Oney Life (PCC) Limited

Annual Report and Financial Statements

31 December 2022

Company Registration Number: C 53199

Oney Life (PCC) Limited

Company General Information

For the year ended 31 December 2022

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	PricewaterhouseCoopers, 78 Mill Street, Zone 5, Central Business District, Qormi, Malta
External Actuarial Function Holder	Declan Lavelle Lane Clark & Peacock Ireland Ltd. 2, Grand Canal Wharf, South Dock Road, Dublin 4, Ireland

Oney Life (PCC) Limited

Oney Life (PCC) Limited

Directors' Report

For the year ended 31 December 2022

The directors present their report of Oney Life (PCC) Limited (the "Company") for the year ended 31 December 2022.

Board of directors

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

Gilles Marion (Chairman)
Jerome Guillemard
Desmond Murray
Edwina Leclere
John Bonett
Antonio Portelli (appointed 29 August 2022)

Principal activities

The Company's principal activity is that of carrying on long-term business of insurance falling within Class I of the Insurance Business Act, 1998 (Chapter 403, Laws of Malta). The Company licensed to transact long-term business and in accordance with the Companies Act (Cell companies carrying on business of insurance) Regulations, 2010 it was granted a license to act as a cell company in June 2011.

Review of business development and financial position

The results for the year are set out in the statement of comprehensive income on pages 14 and 15, while the financial position as at end of the reporting year is set out on page 16. There were no changes in the Company's business profile.

During the year ended 31 December 2022, the Company wrote a total premium income of €29,787,057 (2021: €27,195,065). This premium was mainly written on payment protection insurance in France, Portugal and Spain.

The directors deem that the Company adopts a prudent reserving policy and is adequately reserved. Gross claims paid excluding claims handling costs amounted to €2,582,351 (2021: €3,079,768) which were mainly paid on payment protection insurance. On the other hand claims handling fees amounted to €393,243 (2021: €399,366), while the technical reserve provision decreased by €403,241 (2021: increased by €26,625).

Finance income for the year amounted to €57,610 (2021: €13,861) and this consisted of interest earned on 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 €9,830,078 (2021: €9,020,230). After accounting for a tax charge of €3,431,163 (2021: €3,154,827), the profit after tax amounted to €6,398,915 (2021: €5,865,403).

The directors are confident that the Company will continue to achieve satisfactory results during the next financial period in line with its financial projections. Following recent developments, the directors and management are following closely the Russia-Ukraine war and the geopolitical and economic repercussions that this is causing on a global scale. While the Group's exposure in the region is immaterial, the Company does not carry out any business in these countries. 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.

Review of business development and financial position - continued

At the reporting date, the Company had total assets amounting to €23,082,046 (2021: €22,669,568). These consisted of cash and cash equivalents and investments amounting to €20,019,409 (2021: €19,139,713), insurance and other receivables amounting to €2,094,527 (2021: €2,826,898) and deferred acquisition costs amounting to €968,110 (2021: €702,957).

These were financed by capital and reserves amounting to €10,648,915 (2021: €10,115,403) and liabilities amounting to €12,433,131 (2021: €12,554,165), out of which €4,806,417 (2021: €3,873,251) consist of technical provisions while €6,585,991 (2021: €6,604,398) 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 2022, the Company's unaudited eligible own funds adequately covered the required SCR and amounted to €14,170,344 (unaudited) (2021: €13,296,128 (unaudited)). 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 an aggregation of a large 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).

Notes 2.4 and 4.3 to the financial statements contain further information pertaining to insurance risk.

Financial risk management

Information pertaining to the entity's financial risk management is included within Note 4.4 to these financial statements.

Events after the reporting date

There were no particular important events affecting the Company which occurred after the reporting date.

Future developments

The directors intend to continue to operate in line with the Company's current business plan.

Dividend

An interim dividend of €5,865,403 (2021: €6,418,735) was paid during the year under review.

Reserves

The directors propose that the balance of retained earnings amounting to €6,398,915 (2021: €5,865,403) 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.

Statements of directors' responsibilities for the financial statements

The directors are required by the Maltese Companies Act (Cap. 386) and Insurance Business Act, 1998 (Cap.403) 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.

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 the Insurance Business Act, 1998 (Cap.403). 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.

The financial statements of Oney Life (PCC) Limited for the year ended 31 December 2022 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.

Oney Life (PCC) Limited

Directors' Report - continued

For the year ended 31 December 2022

Approved by the Board of Directors on 29 March 2023 and signed on its behalf by:

Gilles Marion	Antonio Portelli
Chairman	Director

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

Independent auditor's report

To the Shareholders of Oney Life (PCC) Limited

Report on the audit of the financial statements

Our opinion

In our opinion:

- The financial statements give a true and fair view of the financial position of Oney Life (PCC) Limited (the Company) as at 31 December 2022, and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

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

What we have audited

Oney Life (PCC) Limited's financial statements, set out on pages 14 to 47, comprise:

- the statement of comprehensive income for the year ended 31 December 2022;
- the statement of financial position as at 31 December 2022;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditor’s report *- continued*

To the Shareholders of Oney Life (PCC) Limited

Independence

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

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

The non-audit services that we have provided to the company, in the period from 1 January 2022 to 31 December 2022, are disclosed in Note 8 to the financial statements.

Our audit approach

Overview

Overall materiality: €500,000 which represents approximately 5% of profit before tax.

Valuation of incurred but not reported claims provision (‘IBNR’).

