078 (2023: €20,014,078) were held with a parent company, €12,014,078 (2023: €17,014,078) relating to Core and €4,000,000 (2023: €3,000,000) relating to Cell.

The deposits with banks earn interest as follows:

	2024	2023	2024	2023	2024	2023
	€	€	€	€	€	€
At fixed rates	49,514,078	50,714,078	4,000,000	3,000,000	53,714,078	53,714,078

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

21 Related party disclosures

The Company enters into transactions with its parent, group undertakings and directors in the normal course of business. Parent company refers to Oney Bank S.A. Related parties are defined as those that have an ability to control or exercise significant influence over the other party in making financial and operating decisions also members of the same group (e.g. parent, subsidiary and fellow subsidiary).

Related party transactions

The related party transactions during the financial year ended 31 December are analysed as follows:

	2024 €	2023 €
Income from insurance contracts and other services		
Investment income from a parent company	742,031	630,291
Recharge of operating expenses to a fellow subsidiary	1,415,875	1,418,786
Expenses related to insurance contracts and other services		
Commission incurred to a parent company	26,933,709	27,131,333
Commission incurred to a branch of a parent	6,046,890	5,873,679
Commission incurred to fellow subsidiary of parent	613,298	241,672
Recharge of employee benefit expenses to a fellow subsidiary	(612,486)	(688,545)
Recharge of professional fees from a fellow subsidiary	320,000	-
Recharge of operating expenses from the immediate parent	13,961	14,568

Commissions are disclosed above as incurred not as expensed in terms of IFRS 17.

Directors' fees have been disclosed in Note 6 to these financial statements.

Deposits held with a parent company earn an average interest rate of 2.85% (2023: 2.38%). Dividends are disclosed in Note 18.

Related party balances

Information on the other amounts due to and by related parties is set out in Notes 13, 17 and 20 to these financial statements.

Oney Insurance (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2024

22 Commitments

There were no authorised and contracted commitments for capital expenditure not provided for in these financial statements as of 31 December 2024 (2023: Nil).

23 Events after reporting period

There were no other significant events after the year end.

Independent auditor's report

To the Shareholders of Oney Insurance (PCC) Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oney Insurance (PCC) Limited (the Company), set out on pages 5 to 56, which comprise the statement of financial position as at 31 December 2024 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to report to our assessment of the risk of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Independent auditor's report

To the Shareholders of Oney Insurance (PCC) Limited (continued)

Key Audit Matters (continued)

Insurance liabilities

Risk description

As at 31 December 2024, the Company had liability for remaining coverage (LRC) and liability for incurred claims (LIC) as follows:

	EUR '000
LIC	26,025
Risk adjustment for LIC	2,392
LRC	(6,500)
Loss component	4,487
Insurance contract liabilities	26,404

The liability for incurred claims is measured as the total of the expected fulfilment cash flows relating to insurance events that occurred by the financial reporting date, which comprise estimates of future cash flows, adjusted to reflect the time value of money and a risk adjustment for non-financial risks. We have considered the estimate of future cash flows as a key audit matter in view of the subjectivity surrounding the determination of the estimate, that is based on claims data and an actuarial methodology which involves significant assumptions. Due to the degree of such inherent estimation uncertainty underlying the estimate of future cash flows, the amounts recognised in the statement of financial position may be different to those eventually settled. Those differences may be material.

The liability for remaining coverage is measured as the total of the expected fulfilment cash flows which comprise estimates of future cash flows within the contract boundary, adjusted to reflect the time value of money and the associated financial risks, and risk adjustment for non-financial risks. We have considered the measurement of liability for remaining coverage as a key audit matter in view of the nature and subjectivity of the estimate, and its overall inherent estimation uncertainty. The subjectivity involved relates mainly to the judgement involved in the selection of actuarial assumptions. Due to the degree of such inherent estimation uncertainty, the ultimate total settlement value may be different from the amounts provided, and the amount of the Contractual Service Margin maybe different from the amounts recognized as profit in the future. Those differences may be material.

How our audit addressed the key audit matter

As part of our procedures, with the assistance of our actuarial specialists, we evaluated the appropriateness of the application of the premium allocation approach to new products, and the Companies' assumptions applied in estimating the future cash flows and the resulting estimate, for substantially all the liability for incurred claims and remaining liabilities. We have remeasured the risk adjustment, loss component and discounting rates as per our expectations based on industry knowledge and experience and compared these with the Company's results. In relation to claims data and other elements used in the estimates, we evaluated a sample to assess their relevance and reliability based on the information available to the Company at the financial reporting date.

We have also validated actual figures against actuarial data inputs on premiums, claims, commissions and expenses, insurance receivables and payable. We also assessed the relevance of disclosures relating to the Company's liability arising from insurance contracts presented in the note 3.1 to the financial statements.

Independent auditor's report

To the Shareholders of Oney Insurance (PCC) Limited (continued)

Other Matter

The financial statements of the Company for the year ended 31 December 2023, were audited by another auditor who expressed an unmodified opinion on those statements on 09 April 2024.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report, chairman's statement, chief executive officer review, (include any Other Information in Documents Containing Audited Financial Statements). Our opinion on the financial statements does not cover this information, including the directors' report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

Responsibilities of the Directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with EU IFRS's, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditor's report

To the Shareholders of Oney Insurance (PCC) Limited (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

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

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

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

Independent auditor's report

To the Shareholders of Oney Insurance (PCC) Limited (continued)

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.

Additionally, the financial statements have been properly prepared in accordance with the requirements of the Insurance Business Act (Cap. 403).

Use of audit report

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act CAP 386 of the laws of Malta. Our audit work has been undertaken so that we might state to the company's members those matters that we are required to state to them in an auditor's report and for no other purpose. To the full extent permitted by law, we do not assume responsibility to anyone other than the company's members as a body for our audit work, for this report or for the opinions we have formed.

Appointment

We were appointed by the shareholders as auditors of Oney Insurance (PCC) Limited on 14 October 2024, as for the year ended 31 December 2024. The period of total uninterrupted engagement is one year.

Consistency with the additional report to those charged with Governance

Our opinion on our audit of the financial statements is consistent with the additional report to the audit committee required to be issued by the Audit Regulation (as referred to in the Act);

Non-audit services

We have not provided any of the prohibited services as set out in the accountancy profession act.

A handwritten signature in blue ink, appearing to be 'ER' followed by a stylized flourish.

*This copy of the audit report has been signed by
Ernestino Riolo (Partner) for and on behalf of*

Forvis Mazars

Certified Public Accountants
Birkikara,
Malta

02 April 2025