Solvency and Financial Condition Report as at 31st December 2016

Disclaimer:

Certain information is required to be reviewed by external auditors. The external auditors will review and prepare their report by 6th June 2017.

As such, this report is unaudited.

The auditors' report will be published on the Hellenic Alico Life Insurance Company Ltd website on 6th June 2017, together with the audited Solvency and Financial Condition report.

The information subjected to audit by the external auditors is defined in the "Orders of the Superintendent of Insurance in relation to the annual audit of the Solvency and Financial Condition Report".

SOLVENCY AND FINANCIAL CONDITION REPORT FOR

Hellenic Alico Life

May 2017

Executive Summary

Business performance

The principal activities of Hellenic Alico Life Insurance Company Limited are the underwriting of Credit Life, Term Life, Unit Linked, and Health products.

The Company is licensed by the Cyprus Insurance Companies Control Service to underwrite the following insurance classes:

Life Business
Classes 1, 3 and 4

Non-Life Business
Class 2

The Company underwrites business in Cyprus.

During the year ended 31 December 2016, the Company wrote €11.1m (2015: €11.0m) of gross premium. Technical profit at €2.7m (2015: €3.4m) and Net profit at €3.0m (2015 €3.4m).

	2016 €'000	**2015 €'000**
Balance on Technical Account	2,726	3,373
Investment Income	651	466
Profit on ordinary activities before tax	3,375	3,839
Tax on profit on ordinary activities	422	468
Profit for the financial year	2,953	3,370

The Net profit for the year was transferred to shareholders funds. On 6 December 2016, a dividend was paid of €2,37 per share in respect of the year ended 31 December 2015 amounting to €2.370.000.

The Company remained focused on the business that it is familiar with and has proven to be profitable historically. This strategy has generated profits in every financial year for the last ten years.

	2007	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Revenue (€'000s)	8,951	10,445	10,608	12,085	13,292	12,827	11,874	11,085	10,962	11,104
% increase/ (decrease) in revenue	-	16.7	1.56	15.7	9.99	(3.50)	(5.43)	(6.64)	(1.11)	1.30
Profit after tax (€'000s)	2,222	2,756	2,965	1,096	4,188	5,484	3,710	3,538	3,370	2,953

The Company has not written any inwards reinsurance contracts.

Solvency II

Since Solvency II came into force on 1 January 2016 the valuation of the balance sheet and the Solvency Capital Requirement under Solvency II is done periodically by running the standard-formula-based capital model.

In relation to the Solvency II balance sheet, specific valuation rules are defined in Solvency II for several balance sheet items that differ from the Financial Reporting Standards.

Balance sheet of the Company for the year ended 31 December 2016:

	Statutory accounts (€'000s)	**Solvency II value (€'000s)**
Total assets	44,339	39,343
Total liabilities, including technical provisions	32,036	22,650
Own funds	12,303	16,694

Besides underwriting risk, the main risk identified by the Company is the counterparty default risk. Counterparty default risk remains the key contributor to the solvency capital requirement and it is driven by the Company's cash and cash equivalent exposure to Hellenic Bank. The Company is in the process of reducing this exposure.

System of Governance

The Company has designed a System of Governance (SoG) which it is implementing, in a proportional and proportionate manner. This SoG addresses the following important areas of the Company:

- Terms of Reference for the Board and the Sub-Committees
- Risk Management framework
- Key functions (Actuarial, Risk, Internal Audit and Compliance)
- Risk Policies for all the main risks
- Risk Appetite Strategy
- Own Risk Self-Assessment (ORSA)
- Fit and Proper Policy
- Scenario and Stress Testing and Reverse Stress Testing.
- Outsourcing

Capital management processes

The Company has a capital management process in place which interacts with the risk management function. The objective of capital management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer.

The Company is sufficiently capitalized and enjoys a healthy solvency position with a solvency ratio of 214%, well above the minimum threshold of 115% set by ICCS. This is expected to continue in the future, based on the latest Own Risk and Solvency Assessment report.

Table of Contents

1 Business Performance

1.1 Business

1.1.1 Name and legal form of undertaking

Hellenic Alico Life Insurance Company Limited

66 Grivas Digenis Avenue

1095 Nicosia

Cyprus

Telephone: 0035722501581

Fax: 0035722450750

Email: life@hellenicbank.com

Private Company Limited by Shares.

The Company's registration number is 115264

1.1.2 Name and contact details of the supervisory authority

Hellenic Alico Life is a Cyprus regulated entity. The contact details of its regulators are:

Superintendent of Insurance

Cyprus Insurance Companies Control Service

Ministry of Finance

P.O. Box 23364, 1682 Nicosia

Cyprus

Telephone: 0035722602990

Fax: 0035722302938

Email: insurance@mof.gov.cy

1.1.3 Name and contact details of the supervisory authority of the mother company

The Central Bank of Cyprus

80 John Kennedy Avenue

1076 Nicosia

Cyprus

Telephone: 0035722714100

1.1.4 Name and contact details of the external auditor

KPMG Limited

14 Esperidon Street

1087 Nicosia

Cyprus

Telephone: 0035722209000

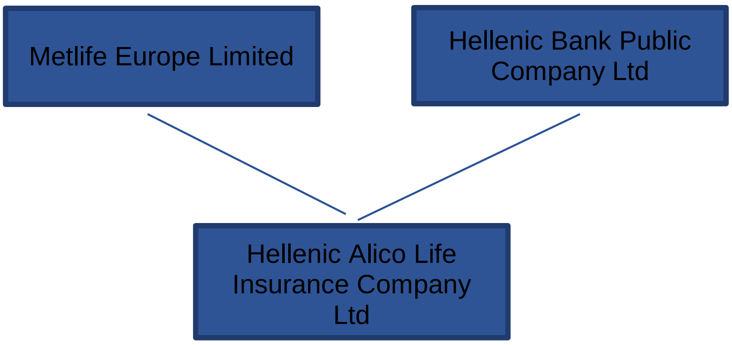
Fax: 0035722678200

1.1.5 *Description of the holders of qualifying holdings in the undertaking*

The controlling party is Hellenic Bank Public Company Limited (72.5%)

Minority shareholding Metlife Europe Limited (27.5%)

1.1.6 *Details of the undertaking's position within the legal structure of the group*



1.1.7 *Material lines of business and material geographical areas where the undertaking carries out business*

Hellenic Alico Life writes premium only in Cyprus under classes 1, 3 and 4 for Life business and classes 1 and 2 for Non-Life business.

1.1.8 *Any significant business or other events that have occurred over the reporting period that have had a material impact on the undertaking*

No other significant internal or external events that could imply a material effect on the Company have occurred over the year ended 31 December 2016.

1.2 Underwriting Performance

The following table presents quantitative information on the underwriting performance of the Company for the current and for the previous reporting period as per the financial statements.

€ '000s	YE2016	YE2015
Net premium earned	8,230	8,273
Reinsurance commission income	1,292	817
Net insurance claims & benefits	-3,343	-2,195
Total expenses	-3,453	-3,522
UNDERWRITING RESULT	2,726	3,373

The premium volumes written during 2016 were at similar level to those written in 2015. There was however a material increase in the reserves (included above in Net insurance claims & benefits) mainly driven by methodology and model improvements to better reflect the benefits embedded in the products as well as future projected expenses. Nonetheless, the underwriting performance continued to be positive in 2016 with technical profits reported across the whole portfolio.

1.3 Investment Performance

During the year ended 31 December 2016, the Company recognised the following net investment income:

	2016 €'000s	2015 €'000s
Interest income	174	216
Dividend income	241	229
Net fair value gains/(losses) on financial assets at fair value through profit or loss	195	(127)
Net realised gains/(losses)		
- Financial assets at fair value through profit or loss	41	122
- Available for sale financial assets	(0)	26
	651	**466**

The main source of investment gains is the increase in the market value of fixed income securities following the reduction in yields observed during the reporting year.

The company managed to improve net investment income during 2016 besides the prolonged low yield environment. This has been achieved without compromising the parameters set by the Executive Investment and Board Risk Committees.

1.3.1 Income and expenses arising from investments by asset class.

The assets invested by the Company fall into the following assets classes:

1) **Collective Investment Undertakings €20.040k**

The Company has invested in collective investment undertakings through investments in Exchange Trade Funds (ETFs) which provide access to a diversified pool of financial assets. In the year ended 31 December 2016, the Company received dividend income on these assets of €241k.

2) **Government Bonds €1.381k**

The Company has invested in Government bonds as part of its investment strategy. The interest income arising from this investment during the year ended 31 December 2016 is €83k.

3) **Cash and Cash equivalents: Bank Deposits €9.724k**

The income arising from bank deposits totalled €91k for the year ended 31 December 2016. This amount represents interest received on the bank accounts balances held in Cyprus.