Independent auditor's report - continued

To the Shareholders of Oney Life (PCC) Limited

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

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

Materiality

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

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

Overall materiality	€500,000
How we determined it	Approximately 5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the company is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within the range of quantitative materiality thresholds that we consider acceptable.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €50,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent auditor's report - continued

To the Shareholders of Oney Life (PCC) Limited

Key audit matters

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

Key audit matter	How our audit addressed the Key audit matter
Valuation of incurred but not reported claims provision ('IBNR') Valuation of insurance provisions is judgemental and requires a number of assumptions to be made that carry estimation uncertainty. This is particularly the case for those liabilities that are recognised in respect of claims that have occurred, but have not yet been reported to the Company as some claims can take some time to emerge or develop. As described in notes 2.4 and 22 to the financial statements, the ultimate cost of insurance claims is estimated by using recognised actuarial methods, including analysis of historical claims experience and relevant benchmarks of similar businesses. Claims provisions are separately analysed by product type. The claims projection assumptions are adjusted by a risk margin and therefore exceed a best estimate of the expected outcome by including qualitative judgement to assess the extent to which past trends may not apply in the future. The Company's gross incurred but not reported provision is disclosed in note 11.1 at €2.9m, and favourable variations arising from prior year technical provisions of €0.7m are disclosed in note 11.3 to the financial statements. Further information on the development of the ultimate cost of claims over the years, and the sensitivity of key assumptions is disclosed in note 22. We focused on this area due to its inherent subjectivity.	Our audit procedures addressing the valuation of the Company's IBNR provision included the following procedures involving our actuarial expert team members: • We applied our industry knowledge and experience in understanding and evaluating the methodology, models and assumptions used; • For the largest product types, for which independent projections were performed in prior years, we tested the reasonableness of loss ratios taking note of fluctuation not within our expectations; • We tested the accuracy of the underlying data utilised for the purposes of the Company's actuarial models, and read the Company's actuarial function report and engaged in related discussion with the Company's actuary; • We considered the quality of historical reserving by reviewing variations arising from prior year technical provisions; and • We considered the extent of related disclosures to the financial statements. Based on the work performed, we found the recorded IBNR provision to be consistent with the explanations and evidence obtained.

Independent auditor's report *- continued*

To the Shareholders of Oney Life (PCC) Limited

Other information

The directors are responsible for the other information. The other information comprises the Company General Information and the Directors' Report (but does not include the financial statements and our auditor's report thereon).

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report *- continued*

To the Shareholders of Oney Life (PCC) Limited

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

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

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

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

Independent auditor's report - continued

To the Shareholders of Oney Life (PCC) Limited

Report on other legal and regulatory requirements

The *Annual Report and Financial Statements 2022* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

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

Area of the *Annual Report and Financial Statements 2022* and the related Directors' responsibilities	Our responsibilities	Our reporting
Directors' report (on pages 1 to 4) The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.	We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.	In 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, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.	We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.

Independent auditor's report *- continued*

To the Shareholders of Oney Life (PCC) Limited

Area of the *Annual Report and Financial Statements 2022* and the related Directors' responsibilities	Our responsibilities	Our reporting
	Other matters on which we are required to report by exception We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.	We have nothing to report to you in respect of these responsibilities.

Independent auditor's report - continued

To the Shareholders of Oney Life (PCC) Limited

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Appointment

We were first appointed as auditors of the company on 19 April 2013. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 10 years.

PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

Christopher Cardona
Partner

29 March 2023

Oney Life (PCC) Limited

Statement of Comprehensive Income – Technical Account Long Term Business

For the year ended 31 December 2022

	Notes	**2022** **€**	2021 €
Earned premium			
Gross premium written	5	**29,787,057**	27,195,065
Change in the gross provision for unearned premium	11	**(529,925)**	(33,120)
Earned premium	11	**29,257,132**	27,161,945
Total technical income		**29,257,132**	27,161,945
Claims incurred			
Claims paid - gross amount	11	**(2,975,594)**	(3,479,134)
Change in the provision for claims - gross amount	11	**(403,241)**	26,625
Gross claims incurred	22	**(3,378,835)**	(3,452,509)
Net operating expenses	7	**(15,325,339)**	(14,166,038)
Total technical charges		**(18,704,174)**	(17,618,547)
Balance on the long term business technical account		**10,552,958**	9,543,398

Oney Life (PCC) Limited

Statement of Comprehensive Income – Non-Technical Account (continued)

For the year ended 31 December 2022

	Notes	**2022** **€**	2021 €
Balance on the long term business technical account		**10,552,958**	9,543,398
Finance income	6	**57,610**	13,861
Administrative expenses	8	**(780,490)**	(537,029)
Profit before taxation		**9,830,078**	9,020,230
Income tax expense	10	**(3,431,163)**	(3,154,827)
Profit for the financial year attributable to shareholders – total comprehensive income		**6,398,915**	5,865,403

The Company did not have other comprehensive income in the current and comparative years.

The notes on pages 19 to 47 are an integral part of these financial statements

Oney Life (PCC) Limited

Statement of Financial Position

As at 31 December 2022

	Notes	2022 €	2021 €
ASSETS			
Investments	20	**5,000,000**	-
Deferred acquisition costs	12	**968,110**	702,957
Insurance and other receivables:			
- arising out of direct insurance operations	13	**1,994,421**	2,779,744
- other receivables	13	**100,106**	47,154
Cash and cash equivalents	14	**15,019,409**	19,139,713
Total assets		**23,082,046**	22,669,568
EQUITY			
Capital and reserves			
Called up share capital	15	**4,250,000**	4,250,000
Retained earnings		**6,398,915**	5,865,403
Total equity		**10,648,915**	10,115,403
LIABILITIES			
Technical provisions	11	**4,806,417**	3,873,251
Insurance and other payables:			
- arising out of direct insurance operations	17	**528,147**	1,792,061
- other payables	17	**512,576**	284,455
Income tax payable	10	**6,585,991**	6,604,398
Total liabilities		**12,433,131**	12,554,165
Total equity and liabilities		**23,082,046**	22,669,568

The notes on pages 19 to 47 are an integral part of these financial statements.

The financial statements on pages 14 to 47 were approved and authorised for issue by the Board of Directors on 29 March 2023 and signed on its behalf by:

Gilles Marion
Chairman

Antonio Portelli
Director

Oney Life (PCC) Limited

Statement of Changes in Equity

For the year ended 31 December 2022

	Notes	**Total €**	**Share Capital €**	**Shareholders' Contribution €**	**Retained earnings €**
Balance at 01 January 2021		17,001,122	4,250,000	6,332,387	6,418,735
Total comprehensive income for the year					
Profit for the year		5,865,403	-	-	5,865,403
Transaction with owners					
Interim dividend paid	18	(6,418,735)	-	-	(6,418,735)
Repayment of shareholders' contribution	16	(6,332,387)	-	(6,332,387)	-
Balance at 31 December 2021		**10,115,403**	**4,250,000**	**-**	**5,865,403**
Balance at 01 January 2022		10,115,403	4,250,000		5,865,403
Total comprehensive income for the year		6,398,915	-	-	6,398,915
Profit for the year					
Transaction with owners					
Interim dividend paid	18	(5,865,403)	-	-	(5,865,403)
Balance at 31 December 2022		**10,648,915**	**4,250,000**	**-**	**6,398,915**

The notes on pages 19 to 47 are an integral part of these financial statements.

Oney Life (PCC) Limited

Statement of Cash Flows

For the year ended 31 December 2022

	Notes	**2022** **€**	2021 €
Cash flows from operating activities			
Cash generated from operating activities	19	**10,171,382**	8,674,211
Interest received		**23,287**	17,575
Income tax paid		**(3,449,570)**	(3,400,616)
Net cash generated from operating activities		**6,745,099**	5,291,170
Cash flows from investing activities			
Placement of deposits with banks	20	**(5,000,000)**	-
Net cash used in investing activities		**(5,000,000)**	-
Cash flows from financing activities			
Payment of interim dividend	18	**(5,865,403)**	(6,418,735)
Repayment of shareholders’ contribution	16	**-**	(6,332,387)
Net cash used in financing activities		**(5,865,403)**	(12,751,122)
Net decrease in cash and cash equivalents		**(4,120,304)**	(7,459,952)
Cash and cash equivalents at beginning of year		**19,139,713**	26,599,665
Cash and cash equivalents at end of year	14	**15,019,409**	19,139,713

The notes on pages 19 to 47 are an integral part of these financial statements.

Oney Life (PCC) Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1 Reporting entity

Oney Life (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 Life (PCC) Limited is a wholly owned subsidiary of Oney Holding Limited (an immediate parent) which is registered at 171, Old Bakery Street, Valletta VLT 1455, Malta. On 22 October 2019, BPCE S.A. whose registered office is 50, Avenue Pierre-Mendes-France 75013 Paris, France, acquired 50.1% share in Oney Bank S.A thus since then is the Group's ultimate parent company. Following BPCE S.A. acquisition, 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.(a parent company). These financial statements are consolidated within the consolidated financial 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 Life (PCC) Limited include the financial performance and financial position of the core operations. As at 31 December 2022 and 2021, the Company had no cells.

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.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income (OCI) and fair value through profit and loss (P&L). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. The standard is effective for accounting periods beginning on or after 1 January 2018. However, insurers have been granted some relief from applying IFRS 9 to their investment portfolios prior to adopting the new insurance contracts standard, IFRS 17 as further described in Note 3.11.

As the activities of the Company are predominantly connected with insurance and that the Company has not previously adopted IFRS 9, the Company has applied the temporary exemption (deferral approach) from IFRS 9.

The temporary exemption was initially assessed at the annual reporting date immediately preceding 1 April 2016. As at 31 December 2015, 97% of the Company's total liabilities were made up of insurance related liabilities thus qualifying for the temporary exemption. Reassessment was not required in the subsequent annual reporting dates given that there were no changes in the Company's activities.

2 Basis of preparation - continued

2.2 Basis of measurement

Assets and liabilities are measured at historical 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.

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.

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.

The Company uses recognised actuarial models, appropriately adjusted by a risk margin, in order to determine the ultimate liability of claims as further described in Note 4.3. 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 11 and 22 to these financial statements, including sensitivities to key variables.

3 Significant accounting policies

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

3 Significant accounting policies - continued

3.1 Product classification

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.

Insurance contracts - Life business

The results for life business are determined on an annual basis whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premium, net of reinsurance (if any) as follows:

- Premium written for payment protection insurance in France and Portugal is recognised on a monthly basis, premium written for payment protection insurance in Spain on personal loans and premium written for term life product are recognised when the policy incepts. Premium written is stated net of cancellations.

- Unearned premium represent the proportion of premium written in the period that relate to unexpired terms of policies in force at the reporting date, calculated on a time apportionment basis.

- Commissions and other acquisition costs that vary with and are related to securing new contracts are deferred over the period in which the related premium is earned. These are capitalised and shown as deferred acquisition costs (“DAC”) in the statement of financial position. DAC is amortised over the term of the policies as the premium is earned. All other costs are recognised as expenses when incurred.

- Claims incurred comprise claims and related expenses paid in the period and changes in the provisions for outstanding claims, including provisions for claims incurred but not reported (IBNR) and related expenses.

- Provision is made at the period-end for the estimated cost of claims incurred but not settled at the reporting date, including the cost of claims incurred but not yet reported to the Company. The estimated cost of claims includes expenses to be incurred in settling claims. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures. The Company does not discount its liabilities for unpaid claims. Liabilities for unpaid claims are estimated using the input of assessments for individual cases reported to the Company and statistical analysis for the claims incurred but not reported. The valuation is carried out in conjunction with the Company’s external actuarial function.

Liability adequacy test

All insurance contracts are subject to a liability adequacy test, which is conducted by the Company’s actuarial function at each reporting date. The liability value is adjusted to the extent that it is insufficient to meet future benefits and expenses. Adjustments to the liabilities at each reporting date are recorded in the income statement. The liability in respect of an individual contract is derecognised when the contract expires, is discharged or is cancelled.

The above method of provisioning satisfies the minimum liability adequacy test as required by IFRS 4 – Insurance Contracts.

3 Significant accounting policies - continued

Receivables and payables related to insurance contracts

Receivables and payables are recognised when due. These include amounts due to and from intermediaries.

If there is objective evidence that an insurance receivable is impaired, the Company reduces the carrying amount of the insurance receivable accordingly and recognises that impairment loss in the income statement. The Company gathers the objective evidence that an insurance receivable is impaired using the process described for financial assets held at amortised cost (see Note 3.4).

3.2 Deferred expenses

3.2.1 Deferred acquisition costs ("DAC")

Those direct costs incurred during the financial period arising from the writing or renewing of insurance contracts are deferred to the extent that these costs are recoverable out of future premium. All other acquisition costs are recognised as an expense as incurred.