1.3.2 Any gains and losses recognised directly in equity

During the year ended 31/12/2016 a net amount of €73K was recognized directly in equity in relation to upward revaluation of investments held during the year.

1.3.3 There are no investment assets in securitisation

1.3.4 Performance of other activities

There have been no other significant activities undertaken by the Company other than its insurance and related activities.

1.3.5 Other material income and expenses

No other material income or expenses incurred during the year 2016.

1.4 Any other information

There are no other material matters in respect to the business or performance of the Company.

2 System of Governance

2.1 General information on the system of governance

2.1.1 The structure of the Board of Directors (BoD)

The current membership of the Board is presented below

Henricus Lambertus (Bert) Pijls, Chairman (resigned on 15 December 2016)
Mario Francisco Valdes Velasco, Vice Chairman (appointed on 27 September 2016, Vice Chairman from 25 November 2016)
Michael Hadzidimitriou, Vice Chairman (resigned on 9 May 2016)
Antonios I Karpasitis
George K Pavlou
Adamos Savvides
Andreas Papadatos (appointed on 13 May 2016)
Christos A. Antoniou (resigned on 16 March 2016)

2.1.1.1 Description of its main roles and responsibilities

The Company is ultimately governed by the BoD comprising of a non-executive chairman and deputy chairman, another three non-executive directors and the executive director, who is also the General Manager of the Company.

The BoD maintains responsibility for the prudent management of the Company. It reviews and assesses the Company's strategic and business planning, solvency, as well as the Senior Management's approach to addressing risks and challenges. It reviews reports submitted by Senior Management and maintains frequent and open communication with the General Manager and Executive and Risk Committees.

2.1.1.2 Brief description of the segregation of responsibilities within these bodies (e.g. committees)

For more effective operation, the BoD has established the following Committees with oversight responsibility over the Company's key functions.

– ***Audit Committee***

The Audit Committee, shall be accountable to the BoD and shall assist the BoD in meeting its responsibilities in ensuring an effective system of internal control and compliance and for meeting its external reporting obligations, including its obligations under applicable laws and regulations and shall be directly responsible on behalf of the BoD for the appointment, oversight and remuneration of the External Auditor.

– ***Risk Committee***

The Risk Committee as an advisory Committee to the BoD assists with the formulation of the Company's overall risk strategies and polices for managing significant business risks, and is responsible for overseeing the implementation of the Risk Management Framework. In addition, the Committee ensures that the Company's overall system of internal control operates effectively, and monitors and reviews risk exposures and breaches.

2.1.2 Description of the main roles and responsibilities of key functions

– ***Internal Audit***

The Internal Audit function of the Company is administratively independent of any functions which have operational responsibilities in line with Solvency II Delegated Acts and local legislation.

Through annual audits and consultations, the Internal Audit Function provides assurance and advice on the adequacy and effectiveness of the Company's Internal Control System, operational functions and any matters which would require their review.

The Internal Audit Function reports to the Board though the Audit Committee.

– ***Compliance***

The Compliance Function reports to the General Manager and also has a direct reporting line to the Board. It is independent of risk taking functions e.g. underwriting and claims. The function is subject to audit by the Internal Audit Function.

– ***Actuarial Function***

The Actuarial function advises the Senior Management and the BoD of the Company on the valuation of the technical provisions, the overall underwriting policy and the reinsurance arrangements and contributes to the effective implementation of the risk-management system. Additionally, it is responsible to assist where requested in the pricing adequacy. This Function is also responsible for the technical pricing of products within the scope defined by the Board of Directors.

The Actuarial Function is a measure of quality assurance with a view to safeguarding that certain control tasks of the Company are based on expert technical actuarial advice.

– ***Risk Management Function (RMF)***

The RMF aims at facilitating the implementation of the Risk Management System of the Company. The mission of the RMF is the efficient and effective management of risks in accordance with the risk appetite of the Company, as stipulated in its Risk Appetite and Tolerance Statement.

In order to achieve its mission, the RMF designs and implements strategies, processes and reporting procedures necessary to identify, measure, monitor and report the risks on an individual and on an aggregate level. This Function is also responsible for the preparation of the Own Risk and Solvency Assessment (ORSA) report which is submitted to the Board for approval and submission to the Regulator at least once a year.

2.1.3 There were no material changes in the system of governance over the reporting period

2.1.4 Remuneration policy and practices for the BoD and employees

The BoD of the Company adopts the Remuneration Policy of Hellenic Bank Group. The BoD is responsible for the implementation of the Remuneration Policy and specifically its application to the BoD, Senior Management and key function holders.

The remuneration of all staff employed by the Company should comply with the Hellenic Bank Group's principles:

- Be in line with the Company's business and risk strategy, risk profile, objectives, values, risk management practices, and long-term entity wide interests and performance
- Consider both financial and non-financial performance

- Comprehensively and properly reflect the individual's and the Company's performance
- Take appropriate account of the material risk including the relevant time horizons
- Be transparent and adequately disclosed to all members of staff

2.1.5 Information about material transactions during the reporting period with:

– Shareholders

In accordance to the Technical Assistance Agreement between the Company and the subsidiary of one of its shareholders, MetLife Services Cyprus Limited, the Company received support services during the year for a total amount of €493K (2015: €533K).

Hellenic Bank, received a total amount of €1,593K (2015: €1,543K) for the sale of insurance contracts through its branch network.

Key management compensation (including Directors' remuneration) for the year ended 31 December 2016 amounted to €153K (2015: €293K). This relates to salaries and other short-term employee benefits of €42K (2015: €140K) and early retirement costs and other long-term benefits of €110K (2015: €153K).

2.2 Fit and proper requirements

2.2.1 Description of the specific requirements concerning skills, knowledge and expertise

The Company ensures that all persons (Solvency II staff) who effectively run the Company or have other key functions are fit to provide sound and prudent management through their professional qualifications, knowledge and experience and are proper by being of good repute and integrity.

The Solvency II staff collectively possesses professional qualifications, experience and knowledge about at least:

- Insurance and financial markets;
- Business strategy and business model;
- System of governance;
- Financial and actuarial analysis; and
- Regulatory framework and requirements.

2.2.2 Description of the undertaking's process for assessing the fitness and the propriety

In order to ensure that Senior Managers / Company Directors of the Company are fit, they are recruited giving due regard to interview requirements, referencing, relevant skills, personal and professional background and other checks as required and relevant to the role to be undertaken. Some of the general checks conducted include:

- Educational Background Check; and
- Professional Qualifications / Membership Check

In order to ensure that Senior Managers / Company Directors are proper, they are subjected to a variety of checks at the commencement of their assessment, including:

- Credit checks
- Identity checks (including passport)

- Employment History
- Criminal History checks

2.3 Risk management system including the own risk and solvency assessment

2.3.1 Description of the undertaking's risk management system and how it is able to effectively identify, measure, monitor, manage and report, on a continuous basis

2.3.1.1 Principles

The Risk Management System is governed by the Risk Principles defined by the BoD. The main principles adopted by the Company regarding the management of risk are listed below:

- The Company aims to create and promote a strong risk culture that is embedded in all aspects of the Company's activities.
- The BoD in carrying out both its management and supervisory functions has collectively a full understanding of the nature of the business and its associated risks.
- The BoD is responsible for setting the company's risk appetite and risk tolerance at a level which is commensurate with its sound operation and the strategic goals of the Company.
- The Company has an established, comprehensive and independent from risk taking activities RMF.
- The Company applies high standards of transparency with regards to the performance of its operations and communicates all the information it considers necessary to the interested and affected parties.
- New products, markets, and business strategies are analysed carefully and the Company makes sure that it possesses adequate internal tools and expertise to understand and monitor the risks associated with them.
- The risk management framework is subject to an independent review by the Internal Audit Function.

2.3.1.2 Risk Appetite

Hellenic Alico Life sees itself as a bancassurer with its core business being Credit Life Insurance in Cyprus. The Company looks for prudent organic growth whilst maintaining a well-managed and profitable business portfolio.

The strategic objective of the Company is to build on what has been achieved without exposing undue stress to the resources or capital and thus jeopardising the current operation.

In line with its overall strategy, the Company's appetite is primarily for underwriting risk specifically related to Life and Health Insurance. Hence, underwriting risk accounts for a significant portion of the Company's risk portfolio and is one of the main contributors of the Company's Solvency Capital Requirement.