Subsequent to initial recognition, DAC are amortised over the period in which the related income is earned.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period and are treated as a change in an accounting estimate.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in profit or loss. DAC are also considered in the liability adequacy test for each reporting period. DAC are derecognised when the related contracts are either settled or disposed of.

3.3 Financial instruments and equity

3.3.1 Financial assets

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

The Company initially recognises loans and receivables on the date that they are originated.

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.

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 Significant accounting policies - continued

3.3 Financial instruments and equity - continued

3.3.1 Financial assets - continued

3.3.1.1 Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the asset. The Company's loans and receivables comprise insurance and other receivables, cash and cash equivalents as well as investments (comprising deposits with credit institutions) in the statement of financial position. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses (see Note 3.4.1).

3.3.1.2 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.

3.3.2 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. The Company's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities') under IAS 39.

Such financial liabilities are recognised initially at fair value net of any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest method.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

The Company's financial liabilities consist of trade and other payables.

3.3.3 Share capital and shareholders' contribution

3.3.3.1 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 Significant accounting policies - continued

3.3.3 Share capital and shareholders' contribution *- continued*

3.3.3.2 Shareholders' contributions

Shareholders' contributions are classified as equity and are recognised at the fair value of the consideration received.

Amounts advanced by the shareholders by way of contribution which do not include a contractual obligation to settle in cash or another financial asset, are classified within equity. Shareholders' contributions are advanced to the Company in terms of applicable agreements, which *inter alia* stipulate that they satisfy the own funds eligibility criteria laid down in Solvency II. The repayment of a shareholders' contribution is at discretion of the Company and must be to the satisfaction of the Supervisory Authority. Balances which contain an obligation to transfer resources are classified as liabilities.

3.4 Impairment

3.4.1 Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy and/or the disappearance of an active market for a security.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Losses are recognised in profit or loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

3.4.2 Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

3 Significant accounting policies – continued

3.4 Impairment - continued

3.4.2 Non-financial assets - continued

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Revenue recognition

3.5.1 Gross premium written

Premium written are accounted for in the period in which the risks are assumed and the premium becomes due, net of premium taxes. Premium recognition is described in Note 3.1 dealing with insurance contracts.

3.5.2 Finance income

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

3.6 Benefits, claims and expenses recognition

3.6.1 Gross benefits and claims

Insurance claims include all claims occurring during the year, whether reported or not, as well as related internal and external claims handling costs that are directly related to the processing and settlement of claims. For life insurance contracts, the liability is calculated on the basis of a prudent, prospective actuarial method, using assumptions regarding mortality and maintenance expenses and includes margins for adverse deviations. The liability is recalculated at each period end and is determined by the Company's external actuarial function.

3.7 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.

3 Significant accounting policies – continued

3.7 Income tax – continued

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.

3.8 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.

Foreign currency gains and losses are reported on a net basis.

3.9 Employee benefits

The Company contributes towards a defined contribution state pension plan in accordance with Maltese legislation. The Company does not have a commitment beyond the payment of fixed contributions. Related costs are recognised as an expense during the period in which these are incurred.

3.10 Dividend distribution

Dividend distribution to the Company's 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.

3.11 New standards and interpretations not yet adopted

Standards, interpretations and amendments to published standards effective in 2022

In 2022, the Company adopted new standards, amendments and interpretations to existing standards that are mandatory for the Company's accounting period beginning on 1 January 2022. 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 .

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

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023, and have not been applied in preparing these financial statements. The Company is considering the implications of the below standard on the Company's financial results and position, and the timing of its adoption, taking cognisance of the endorsement process by the European Commission.

3 Significant accounting policies – continued

3.11 New standards and interpretations not yet adopted - continued

IFRS 17 'Insurance Contracts' is an International Financial Reporting Standard (IFRS) that was issued by the International Accounting Standards Board (IASB) in May 2017. IFRS 17 and amended in June 2020 and is applicable for annual periods beginning on or after 1 January 2023, with early adoption permitted. IFRS17 was adopted by the European Union ('EU') on 19 November 2021, with an optional exemption regarding the annual cohort requirement. Furthermore, on 9 December 2021, the IASB issued 'Initial Application of IFRS 17 and IFRS 9 - Comparative Information', as an amendment to IFRS 17 and this was endorsed by the European Commission on 9 September, 2022. The Company has not early adopted IFRS 17 and will apply IFRS 17 for the first time on 1 January 2023. Since the Company applied the exemption, it will be required to adopt IFRS 9 on 1 January 2023 which aligns with the effective date of IFRS 17.

IFRS 17 will replace IFRS 4. It establishes the principles for the recognition, measurement, presentation and disclosure of contracts within the scope of the standard. IFRS 17 will result in a profound change to the accounting in IFRS financial statements for insurance companies.

Management has considering the implications, interpretations and industry practice of the standard and its impact on the Company's financial results and position. The assessment of the impact on the Company's financial statements is in progress, however, at the time of approval of these financial statements, given that certain judgements are still under consideration, a reasonable estimate of the financial impact cannot be provided at this stage. Nonetheless, the Company has the following expectations as to the impact compared with its current accounting policy for insurance contracts:

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

- Contracts in scope of IFRS 17

IFRS 17 applies to insurance contracts issued and to all reinsurance contracts held by an insurer. The Company does not expect significant scope changes arising from the application of these requirements as compared to IFRS 4.

- Level of aggregation

Under IFRS 17, at initial recognition, portfolios of insurance contracts are identified. A portfolio of insurance contracts is defined as insurance contracts that are subject to similar risks and managed together. It is generally expected that contracts in different product lines will have different risks. A group can only include contracts that have been issued within one year of each other.

- Contract boundaries

For insurance contracts, cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services. A substantive obligation to provide services ends when:

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

3 Significant accounting policies – continued

3.11 New standards and interpretations not yet adopted – continued

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

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

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

• Measurement and transition

In accordance with IFRS 17, groups of insurance contracts are automatically eligible for the premium allocation approach ('PAA') measurement model, if every contract within the group has a coverage period of 12 months or less. For contracts having a coverage period of more than 12 months, prior to opting for the PAA, IFRS 17 requires the company to consider whether or not it reasonably expects that the the liability for remaining coverage under the PAA would produce a result that does not differ materially from the general measurement model ('GMM'). The Company expects to be using both models on transition.