Nonetheless, the Company accepts that underwriting inevitably gives rise to other risk exposures, such as the credit risk that arises from the agreements with reinsurers and from issuers of investment assets, as well as operational risk. The Company acknowledges that these risks are unavoidable and seeks to reduce these risks to a reasonable and practicable extent. Moreover, like any other insurance Company, the Company has a capital base, the investment of which introduces some investment risk. The Company has a very low appetite for investment risk and hence it invests its portfolio of assets in a manner that aims for security of investments, adequate diversification as well as sufficient liquidity to meet liabilities as they fall due.

2.3.1.3 Risk Management Cycle

The Company's Risk Management System encompasses a number of key processes and procedures which address the Company's key risks. These steps are summarised below:

Risk identification - Risks are identified and documented in the Risk Register. Risk and control owners are assigned to each risk to ensure accountability for managing all material risks and the related controls.

a. ***Risk assessment -*** The risk exposures are then assessed qualitatively on a gross basis (inherent risk) and on a net basis (residual risk) on established criteria for frequency and severity for risk not covered by capital and using the Value at Risk (VaR) measure for risks covered by capital.

   Stress testing is conducted regularly by the RMF as a risk assessment tool in order to assess the Company's vulnerability to possible events or future changes in economic conditions which have unfavourable effects on its performance, solvency, liquidity or reputation and its ability to withstand such changes.

b. ***Risk control and mitigation -*** The Company designs and implements controls to prevent or detect the occurrence of an identified risk event or to mitigate its severity. The Company's control activities are documented in the Risk Register.

c. ***Risk monitoring -*** The RMF has the responsibility to ensure that all material risk exposures are monitored on an on-going basis and that any risks that fall outside the approved risk appetite of the Company are identified and appropriately escalated to the Risk Committee. At least once a year, the Risk Register is formally reviewed by the RMF and any actions deemed necessary following such review are brought to the attention of the Board.

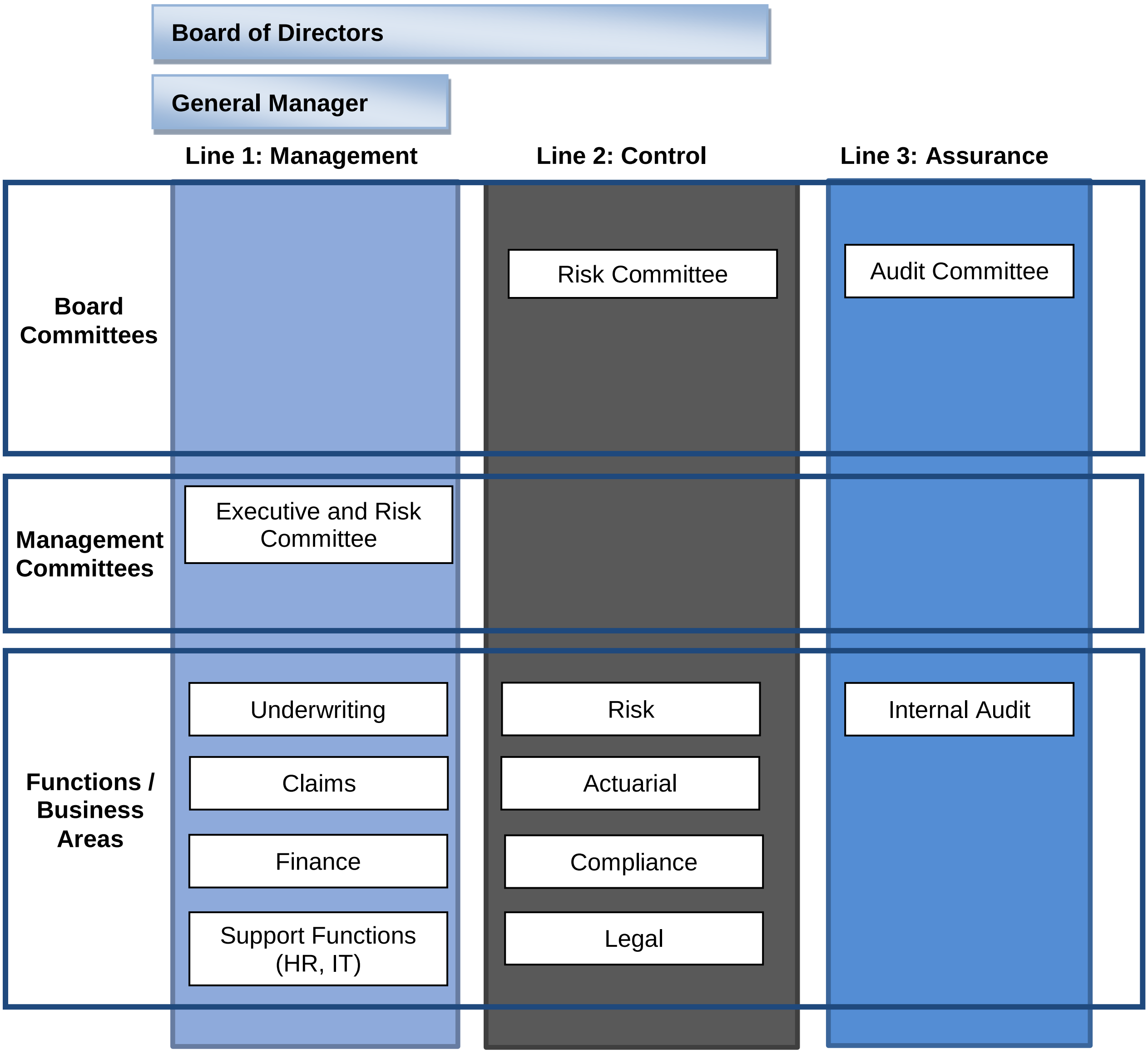
2.3.1.4 Risk Reporting

The Risk Management Function reports to the BoD, through the risk committee at least annually on its assessment of material risks and the management thereof, in particular the actions being taken to mitigate or control key risk exposures. It is also obliged to report the following to the BoD, without delay:

- Any significant changes to the overall risk profile of the Company
- Any deviations from the risk management strategy or risk appetite
- Any risk management matters in relation to strategic affairs, such as major projects and investments

2.3.2 Description of how the risk management system (including the risk management function) are implemented and integrated into the organisational structure and decision-making processes of the undertaking

In implementing its risk management strategy, the Company operates the 'Three Line of Defence Model' to manage its risk and control its activities. This ensures the establishment of clear responsibility boundaries, the proper segregation of duties and the avoidance of conflicts of interest at all levels, including the BoD, Senior Management, RMF and Business Units.



The **First Line of Defence** relates to the management of risks at the points where they arise. These activities are carried out by persons who take on risks on behalf of the Company. Risk management at this level consists of appropriate checks and controls, incorporated in the relevant procedures and the guidelines that are set by the Executive and Risk Committee with the assistance of the RMF.

The **Second Line of Defence** concerns the risk management activities that are carried out by the RMF and the important supporting operations. It also refers to the risk management activities performed by the Risk Committee and includes the approval and oversight of the implementation of risk policies and the establishment of systems and controls so that the overall level of risks and the relationship between risk and reward remain within acceptable levels.

The role of the RMF is to:

- Support the BoD in the determination and implementation of the risk strategy and capital planning
- Coordinate the implementation of the risk management framework
- Be the main unit for risk management responsibilities
- Report to the Senior Management

- Risk management training to the BoD, Committees, Senior Management and risk-taking functions directly involved in the management and oversight of risk, on the contents of, and for providing guidance on their application
- Monitor the risk profile of the Company against the Company's risk appetite
- Develop internal risk methodologies and models
- Bring to the attention of the BoD any breaches of the Risk Management Policy

The RMF is assisted by the Actuarial Function on the technical aspects of risk management and modelling.

The **Third line of Defence** concerns the activities of the Internal Audit Function that through its work provides an independent assurance to the BoD, on the performance and effectiveness of the risk management systems within the Company.

The Company embeds the risk management system into the organisational structure and supports it by appropriate internal controls and by information systems that provide relevant, information. The risk management system then provides information that are fed into the decision-making processes by assessing the risk exposure of alternative strategies the Company is considering with respect to risk mitigation, business volumes and investments.

2.3.3 Process adopted to fulfil the obligation to conduct an ORSA

2.3.3.1 Description of the process undertaken by the undertaking to fulfil its obligation to conduct an ORSA as part of its risk management system

In line with the Company's ORSA policy, ORSA can be defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage and report the short and long term risks the Company faces or may face and to determine the own funds necessary to ensure that the Company's overall solvency needs are met at all times.

The Company follows the steps below to implement its ORSA:

a. ***Identify and classify risks*** - The Company identifies the material risks it faces at a particular point in time. This includes risks considered in the SCR standard formula, as well as risks not included in the standard formula such as liquidity, strategic and business risks.

b. ***Assessment and measurement of risks through different approaches including stress testing*** - the Company collects data, quantifies and aggregates risks using different approaches such as Value at Risk and stress testing. The assessment is done using predefined risk metrics.

c. ***Capital Allocation*** – According to its risk profile, the Company determines the necessary additional capital over and above the regulatory minimum SCR.

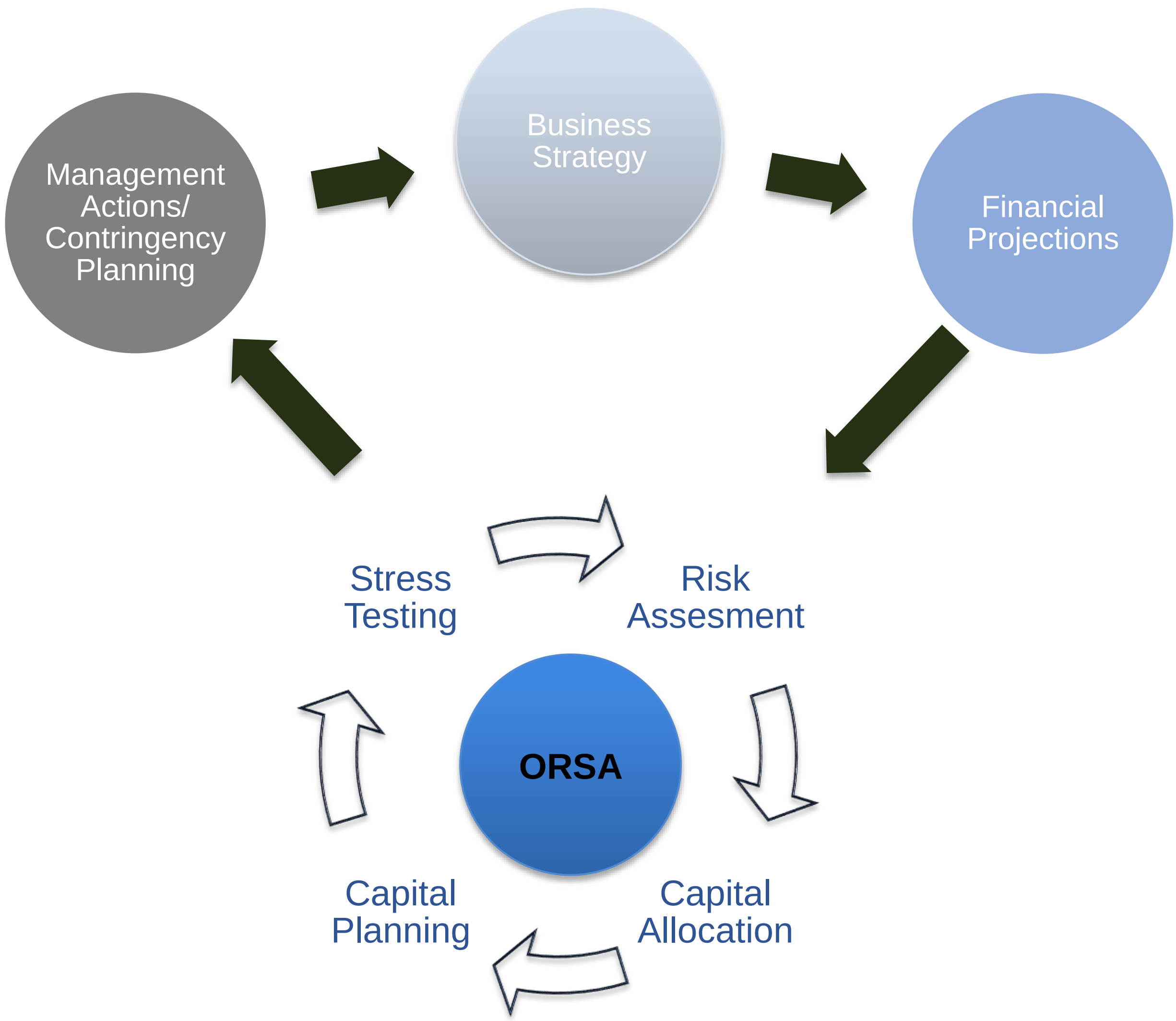
d. ***Capital planning*** – Based on the capital allocation projections, the Company prepares a capital plan for the following 3 years. Such plans depend on the Company's strategic objectives and financial projections and assumptions on future economic conditions.

e. ***Stress testing*** - The Company applies stress and scenario testing to the forward-looking capital plan and develops actions that can be taken in unforeseen circumstances in the future.

f. ***Communicate and document the results*** – The Company presents the results of the process to senior management and the Board of Directors and prepares the ORSA report.

2.3.3.2 How the ORSA is integrated into the organisational structure and decision making processes of the undertaking

ORSA covers all the operations of the organisation and all business units of the Company. The BoD is the body that bears the ultimate responsibility for the ORSA, its application and embedment within the Company's day to day procedures. The roles and responsibilities for the ORSA for each body and function of the Company (BoD, Senior Management, RMF, Actuarial Function, Compliance Function, Finance Function, Internal Audit Function, Risk Taking Departments) are defined in the ORSA policy of the Company.



The ORSA process is not independent from the "business as usual' process of the Company. As a result, the RMF reports the Company's risks and stress tests and the BoD and

Management make decisions upon the results of these procedures. In addition, the Company considers the impact on its capital in its financial projections. Strategic decisions are assessed and evaluated in the light of their effect on the Company's risk situation and risk-bearing capacity over the business planning horizon. Such strategic decisions include but are not limited to:

- Expansions into new markets
- Introduction of new products
- Utilisation of additional distribution channels
- Target business volumes
- Reinsurance arrangements
- Investment decisions

2.3.3.3 Statement detailing how often the ORSA is reviewed and approved by the BoD

The Company currently performs the ORSA annually. The assessment will be repeated immediately following any significant changes to the internal or external environment that the Company operates.

2.3.3.4 Statements explaining:

– How the undertaking has determined its own solvency needs given its risk profile

The Company determined that the Solvency II SCR standard formula would be used to calculate the required solvency capital and to assess the overall solvency needs. The standard formula is widely used internally as it represents the main metric for the ongoing management of risk and capital. Given the characteristics of the Company's portfolio, the Company is confident that the risk capital as calculated by the standard formula is generally at least equal to the actual underlying risk of the Company. Furthermore, the ranking of risks as quantified by the standard formula represents the expectations of the management which provides additional comfort about the merits in adopting this approach.

– How its capital management activities and its risk management system interact with each other

A three-year base case projection of the Solvency II Balance Sheets and Solvency Capital Requirements ('SCR') is produced using the standard formula. The results are subjected to a range of scenario testing that is reviewed by management and challenged by the BoD and, where appropriate, potential management actions are noted and conclusions drawn. Senior management, taking into account the insight from the stress testing outcome, develops the Company's long and short term capital management plan, whilst considering the business strategy and risk tolerance. This plan includes alternatives to ensure that solvency needs can be met even under unexpectedly adverse circumstances.

2.4 Internal control system

2.4.1 Description of the undertaking's internal control system

The Company has the regulatory obligation to adequately assess and manage compliance risks on a proactive and ongoing basis. Tone at the top is of utmost importance in creating compliance awareness not only to the management but also each and every employee, as compliance risks exist across all levels of an organization and in particular, the Units with executive duties. The Compliance function is an integral and indivisible part of the Company's business activities. Having acknowledged the importance of the Compliance function, the BOD and Management are committed to create and promote a culture of compliance and integrity across the Company, incorporating its principles in the decision-making process.

The Company aims to retain the highest standards in matters of the general governance requirements and the implementation of an effective internal control system set by the law. It also aims to maintain recognized high standards of ethical values and behavior in the matters of conflict of interests and Business Conduct, as described in the relevant Policies of the Company.

Compliance is the responsibility of every staff member of the Company, who should be fully aware and up-to-date with all the obligations and duties arising from the compliance regulatory framework. The existence of a specialized Compliance function does not release anyone from the professional obligation to know and comply with the laws, directives and internal policies and procedures applicable to their role.

2.4.2 Description of how the compliance function is implemented

The Compliance function is administratively independent from other departments of the Company and possesses discretionary autonomy to create, enhance, review and modify its existing risk management or executive competencies. It is directly supervised by the Audit Committee and the BOD and reports to the General Manager of the Company on operational matters.

Compliance function assists Management in the effective management of compliance risk and maintains the right of unobstructed, immediate and direct access to the Audit Committee or the BOD, whenever deemed necessary.

Additionally, the Compliance function is responsible, in accordance with its monitoring and controls testing duties, for establishing, creating, modifying, enhancing any controls it deems appropriate in order to eliminate or mitigate existing and newly identified risks.