- Under IFRS 17, the GMM requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows and the contractual service margin.
- Under both models, the fulfilment cash flows will be calculated on a best estimate basis and will be remeasured on a current basis at each reporting period. Cashflows may also need to be discounted (subject to certain conditions laid down in the standard) and the statement of financial position will also include a risk adjustment.
- The company expects to apply the bottom-up approach when discounting the liability for incurred claims. This approach requires the use of an appropriate (liquid) risk-free yield curve plus a specific illiquidity premium above the risk-free yield curve reflecting the liquidity characteristics of the insurance contracts. Yield curve information will be sourced from the Group's ultimate parent company.

IFRS 17 must be applied retrospectively and consequently the Company will need to restate the opening statement of financial position (i.e. 1 January 2022) as well as the statement of profit or loss for 2022 and the statement of financial position as at 31 December 2022. On transition to IFRS 17, the company will apply the fully retrospective approach unless impracticable. In some instances, this will lead to the modified retrospective approaches being used for specific groups of insurance contracts.

• Presentation and disclosure

IFRS 17 will therefore result in a profound change as compared with the current measurement approach, including in so far as the presentation of the financial statements are concerned. Under IFRS 17, portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Under IFRS 17, the components of the income statement and statement of financial position will change as compared to current practice under IFRS 4, mainly:

3 Significant accounting policies – continued

3.11 New standards and interpretations not yet adopted – continued

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

- The insurance service result will comprise insurance revenue, insurance service expense and insurance finance income or expense;
- A portion of operating expenses will be included in insurance service expense; and
- On the face of the balance sheet there will be less information presented with all re(insurance) related balances rolling into either insurance liabilities/assets or reinsurance assets/liabilities.
-

There will also be additional notes to the financial statements, including detailed reconciliations.

- **IFRS 9 implementation approach**

The Company financial assets will be measured at amortised cost. 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. Main financial assets are as follows:

- Receivables are considered as held to collect contractual cashflows.
- Investments are held with the objective to collect contractual cashflows and they meet the solely payments of principal and interest test.

The Company is not illustrating quantitative figures as assessments are ongoing thereby resulting in limited use of such information.

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.

4 Management of insurance and financial risks - continued

4.2 Risk management framework - continued

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., Malta 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.

The Company is subject to the requirements of the EU Solvency II directive. The Solvency II regime establishes a 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 2022, the Company’s unaudited eligible own funds adequately covered the required SCR and amounted to €14,170,344 (unaudited) (2021: €13,296,128 (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.

4 Management of insurance and financial risks - continued

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. The contracts provide insurance cover to customers to repay outstanding financial commitments up to specified maximum amounts in the event of death.

The above risk exposure is mitigated by diversification of insurance contracts in different 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 payment protection insurance covering death 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 policies although premium is invoiced on a monthly basis. As at the end of the year the Company was operating in France, Portugal and Spain, while the portfolio in Poland was in run-off.

The variability of risks is improved by careful selection and implementation of underwriting strategies. The Company's business is underwritten through an intermediary network consisting of mainly Group companies. 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. The cover provided is limited by factors such as age, term of finance, benefit amount and cause of death. 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 in the determination of the ultimate cost of insurance claims as further described in Notes 11 and 22 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 2022 and 2021.

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 with highly rated financial institutions licensed and regulated in their respective countries, including a parent company as described in Note 14 and Note 20.

4 Management of insurance and financial risks - continued

4.4 Financial risk - continued

4.4.1 Credit risk - continued

The Company mainly underwrites payment protection insurance through related parties in France, Portugal and Spain. The Company therefore has no major counterparty insurance credit risk to parties outside the Group thereby reducing substantially its credit risk. Amounts receivable at year end represent between one to three months' premium and are considered to be fully recoverable.

The Company's insurance receivables 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. In order to limit its credit risk over third parties, management ensures that it works with a limited number of international reputable brokers with a sound historical financial background. As at 31 December 2022, there were no receivables arising from insurance operations related to third party receivables (2021: 1.2% of receivables related to third parties).

From 2022, commission payable to intermediaries is set-off against amounts receivable, given the Company's right to settle on a net basis.

31 December 2022	**Gross**	**Set-off**	**Net**
	€	**€**	**€**
Receivables arising out of insurance operations	**3,721,658**	**(1,727,237)**	**1,994,421**
Payables arising out of insurance operations	**(2,255,384)**	**1,727,237**	**(528,147)**
		-	

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.

		2022	2021
	Notes	**€**	€
Investments	20	**5,000,000**	-
Insurance and other receivables	13	**2,094,527**	2,826,898
Cash and cash equivalents	14	**15,019,409**	19,139,713
Total credit risk exposure		**22,113,936**	21,966,611

Credit exposure by credit rating

The succeeding table 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-.

4 Management of insurance and financial risks - continued

4.4 Financial risk - continued

4.4.1 Credit risk – continued

31 December 2022

	A+	A	BBB	Not rated	Total
	€	€	€	€	€
Investments	**-**	**-**	**5,000,000**	**-**	**5,000,000**
Insurance and other receivables	**-**	**-**	**1,220,041**	**874,486**	**2,094,527**
Cash and cash equivalents	**10,216,734**	**2,699,889**	**1,846,536**	**256,250**	**15,019,409**
Total	**10,216,734**	**2,699,889**	**8,066,577**	**1,130,736**	**22,113,936**

31 December 2021

	A+	A	BBB	Not rated	Total
	€	€	€	€	€
Insurance and other receivables	-	-	2,171,233	655,665	2,826,898
Cash and cash equivalents	12,641,019	-	6,396,377	102,317	19,139,713
Total	12,641,019	-	8,567,610	757,982	21,966,611

As at 31 December 2022 and 2021, 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.

Past due or impaired financial a ssets

At 31 December 2022 and 2021, 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 a minor liquidity risk associated with the timing differences between gross cash outflows and the liquidation of the investment. 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.