2.5 Internal audit function

2.5.1 Description of how the undertaking's internal audit function is implemented

The work of the Internal Audit Unit is based on its Charter and the Internal Audit Manual approved by the Audit Committee of the BOD and the BoD. The Internal Audit Unit authority to unrestricted information, its operating principles, its responsibilities, reporting requirements as well as the Internal Auditors' code of conduct, quality assurance and improvement program are all laid out in the Internal Audit Unit Charter.

2.5.2 Description of how the undertaking's internal audit function maintains its independence and objectivity from the activities it reviews

In accordance with the Group Internal audit charter (edition 8, February 2016) as approved by the BOD, the Internal Audit Unit is independent from business and operational units. The Head of Group Internal audit reports directly to the Chair of the Audit Committee and via the Audit Committee to the Board of Directors. According to the charter, the Internal Audit Unit will have direct access to the Audit Committee and its Chairperson and Executive Management regarding matters that the Internal Audit Unit believes are significant to require immediate attention of the Audit Committee and its chairperson and the General Manager.

2.6 Actuarial Function

The Company's actuarial function is the responsibility of the key function holder, who reports to the Senior Management and the BoD.

The duties of the actuarial function include:

- Coordinate the calculation of technical provisions

- Ensure the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions
- Assess the sufficiency and quality of the data used in the calculation of technical provisions
- Compare best estimates against experience
- Inform the Senior Management and the BoD of the reliability and adequacy of the calculation of technical provisions
- Oversee the calculation of technical provisions in cases where approximations are used in the calculation of the best estimate
- Express an opinion on the overall underwriting policy
- Express an opinion on the adequacy of reinsurance arrangements
- Contribute to the effective implementation of the risk management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and to the Own Risk and Solvency Assessment (ORSA)
- Assist where requested in the pricing adequacy

Each of these activities is undertaken on an at least annual basis and the outcome is reported to the Senior Management and the Board in an internal actuarial report. Both the calculation of technical reserves and the risk modelling underlying the calculation of the solvency capital requirements are performed on a quarterly basis.

2.7 Outsourcing

2.7.1 Description of the outsourcing policy

Outsourcing is the use of a third party (either an affiliate entity within the same group or an external entity) to perform activities on a continuing basis that would normally be undertaken by the Company. The third party to whom an activity is outsourced is a service provider.
Hellenic Alico Life has established an Outsourcing Policy in which the requirements for identifying, justifying and implementing outsourcing arrangements are described.
The policy adopted by the Company sets out the following;

- Terms of reference
- Board and management responsibilities
- Outsourcing requirements
  - (a) Supervision of outsourced activities
  - (b) Critical or important functions or activities
  - (c) Service provider for critical or important functions or activities
  - (d) Service provider for noncritical functions
  - (e) Approval of outsourcing services
  - (f) Written agreement requirements
  - (g) Termination
- Risk management and internal control system
  - (a) Risk management actions
  - (b) Establishment of risk management
  - (c) Contingency Plan

2.7.2 *List of any critical or important operational functions or activities that are outsourced and the jurisdiction in which the service providers of such functions or activities are located*

The following is a list of the critical or important operational functions the Company has outsourced together with the jurisdiction in which the service providers of such functions or activities are located.

Outsourced Provider	**Service Outsourced**	**Jurisdiction**
Hellenic Bank Public Company Ltd	Compliance / MLRO / Data Protection	Cyprus
	Head of Compliance / MLRO / Data Protection	
	Internal Audit	
	Head of Internal Audit	
	Information Technology	
	Information Security Infrastructure and Systems Development	
Lux Actuaries and Consultants	Head of Actuarial Function	Cyprus
	Actuarial Operations	
MetLife Services Cyprus Limited	Information Technology and System Administration	

2.8 Adequacy of the system of governance

The system of governance is adequate to the nature, scale and complexity of the risks inherent in its business.

The Company aims to continuously improve its compliance and governance systems by ensuring that they are reviewed, evaluated, and recommendations are made to the Board(s) regarding enhancing and developing the systems, including the outcomes from compliance monitoring programmes, root cause analysis from complaints and breaches and risk events.

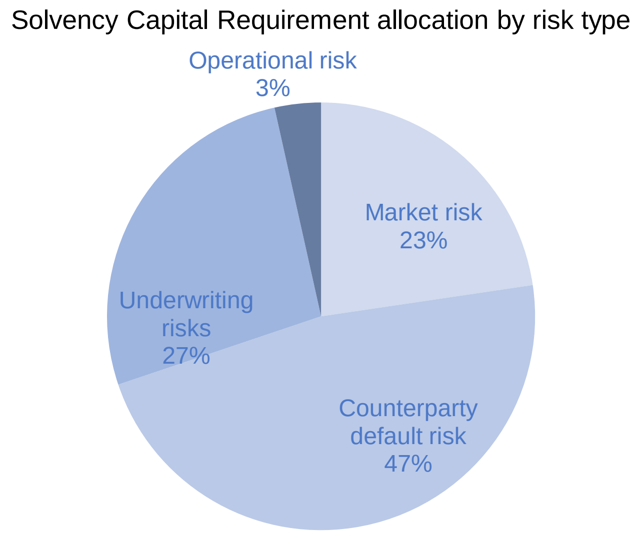
Internal audits and external audits provide independent evaluation of the Company's system of governance. Recommendations from these audits are considered by the Board and implemented proportionate to the business' risks.

2.9 Any other information

There is no other material information regarding the system of governance of the undertaking.

3 Risk Profile

The Company is a leading bank assurance Company in Cyprus. Its core business is underwriting and as such underwriting risk is one of its key sources of risk. Strong risk mitigation techniques are applied though, thus significantly reducing the impact on the capital requirements.
As it is operating solely in the Cypriot market, the Company holds a significant proportion of its assets in the local market and as such it also has a significant counterparty default risk exposure.
The table below shows the Solvency Capital Requirement (SCR) allocated by risk type as at 31/12/2016:



3.1 Underwriting Risk

3.1.1 *Description of the measures used to assess the risk*

The main risk assessment tools used by the Company are the standard formula solvency capital requirement calculation (discussed in more detail in section 5.2), stress and scenario testing (discussed in more detail in section3.7), the risk register and other quantitative and qualitative assessments. There has been no material change in the tools, parameters or assumptions used since the previous year.

3.1.2 *Description of the risk*

The Company's key underwriting risks are:

- Lapse risk: Risk of higher lapses than expected, as well as the risk of mass lapse (an instantaneous one-of shock lapse event).
- Expense risk: risk of higher than anticipated acquisition costs or maintenance expenses.
- Mortality risk: risk of higher mortality experience than expected at the time of underwriting.
- Reserving risk: risk of inadequate assumptions leading to under-reserving.

The mix of business written remains broadly similar to previous years, both in terms of lines of business written, underwriting profile and geographical location. As such, no material changes have been noted in respect of the underwriting profile, but a small increase is noted in respect of the underwriting risk profile reflecting the continued soft rating environment.

3.1.3 Risk Concentration

No material risk concentrations have been identified. This is because of:

- The Company's well-diversified insurance portfolio: The portfolio enjoys high levels of diversification with respect to age, gender, occupation, level of life insurance cover, type of insurance cover, degree of underwriting applied at inception of the cover and geographical location.
- Low catastrophe risk: The catastrophe risk (assessed using the two scenarios prescribed by the standard formula) is very low (€0.2m).
- Reinsurance: The Company manages its exposure to any one risk and to catastrophic events using reinsurance. Thus, the loss to the Company is generally limited to its retention.

The Company's establishment agreement limit its customers to Hellenic Bank's customers, thus restricting the distribution channels that can be used. As such, some concentration is observed in that respect however it is not deemed material.

3.1.4 Risk Mitigation

1. Portfolio Monitoring

The senior management of the Company:

- Receives and reviews regular reports on the gross written premium, risks written and incurred claims (including large loss claims reserves); and
- Regular detailed profitability analyses and reviews are undertaken both by internal employees and external consultants.

2. Clear delegation of underwriting and claims authorities
There is a clear delegation of underwriting and claims authorities within the Company and peer review requirements, with the most complex risks and claims requiring review and sign-off by the General Manager. This ensures that the risks and claims are assessed by personnel of appropriate experience and expertise and the premium charged reflects the characteristics of each risk and appropriate claim provisions are put in place.

3. Reinsurance
The Company uses reinsurance to protect against claims volatility. Each class of business has its own reinsurance treaty and facultative reinsurance is used if a risk falls outside the reinsurance treaties and the Company's risk appetite. A detailed analysis is undertaken in annual basis to assess the most appropriate reinsurance structure in accordance to the business, capital and risk strategies of the Company. External consultants are at times engaged to review the reinsurance structure of the Company and advice on its optimisation and the Actuarial Function issues an opinion on the reinsurance arrangements on an annual basis. The credit rating and the financial condition of the key reinsurance counterparties are reviewed on a quarterly basis, so that corrective action is taken in the event of a deterioration in their financial quality.