The following table indicates the expected timing of cash flows arising from the Company's technical provisions and contractual cash flows arising from other liabilities:

4 Management of insurance and financial risks - continued

4.4 Financial risk - continued

***4.4.2 Liquidity risk** – continued*

31 December 2022

	Notes	0-1 year €	1-5 years €	>5 years €	Total €
Technical provisions*	11	**2,430,331**	**436,964**	**2,903**	**2,870,198**
Insurance and other payables	17	**1,040,723**	**-**	**-**	**1,040,723**
Total		**3,471,054**	**436,964**	**2,903**	**3,910,921**

*Excluding provision for unearned premium

31 December 2021

	Notes	0-1 year €	1-5 years €	>5 years €	Total €
Technical provisions*	11	**2,088,888**	**375,574**	**2,495**	**2,466,957**
Insurance and other payables	17	**2,076,516**	**-**	**-**	**2,076,516**
Total		**4,165,404**	**375,574**	**2,495**	**4,543,473**

*Excluding provision for unearned premium

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 all denominated in Euro thereby leaving the Company with no 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.

4 Management of insurance and financial risks - continued

4.4 Financial risk - continued

4.4.3 Market risk – continued

4.4.3.1 Interest rate risk - continued

Profile

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

	Notes	**Carrying amount 2022 €**	Carrying amount 2021 €
Fixed rate instruments			
Financial assets	14,20	**7,600,000**	2,600,000
Variable rate instruments			
Financial assets	14	**12,419,409**	16,539,713

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 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. The Company's interest-bearing instruments are bank deposits with a fixed interest rate and accordingly the level of interest rate risk is contained.

4.5 Fair values

At 31 December 2022 and 2021, 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 Particulars of business

Life business

Gross premium written by class of business are analysed as follows:

	2022	2021
	€	€
Direct insurance		
Life	**29,787,057**	27,195,065

All gross premium written for direct business emanate from contracts concluded in or from the EU.

6 Finance income

	2022	2021
	€	€
Bank interest income	**57,610**	13,861
Finance income allocated to the non-technical account	**57,610**	13,861

7 Net operating expenses

	2022	2021
	€	€
Commission expense	**(14,892,691)**	(13,597,157)
Change in deferred acquisition costs (Note 12)	**265,153**	16,564
Administrative expenses (Note 8)	**(1,478,291)**	(1,122,474)
Total net operating expenses	**(16,105,829)**	(14,703,067)
Allocated to		
Income statement – technical account long term business	**(15,325,339)**	(14,166,038)
Income statement – non-technical account	**(780,490)**	(537,029)
Total other operating and administrative Expenses	**(16,105,829)**	(14,703,067)

8 Administrative expenses classified by nature

	2022	2021
	€	€
Computer operational costs	**(312,165)**	(218,585)
Professional fees	**(194,902)**	(155,583)
Directors' fees	**(27,950)**	(27,950)
Employee benefit expenses (Note 9)	**(611,825)**	(490,696)
Other expenses	**(331,449)**	(229,660)
	(1,478,291)	(1,122,474)

Administrative expenses were allocated as follows:

	2022	2021
	€	€
Technical account	**(697,801)**	(585,445)
Non-technical account	**(780,490)**	(537,029)
	(1,478,291)	(1,122,474)

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

	2022	2021
	€	€
Annual statutory audit	**(21,000)**	(19,900)
Tax advisory and compliance services	**(5,000)**	(4,870)
	(26,000)	(24,770)

9 Employee benefit expense

During the year, Oney Insurance (PCC) Limited, a fellow subsidiary, employed an average number of 31 employees (2021: 29 employees), 6 key management personnel, 11 middle management and 14 clerical (2021: 4 key management personnel, 12 middle management and 13 clerical). During its course of operations Oney Insurance (PCC) Limited seconds employees to the Company to carry out related duties. As a result, wages and salaries, secondment fees and related benefits amounting to €611,825 (2021: €490,696) were recharged to the Company.

10 Income tax expense

The income tax expense for the year comprises:

	2022 €	2021 €
Current tax expense		
Tax at 35%	**(3,431,163)**	(3,154,827)
Income tax expense	**(3,431,163)**	(3,154,827)

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:

	2022 €	2021 €
Profit before taxation	**9,830,078**	9,020,230
Tax using the domestic income tax rate of 35%	**(3,440,527)**	(3,157,080)
Adjusted for tax effect of:		
- FRFTC	**9,364**	2,253
Income tax expense	**(3,431,163)**	(3,154,827)

Total income tax payable amounted to €6,585,991 as at 31 December 2022 (2021: €6,604,398). The balance of income tax payable of €3,431,163 (2021: €3,154,827) is non-current in nature.

11 Insurance liabilities

11.1 Technical provisions

	2022 €	2021 €
Gross technical provisions		
Technical provisions:		
- claims incurred but not reported	**2,870,198**	2,466,957
- provision for unearned premium	**1,936,219**	1,406,294
Total technical provisions, gross	**4,806,417**	3,873,251

Expected settlement patterns for technical provisions are disclosed in Note 4.4.2.

11 Insurance liabilities - continued

11.2 Movement in technical provisions

The movement in technical provisions is analysed as follows:

	2022	2021
	€	€
Gross and net technical provisions		
Balance as of 1 January	**2,466,957**	2,493,582
Release to claims paid during the year (Note 22)	**(2,975,594)**	(3,479,134)
Movement in estimate of ultimate claims for the year	**3,378,835**	3,452,509
Balance as of 31 December	**2,870,198**	2,466,957

11.3 Variations occur when compared to prior year claims estimates due to a combination of factors including claims being settled for different amounts than estimated, and changes made to reserve estimates as more information becomes available. Favourable movements are indicative of a prudent reserving methodology in prior years. Variations arising from technical provisions exclusive of claims handling costs amounted to a favourable movement of €726,142 during 2022 (2021: €514,279 favourable), primarily arising from an adjustment to actuarial models after considering historical experience.

Further information on claims developments is provided in Note 22 to these financial statements.

A provision for claims handling expenses of €259,073 (2021: €219,406) is included in the gross claims incurred but not reported reserve.

The outstanding claims are estimated using statistical actuarial techniques. The long-term business provision is subject to an annual statutory valuation undertaken by the external actuarial function based on data and information provided by the Company.

11.4 Movement in technical provisions – unearned premium

Provision for unearned premium on direct insurance and the movements for the year are summarised as follows:

	2022	2021
	€	€
At 01 January	**1,406,294**	1,373,174
Premium written during the year	**29,787,057**	27,195,065
Premium earned during the year	**(29,257,132)**	(27,161,945)
At 31 December	**1,936,219**	1,406,294

12 Deferred acquisition costs

Deferred acquisition on direct insurance contracts and the movements for the year are summarised as follows:

	2022	2021
	€	€
At 01 January	**702,957**	686,393
Amount credited to profit or loss (Note 7)	**265,153**	16,564
At 31 December	**968,110**	702,957

Deferred acquisition costs are current in nature.

13 Insurance and other receivables

	2022	2021
	€	€
Receivables arising from direct insurance operations		
- due from a parent company	**1,220,041**	2,171,233
- due from a branch of a parent	**578,947**	255,401
- due from a fellow subsidiary of parent	**120,244**	310,162
- due from other brokers	**75,189**	42,948
	1,994,421	2,779,744
Other receivables		
- other receivables	**100,106**	47,154
	2,094,527	2,826,898

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

14 Cash and cash equivalents

Cash and cash equivalents are analysed as follows:

	2022	2021
	€	€
Cash at bank	**12,419,409**	16,539,713
Short-term deposits (time deposits)	**2,600,000**	2,600,000
Total cash and cash equivalents	**15,019,409**	19,139,713

Short-term deposits are made for varying periods and can be withdrawn within a period of one month to three months depending on the immediate cash requirements of the Company. Deposits are subject to an average interest rate of 0.79% (2021: 0.06%). The carrying amounts disclosed above reasonably approximate fair value at the reporting date.

At year end demand deposits amounting to €1,846,535 (2021: €6,396,377) were held with a parent company.

15 Share capital

	2022	2021
	€	€
Authorised share capital		
4,250,000 ordinary shares of €1 each	**4,250,000**	4,250,000
Issued and fully paid up share capital		
4,250,000 ordinary shares of €1 each	**4,250,000**	4,250,000

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 shares rank equally with regard to the Company's residual assets.

16 Shareholder's contribution

In 2021, the Company repaid the remaining shareholders' contribution amounting to €6,332,387 to its immediate parent company, Oney Holding Limited. There were no further contributions made in 2022.

17 Insurance and other payables

	2022	2021
	€	€
Payables arising out of insurance operations:		
Payable to a parent company	**301,847**	1,345,780
Payable to a branch of a parent	**105,090**	154,817
Payable to a fellow subsidiary of parent	**9,408**	213,052
Payable to other brokers	**10,166**	10,166
Other insurance payables	**101,636**	68,246
	528,147	1,792,061
Other payables:		
Payables to fellow subsidiary	**319,560**	144,781
Payable to immediate parent	**29,555**	15,252
Other creditors	**163,461**	124,422
	512,576	284,455

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

Insurance and other payables are current in nature.

18 Dividend

	2022	2021
	€	€
Net interim dividend paid on ordinary shares	**5,865,403**	6,418,735
Dividend per share	**1.38**	1.51

19 Cash generated from operating activities

	2022	2021
	€	€
Profit before taxation	**9,830,078**	9,020,230
Adjustment for:		
Interest income (Note 6)	**(57,610)**	(13,861)
Movements in items in the statement of financial position:		
Decrease/ (increase) in insurance and other receivables and deferred acquisition costs	**501,541**	(369,191)
Increase in technical provisions	**933,166**	6,495
(Decrease)/ increase in insurance and other payables	**(1,035,793)**	30,538
Cash generated from operating activities	**10,171,382**	8,674,211

20 Investments

Loans and receivables

	2022	2021
	€	€
At 31 December		
Deposits with banks	**5,000,000**	-

Maturity of deposits with banks:

	2022	2021
	€	€
Within 1 year	**2,000,000**	-
Between 1 and 5 years	**3,000,000**	-
	5,000,000	-

The deposits with banks earn interest as follows:

	2022	2021
	€	€
At fixed rates	**5,000,000**	-

At year end term deposits, classified as loans and receivables, amounting to €5,000,000 (2021: nil) were held with a parent company.

21 Related party disclosures

The Company enters into transactions with its parent, group undertakings and directors in the normal course of business. 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).

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

	2022	2021
	€	€
Income from insurance contracts and other services		
Sale of insurance contracts to a parent company	**26,408,750**	23,742,542
Sale of insurance contracts to a branch of a parent	**4,219,811**	2,876,812
Sale of insurance contracts to a fellow subsidiary of parent	**1,093,364**	568,105
Finance income from a parent company	**34,280**	-
Expenses related to insurance contracts and other services		
Claims incurred - parent company	**1,730,708**	1,971,913
Claims incurred - branch of a parent	**295,403**	460,773
Claims incurred - fellow subsidiary of parent	**161**	117,046
Commission paid to a parent company	**12,288,074**	11,871,276
Commission paid to a branch of a parent	**2,058,445**	1,438,406
Commission paid to fellow subsidiary of parent	**546,172**	284,053
Recharge of operating expenses from a fellow subsidiary	**1,235,241**	920,439
Recharge of operating expenses from the immediate parent	**29,555**	15,252

Director’s fees are disclosed in Note 8 to these financial statements.

Related party balances

Information on amounts due to and by related parties is set out in Notes 13, 14 and 17 to these financial statements.

Deposits held with a parent company (as disclosed in Note 14 and 20) earn an average interest of 0.69% (2021: Nil)

22 Insurance terms, assumptions and sensitivities

Terms

Claims provisions are established to cover the expected ultimate cost of settling the liabilities in respect of claims that have occurred and are estimated based on the known facts at the end of the reporting period. The provisions established cover reported claims and associated loss adjustment expenses, as well as claims incurred but not yet reported to the Company, and are based on undiscounted estimates of future claim payments.