4. Market and emerging risks/trends monitoring
A number of the Company's senior employees participate in market committees (for example, the Insurance Association Cyprus and its subcommittees), thus closely monitoring the market and emerging risks /trends and participating in the discussion to address common market issues faced.

5. Lapses/surrenders

Dedicated, experienced staff handles all surrender and lapse requests. This is to ensure, through discussion with the policyholder, that the decision to surrender is indeed the most appropriate for the policyholder and the Company may recommend other products that would better satisfy his needs.

The continued effectiveness of the risk mitigation techniques and controls described above is monitored continuously by the Senior Management. In the event of any findings or shortcomings identified, quick action is taken and the risk mitigation techniques are adjusted accordingly.

3.1.5 Risk Sensitivity, Methods, Assumptions and Outcome of stress and sensitivity testing

Discussed in section 3.7.

3.2 Market risk

3.2.1 Description of the measures used to assess the risk

The main risk assessment tools used by the Company are the standard formula solvency capital requirement (discussed in more detail in section 5.2), stress and scenario testing (discussed in more detail in section3.7), the risk register and other qualitative assessments. There has been no material change in the tools, parameters or assumptions used since the previous year.

3.2.2 Description of the risk

The key risks related to market risk are:

- The challenging market environment, particularly the low interest rates and investment returns; and
- The increased uncertainty in the political environment in light of the French and German elections in April and September 2017 respectively and the impact of the UK's EU membership referendum.

3.2.3 Risk Concentration

The Company's market risk exposures mainly arise from its investments in the local Cypriot banks and ETFs. There have been no major changes type of assets invested in or changes in the level of market volatility in 2016.

3.2.4 Risk Mitigation

Market risk is mitigated through the investment policy adopted by the Company which safeguards against exposure to risky asset classes and ensures minimum diversification limits. Furthermore, the management of the Company reviews the credit rating and the financial condition of the key counterparties at least quarterly, ready to take action in the event of a deterioration in the credit quality.

The Investment Management Committee reviews investment related information regularly to ensure that the portfolio is invested in line with the investment guidelines and the risk appetite of the Company. Furthermore, external financial advisors are appointed to provide independent investment advice.

The continued effectiveness of the risk mitigation techniques and controls described above is monitored continuously by the Senior Management. In the event of any findings or shortcomings identified, quick action is taken and the risk mitigation techniques are adjusted accordingly.

3.2.5 Risk Sensitivity, Methods, Assumptions and Outcome of stress and sensitivity testing

Discussed in section 3.7.

3.2.6 Prudent Person Principle

The Solvency II regulations require investment of assets in accordance to the "Prudent Person Principle". In light of this, the Company has aligned its investment policy and framework with this principle.

The Company regularly reviews the financial condition of its investment counterparties and ensures that the currency and duration of assets is appropriate to the duration of its liabilities, avoiding excessive reliance on any one counterparty or asset class or geographical location. In particular, before investing in ETFs, due diligence is performed on the underlying fund holdings and enquiries are made on the availability of data on these holdings on a look through basis. This is to ensure that the Company is satisfied that it will be possible to properly identify, measure, monitor, manage, control and report on their underlying risk and be able to perform the required solvency capital calculations. The Company has not invested in derivatives or other inadmissible financial instruments.

3.3 Credit risk

3.3.1 Description of the measures used to assess the risk

The main risk assessment tools used by the Company are the standard formula solvency capital requirement calculations (discussed in more detail in section 5.2), stress and scenario testing (discussed in more detail in section3.7), the risk register and other qualitative assessments. There has been no material change in the tools, parameters or assumptions used since the previous year.

3.3.2 Description of the risk

Credit risk is defined as the risk of loss, or of adverse change in the financial situation of the Company resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors to which insurers are exposed to, in the form of counterparty default risk, or spread risk, or market risk concentrations.

The Company's credit risk exposures mainly arise from:

- Market risk (invested assets); and
- Reinsurance debt (reinsurance recoverables).

There have been no major changes to the reinsurance panel or the financial counterparties, their financial rating and the counterparty risk appetite and as such the credit risk profile remains unchanged.

3.3.3 Risk Concentration

Counterparty default risk remains the key contributor to the solvency capital requirement (47% of the total SCR). It is driven by the Company's exposure to Hellenic Bank.

3.3.4 Risk Mitigation

The key risk mitigation techniques are:

- Regular reviews of the credit rating and the financial condition of the key counterparties;

- A number of reinsurers are used (to ensure credit risk diversification) and all key reinsurance counterparties are reputable and of high financial quality (rated “A-” and higher); and
- The terms and conditions of the reinsurance contracts stipulate exit terms in the event of changes in the financial condition of the counterparties.

The continued effectiveness of the risk mitigation techniques and controls is monitored through the risk register, which is a dynamic list of the risks the Company faces and their controls. The risk register is reviewed and updated continuously as new risks are identified and/or failures in controls.

3.3.5 Risk Sensitivity, Methods, Assumptions and Outcome of stress and sensitivity testing

Discussed in section 3.7.

3.4 Liquidity risk

3.4.1 Description of the measures used to assess the risk

Stress and scenario testing (discussed in more detail in section 5.2), stress and scenario testing (discussed in more detail in section3.7), is used to assess the Company’s liquidity in the event of severe or extreme scenarios by considering the impact of the scenarios in the earnings of the Company by financial year. There has been no material change in the tools, parameters or assumptions used since the previous year.

3.4.2 Description of the risk

Liquidity risk is defined as the risk that the Company is unable to realize investments and other assets (or realise them at excessive cost) in order to settle its financial obligations when they fall due.

The liquidity risk of the Company is generally very low, with the majority of assets invested in short-terms products, including cash.

3.4.3 Risk Concentration

No material concentrations identified.

3.4.4 Risk Mitigation

The Company has developed investment guidelines (reviewed and approved by the Board) which, among others prohibits investment in illiquid assets and ensure appropriate levels of counterparties and asset diversification are in place.

The continued effectiveness of the risk mitigation techniques and controls described above is monitored continuously by the Senior Management. In the event of any findings or shortcomings identified, quick action is taken and the risk mitigation techniques are adjusted accordingly.

3.4.5 Risk Sensitivity, Methods, Assumptions and Outcome of stress and sensitivity testing

Discussed in section 3.7.

3.4.6 Expected profit in future premiums

The total amount of the expected profit included in future premiums as calculated in accordance with Article 260(2) is € 6,960K. The methodology used in the derivation of this figure is in line with the relevant guidance issued by EIOPA.

3.5 Operational risk

3.5.1 Description of the measures used to assess the risk

The main risk assessment tools used by the Company are the standard formula solvency capital requirement calculations (discussed in more detail in section 5.2), stress and scenario testing (discussed in more detail in section3.7), the risk register, the loss events log and other qualitative assessments. Qualitative assessments are undertaken to track the developments within the risk profile and review the design and operational effectiveness of the control environment across the key processes. There has been no material change in the tools, parameters or assumptions used since the previous year.

3.5.2 Description of the risk

The key operational risks that the Company manages are the following:

- Outsourcing: the risk of outsourced services failing to provide the benefits agreed could lead to reduced profitability, inadequate business processes, regulatory fines and reputational damage.
- IT infrastructure failure: the risk that failure in IT infrastructure leads to errors in reporting of the data (including pricing) impacting decision making.
- Cyber/data security: the risk of inadequate cyber security leading to financial loss, disruption or damage to the reputation of the Company. It includes hacking of the systems, cyber hostaging and stealing/losing of soft and hard information, amongst others.
- People risks: the risk that inability to attract and recruit employees with appropriate qualifications and competences or failure to provide appropriate training and continuous professional development could lead to lower levels of productivity and profitability and increased levels of errors and mistakes.
- Key persons reliance: the risk that reliance on key individuals creates if not properly managed through adequate succession planning, appointment of trained replacements, not having robust processes in place running independently of any one person etc.
- Legal risk: the risk of failure to properly identify and manage legal exposures.
- Regulatory risks: the risk of failure to comply with regulatory requirements.

3.5.3 Risk Concentration

In light of the wide-range of processes, systems and people this risk covers, no material concentrations have been identified. The high reliance on outsourcing providers should be mentioned though.