The ultimate cost of insurance claims, including incurred but not reported claims is estimated by using recognised actuarial methods including analysis of historical claims terms. Where there is a lack of reliable historic data on which to estimate claims development, relevant benchmarks of similar business are used in developing claims estimates. Claims provisions are separately analysed by product type. The claims projection assumptions are intended to be prudent and exceed a "best estimate" of the expected outcome, by including qualitative judgement to assess the extent to which past trends may not apply in the future.

Assumptions

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, Portuguese, Spanish and Polish economies.

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

The requirement for an unexpired risk reserve (URR) is tested separately for each product by reference to the combined ratio, i.e. the combined cost of claims and expenses in relation to premium.

This calculation allows for product specific claims loss ratios, claims handling expenses, and commissions as well as a contribution to overall administration expenses.

As the combined ratios are below 100%, the required URR is nil for each of the group payment protection insurance policies and also for the term life program.

Sensitivities

The life insurance claims provision is sensitive to the above key assumptions. 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 outstanding claim provisions are 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. Reproduced below is an exhibit that shows the development of claims over a period of time on a gross basis.

22 Insurance terms, assumptions and sensitivities - continued

Sensitivities - continued

Accident year	2013 & Prior	2014	2015	2016	2017	2018	2019	2020	2021	2022	Claims Handling Fees	Total
	€	€	€	€	€	€	€	€	€	€	€	€
Cumulative Paid Claims												
as at end 2013 - in Malta	12,096,056										1,215,838	**13,311,894**
as at end 2014 - in Malta	13,018,931	1,247,116									1,601,539	**15,867,586**
as at end 2015 - in Malta	13,080,351	2,191,252	1,440,113								1,975,168	**18,686,884**
as at end 2016 - in Malta	13,095,675	2,256,244	2,046,377	1,286,958							2,363,087	**21,048,341**
as at end 2017 - in Malta	13,104,820	2,297,697	2,122,069	2,114,945	1,268,471						2,756,854	**23,664,856**
as at end 2018 - in Malta	13,104,820	2,310,141	2,140,443	2,208,352	2,228,533	1,512,362					3,172,229	**26,676,880**
as at end 2019 - in Malta	13,109,045	2,314,616	2,145,539	2,225,476	2,348,093	2,536,824	1,489,643				3,589,798	**29,759,034**
as at end 2020- in Malta	13,109,478	2,316,162	2,145,539	2,228,016	2,371,925	2,607,477	2,472,824	1,490,454			4,005,970	**32,747,845**
as at end 2021- in Malta	13,109,478	2,316,162	2,147,253	2,228,016	2,375,143	2,614,214	2,628,139	2,745,554	1,657,684		4,405,336	**36,226,979**
as at end 2022- in Malta	13,109,478	2,316,162	2,148,754	2,228,016	2,375,143	2,619,181	2,658,464	2,857,627	2,702,219	1,388,950	4,798,579	**39,202,573**
O/S Claims												
as at end 2013 - in Malta	2,336,228										192,455	**2,528,683**
as at end 2014 - in Malta	753,650	1,877,251									211,920	**2,842,821**
as at end 2015 - in Malta	224,343	299,038	1,670,908								207,361	**2,401,650**
as at end 2016 - in Malta	101,675	89,158	303,827	1,631,034							221,702	**2,347,395**
as at end 2017 - in Malta	60,176	45,654	112,367	321,302	1,599,100						181,789	**2,320,388**
as at end 2018 - in Malta	9,109	20,465	42,194	66,257	202,818	1,346,295					195,697	**1,882,835**
as at end 2019 - in Malta	8,684	6,099	8,368	15,531	36,993	168,518	1,768,271				241,916	**2,254,381**
as at end 2020 - in Malta	4,273	3,845	5,306	9,065	17,140	48,722	214,051	1,961,891			229,289	**2,493,582**
as at end 2021 - in Malta	16	50	140	557	2,142	9,313	43,304	272,406	1,919,622		219,406	**2,466,957**
as at end 2022- in Malta	3	14	39	150	538	2,277	10,071	54,945	259,972	2,283,117	259,073	**2,870,198**
Estimate of Ultimate Claims Costs												
as at end 2013 - in Malta	14,432,284										1,408,293	**15,840,577**
as at end 2014 - in Malta	13,772,581	3,124,367									1,813,459	**18,710,407**
as at end 2015 - in Malta	13,304,694	2,490,290	3,111,021								2,182,529	**21,088,534**
as at end 2016 - in Malta	13,197,350	2,345,402	2,350,204	2,917,992							2,584,789	**23,395,737**
as at end 2017 - in Malta	13,164,996	2,343,351	2,234,436	2,436,247	2,867,571						2,938,643	**25,985,244**
as at end 2018 - in Malta	13,113,929	2,330,606	2,182,637	2,274,609	2,431,351	2,858,657					3,367,926	**28,559,715**
as at end 2019 - in Malta	13,117,729	2,320,715	2,153,907	2,241,007	2,385,086	2,705,342	3,257,914				3,831,714	**32,013,415**
as at end 2020 - in Malta	13,113,751	2,320,007	2,150,845	2,237,081	2,389,065	2,656,199	2,686,875	3,452,345			4,235,259	**35,241,427**
as at end 2021- in Malta	13,109,494	2,316,212	2,147,393	2,228,573	2,377,285	2,623,527	2,671,443	3,017,960	3,577,306		4,624,742	**38,693,936**
as at end 2022- in Malta	13,109,481	2,316,176	2,148,793	2,228,166	2,375,681	2,621,458	2,668,535	2,912,572	2,962,191	3,672,067	5,057,652	**42,072,771**

The table below indicates the impact of changes in certain key assumptions in respect of life assurance business whilst other assumptions remain unchanged.

Sensitivities factor		**Impact on profit before tax 2022 €'000**	Impact on profit before tax 2021 €'000
IBNR Loss Ratio - Death	Decrease by 1% nominal	**270**	253
IBNR Loss Ratio - Accidental Death	Decrease by 1% nominal	**23**	19
Total Outstanding Claims	Increase by 10%	**287**	247

The IBNR sensitivities show the impact on the total IBNR of changing the loss ratio on the most recent full year (i.e., 2022 for the current year and 2021 for the comparative).

23 Events after the reporting date

There were no significant events after the reporting date.