3.5.4 Risk Mitigation

Operational risk covers a wide range of processes, procedures and systems across the Company, thus appropriate risk mitigation techniques are applied depending on the process or system. These include but are not limited to:

- Regular Internal Audit and external consultants reviews or the processes, systems and procedures;
- Policies and procedures documents in place and available to all employees;
- Regular reviews of policies and procedures documents adherence;
- Performance management and reviews to ensure employees are satisfied with their work and perform to the best of their abilities;
- Regular attendance to seminars both to further develop the employees knowledge and capabilities (reducing people’s risk) and to ensure the Company keeps abreast of any regulatory or technical developments (reducing regulatory risk);
- Legal advice is sought at the earliest opportunity from specialized lawyers;

- Peer review of material work and appropriate underwriting, claims and other authority limits in place;
- Business continuity and disaster scenario planning; and
- Standard policy wordings.

The continued effectiveness of the risk mitigation techniques and controls is monitored through the risk register. The risk register is reviewed and updated continuously as new risks and/or failures in controls are identified.

3.5.5 Risk Sensitivity, Methods, Assumptions and Outcome of stress and sensitivity testing

Discussed in section 3.7.

3.6 Other material risks

There are no other material risks to mention.

3.7 Risk sensitivity/Stress and scenario testing (all risks)

3.7.1 Methods and assumptions

Stress and scenario testing considers the financial impact on earnings and capital of a specific event or combination of events. Defining specific events helps to understand and manage the key risks an organization faces and visualize extreme events.

The events were selected by considering the Company's exposure to internal factors, such as a change in business plan, and external factors, such as certain possible events with negative effects or a deterioration of economic conditions.

3.7.2 Outcome of stress testing and sensitivity testing

The table below sets a description of the five scenarios and the relative impact on the solvency coverage ratio.

No	Material risk	Scenario	Impact on Solvency coverage ratio	
			2017	2018
1	Underwriting risk	50% lower new business than expected (2017-18)	-3%	-1%
2	Market risk	Prolonged low investment yields	0%	0%
3	Underwriting risk	Reduction in force portfolio by 30% in 2017	-12%	-8%
4	Credit risk	Banking institution default with zero recovery rate in 2017	-8%	-20%
5	Multi-area impact	Banking institution default with zero recovery rate in 2017 and additional second order effects	-47%	-64%

The results of the testing above indicate that the Company is sufficiently capitalized and able to withstand an extreme event, as even in the last scenario, the solvency ratio of the Company is above 150% which is well above of the 115% threshold set by the ICCS.

4 Valuation for solvency purposes

4.1 Assets

4.1.1 Value of assets

	Solvency II value (€)
Deferred acquisition costs	0
Intangible assets	0
Deferred tax assets	0
Property, plant & equipment	17
Government Bonds	947
Collective Investments Undertakings	6.245
Deposits other than cash equivalents	3,384
Assets held for index-linked and unit-linked contracts	14,230
Reinsurance recoverable	7,470
Reinsurance receivables	741
Trade and other receivables	18
Cash and cash equivalents	6,286
Any other assets, not elsewhere shown	5
Total assets	**39,343**

4.1.2 Description of bases, methods and main assumption used for valuation for solvency purposes

The valuation principles applied to these assets are consistent with those used in the IFRS accounts, notably:

- Fixed assets – these are valued at the lower of their amortised cost or net realisable value.
- Government and corporate bonds – these are quoted instruments in active markets and therefore the market price as at 31 December 2016 has been applied.
- Intermediary receivables – valued based on the best estimate of the recoverable value, discounted to present value where the expected recovery is greater than one year.
- Cash and equivalents – valued at the amount held at the period end, translated using the year end exchange rate where appropriate.
- Other assets – valued based on the best estimate of the recoverable or realizable value.
- Deferred tax asset – valued based on the expected tax benefit once the valuation adjustments to transition to solvency valuations unwind.

4.1.3 IFRS vs Solvency II

€'000s	Statutory accounts (€)	Solvency II value (€)	Major Differences
Deferred acquisition costs	6	0	DAC are not recognised as an asset in SII valuation rules
Intangible assets	0	0	
Deferred tax assets	0	0	
Property, plant & equipment	17	17	
Government Bonds	946	947	
Collective Investments Undertakings	6,245	6,245	
Deposits other than cash equivalents	3,439	3,384	
Assets held for index-linked and unit-linked contracts	14,230	14,230	
Reinsurance recoverable	12,406	7,470	For the difference refer to technical provisions analysis below section 4.2
Reinsurance receivables	741	741	
Trade and other receivables	18	18	
Cash and cash equivalents	6,286	6.286	
Any other assets, not elsewhere shown	5	5	
Total assets	**44,339**	**39,343**	

4.2 Technical Provisions

4.2.1 Value of Technical Provisions (Amount of Best Estimate and Risk Margin)

The value of the Company's technical provisions is equal to the sum of the best estimate and the risk margin, which are calculated separately. The table below shows the value of technical provisions as at 31 December 2016 both gross and net of reinsurance (RI) recoverables by line of business.

€'000s	UNIT-LINKED INSURANCE	OTHER LIFE INSURANCE	MEDICAL EXPENSE INSURANCE	INCOME PROTECTION INSURANCE	TOTAL
Gross Best Estimate	12,552	3,957	1	301	16,811
Risk Margin	2,260	713	0	54	3,027
GROSS TECHNICAL PROVISIONS	14,812	4,670	1	355	19,838
RI Recoverables	143	7,131	0	196	7,470
NET TECHNICAL PROVISION	14,669	-2,460	0	159	12,368

4.2.2 Description of the bases, methods and main assumptions used

4.2.2.1 Unit-Linked Insurance

For the Unit-Linked Business the best estimate liability (BEL) set up has been derived from the value of the units allocated to the policies that were in force on the valuation date and the present value of the expected future cash flows related to these policies. The cash flow projections are performed on a best estimate basis (i.e. without any prudence margins) and discounting is performed using the EUR risk free curve (with no volatility adjustment) as at the valuation date, published by EIOPA.

On top the above, any outstanding claims as at the valuation date are also added to the BEL.

4.2.2.2 Other Life Insurance (excl. Group Life Insurance)

The BEL for Other Life Insurance is calculated as the expected present value of all future cash flows arising in relation to other life insurance policies (premiums, expenses, claims etc.). The cash flow projections are performed on a best estimate basis (i.e. without any prudence margins) and discounting is performed using the EUR risk free curve (with no volatility adjustment) as at the valuation date, published by EIOPA.

On top the above, any outstanding claims as at the valuation date are also added to the BEL.

4.2.2.3 Group Life Insurance, Medical Expense Insurance & Income Protection Insurance

4.2.2.3.1 Claims provision

The provision for claims outstanding relates to claim events that have already occurred, regardless of whether the claims arising from those events have been reported or not. Thus, the components of the Claims Provision are the Outstanding Case Estimates, the Incurred But Not Reported (IBNR), the Incurred But Not Enough Reported (IBNER) and the Unallocated Loss Adjustment Expenses (ULAE). Under Solvency II, the reserves are discounted to allow for the time value of money using the EUR risk free curve (with no volatility adjustment) as at the valuation date, published by EIOPA.

The expense ratio for claims handling was estimated at 2% of claims.

4.2.2.3.2 Premium provision

The calculation of the best estimate of the premium provision relates to all future cashflows arising from future events, over the remaining duration of unexpired policies. Such cashflows mostly relate to future claims, administration expenses and reinsurance cost.

The expected claims ratio was set at 85% and the expenses ratio at 15%.

4.2.3 Risk Margin

The Risk Margin is designed to ensure that the value of technical provisions is equivalent to the amount that a third undertaking would be expected to require in order to take over and meet the Company's insurance obligations. The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the Company's reinsurance obligations over their lifetime thereof. This rate, called the Cost-of-Capital, is prescribed at 6%, as published by EIOPA.

4.2.4 Recoverables

Reinsurance Recoverables represent the difference between Gross and Net provisions. A reduction of reinsurance recoverables has been made to allow for expected losses due to the possible default of a counterparty.

4.2.5 Description of the level of uncertainty associated with the value of technical provisions

Uncertainty relates primarily to how future actual experience will differ from the best estimate assumptions used to calculate the technical provisions. The key assumptions are interest rates, lapse rates, mortality rates, and morbidity rates.

Another source of uncertainty is data. The data management processes of the company are under review. Following completion of the project, the data management of the company is expected to significantly improve and additional controls will be added. According to the work performed so far we do not expect this to have a material impact on the solvency coverage ratio of the company.

4.2.6 Quantitative and qualitative explanation of any material differences between the bases, methods and main assumptions used for the valuation for solvency purposes and for IFRS.

NET TECHNICAL PROVISIONS **€'000s**	UNIT-LINKED INSURANCE	OTHER LIFE INSURANCE	MEDICAL EXPENSE INSURANCE	INCOME PROTECTION INSURANCE	TOTAL
Solvency II	14,669	-2,460	0	159	12,368
IFRS	14,879	2,496	0	69	17,444

Lower technical provisions emerge under Solvency II as prudence margins are removed from the assumption basis and there is a shift to a best estimate approach.

Moreover the removal of zeroization of negative reserves and allowance of future profits, result in further reduction of the net technical provisions.

4.2.7 Statement on whether the volatility adjustment referred to in Article 77d of Directive 2009/138/EC is used

- The Company has not used the volatility adjustment referred to in Article 77d of Directive 2009/138/EC

4.2.8 Statement on whether the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC is applied

- The Company has not used the transitional risk-free interest rate-term structure referred to Article 308c of Directive 2009/138/EC

4.2.9 Statement on whether the transitional deduction referred to in Article 308d of Directive 2009/138/EC is applied

- The Company has not used any of the following the transitional deduction referred to in Article 308d of Directive 2009/138/EC

4.2.10 Material assumption changes

The following material assumption changes have taken place between year-end 2015 and year-end 2016:

- The risk free rates used both for discount and fund growth are lower as prescribed by EIOPA.
- Expense assumptions have been updated following a thorough expense analysis performed in 2016 by the Actuarial Function.
- The methodology for IBNR (Claims provision) has shifted from the use of a flat percentage on premium to the application of a chain ladder methodology.

4.3 Valuation of other liabilities

4.3.1 Value of other liabilities

€'000s	Solvency II value (€)
Insurance & intermediaries payables Reinsurance payables Payables (trade, not insurance) Any other liabilities, not elsewhere shown Deferred Tax	505 1,151 240 289 627
Total other liabilities	**2,812**

4.3.2 Description of the bases, methods and main assumptions used for their valuation for solvency purposes

Insurance and intermediaries payables

Insurance and intermediaries payables at 31 December 2016 total €505k, made up of the following balances:

- Commission payable to insurance intermediaries

This balance is calculated in accordance with the terms and conditions of the contract with the intermediary – no adjustments or judgements are made for valuation purposes. There is a high degree of certainty over the economic outflow due to the relatively short timeframe between the commission liabilities arising and the intermediary receiving payment from the Company. The value of this liability for Solvency II is the same as for IFRS.

Reinsurance payables

As at 31 December 2016, the balance owed to reinsurers was €1.151k. This balance is in respect of reinsurance agreements that were in force at the reporting date, aggregated based on their comparable nature, function, risk and materiality.

Reinsurance payables relate to balances owed to reinsurers, in respect of funding advanced from reinsurers not yet repaid. The amounts payable are calculated in accordance with reinsurance agreements; no estimation methods, adjustments for future value or valuation judgements are required for these balances. The timing of expected economic outflows to settle the liability with each reinsurer is contractually based, and in the normal course of business is within three months of the reporting date.

Payables (trade, not insurance)

Payables (trade, not insurance) relate to balances owed in respect of other services received by the Company; no estimation methods, adjustments for future value or valuation judgements are required for these balances. The total for payables (trade, not insurance) as at 31 December 2016 was €239k.

Any other liabilities, not elsewhere shown

Any other liabilities not elsewhere shown relate mainly to current tax liabilities of €215k; no estimation methods, adjustments for future value or valuation judgements are required for these balances.

4.3.3 Quantitative and qualitative explanation of any material differences with the valuation bases, methods and main assumptions used for the valuation for solvency purposes and for IFRS

€'000s	Statutory accounts (€)	Solvency II value (€)
Insurance & intermediaries payables	505	505
Reinsurance payables	1,151	1,151
Payables (trade, not insurance)	240	240
Any other liabilities, not elsewhere shown	289	289
Deferred Tax	0	627
Total Other Liability	**2,185**	**2,812**

4.3.3.1 Deferred Tax Liability (DTL)

The lower reserves under the Solvency II calculation generate an IFRS profit which will be subject to the prevailing tax rate when it arises. The DTL calculation is derived from the application of the prevailing tax rate on the difference of the IFRS insurance liabilities and the corresponding Solvency II liabilities. The current tax rate of 12.5% is used in the calculation. The calculated amount is booked on the Solvency II balance sheet as a DTL if the Solvency II technical provisions are lower. In case where the Solvency II liability is higher there is no attempt to set a Deferred Tax Asset (DTA). The amount for the YE2016 is equal to €627K

4.4 Any other information

No other material information regarding the valuation of assets and liabilities for solvency purposes.

5 Capital Management

5.1 Own Funds

5.1.1 Objectives, policies and processes employed for managing its own funds

The objective of capital management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. These should be of sufficient quality to meet the eligibility requirements in Article 82 of the Delegated Regulation. The Company holds regular meetings of senior management and BoD, at least quarterly, during which the ratio of eligible own funds over SCR and MCR are reviewed. As part of own funds management, the Company prepares annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the base of the ORSA, contains a three-year projection of funding requirements and this helps focus actions for future funding.

5.1.2 Information on the structure, amount and quality of own funds at the end of the reporting period and at the end of the previous reporting period

The following table shows the structure of own funds as at 31 December 2016 as well as at 31 December 2015.

OWN FUNDS (**€'000s**)	DECEMBER 2016	DECEMBER 2015
Ordinary share capital	1,710	1,710
Reconciliation reserve	4,390	3,262
Retained Earnings	10,604	10,021
Other Own Funds	-11	-83
TOTAL BASIC OWN FUNDS	16,693	14,910

The current structure of own funds as shown above is composed only of capital classified as Tier 1 - Unrestricted.

5.1.3 Eligible amount of own funds to cover SCR (by tier)

The Company's own funds are all tier 1 unrestricted and available to cover the SCR.

5.1.4 Eligible amount of own funds to cover MCR (by tier)

The Company's own funds are all tier 1 unrestricted and available to cover the MCR.

5.1.5 IFRS Equity vs Own Funds

The following summary table shows the comparisons and movement in the IFRS and Solvency II valuation of assets, liabilities and Own Funds.

	IFRS €'000s	SOLVENCY II €'000s	MOVEMENT €'000s
Total Assets	44,339	39,343	4,996
Total Liabilities	32,036	22,650	9,386
Total Own Funds	**12,303**	**16,693**	**-4,390**
Ordinary Share Capital	*1,710*	*1,710*	*0*
Retained Earnings	*10,604*	*10,604*	*0*
Other Own funds	*-11*	*-11*	*0*
Reconciliation Reserve	*-*	*4,390*	*-4,390*

The movement in the valuation of assets and liabilities arises from the differences in the valuation of IFRS and Solvency II standards, below:

- Intangible assets that cannot be individually sold, are not admissible under Solvency II. The difference is immaterial
- Deferred Acquisition Cost (DAC) is not included under Solvency II. The difference is immaterial
- Differences in gross technical provisions and reinsurance recoverables (as explained in section 4.2.6)
- Difference in the Deferred Tax Liability (as explained in section 4.3.3.1)

5.1.6 Ancillary own funds – Not applicable

5.1.7 Description of any item deducted from own funds– Not applicable

5.1.8 Brief description of any significant restriction affecting the availability and transferability of own funds within the undertaking – Not applicable

5.2 Solvency Capital Requirement and Minimum Capital Requirement

5.2.1 Amounts of SCR and MCR

As at 31 December 2016 the SCR of the Company was calculated at €7,416K and the MCR at €6,200K.

5.2.2 Amount of SCR split by risk modules

The following table shows the SCR split by risk modules:

SOLVENCY CAPITAL REQUIREMENT	€'000s
Market risk	2,619
Counterparty default risk	5,451
Life Underwriting risks	2,804
Health underwriting risk	279
Non-Life underwriting risk	0
Sum of risk components	**11,153**
Diversification effects	*-3,123*
Diversified risk	**8,030**
Intangible asset risk	0
Basic SCR	8,030
Operational risk	404
Adjustments	-627
SCR	**7,807**

5.2.3 Simplifications

No simplifications have been used for any of the modules or sub-modules of the SCR.

5.2.4 Undertaking-specific parameters

The Company has not used undertaking-specific parameters for any of the parameters of the standard formula.

5.2.5 Information on the inputs used to calculate the MCR

€'000s	NON-LIFE ACTIVITIES	LIFE ACTIVITIES
Notional linear MCR	42	1,556
Notional SCR excluding add-on	205	7,602
Notional MCR cap	92	3,421
Notional MCR floor	51	1,901
Notional Combined MCR	51	1,901
Absolute floor of the notional MCR	2,500	3,700

The total MCR for both activities (Life + Non Life) is equal to €6200

5.2.6 Any material change to the SCR and to the MCR over the reporting period, and the reasons for any such change

The MCR for year end 2015 was calculated on the basis that the Company was a life insurance company. However, for 2016 following a more accurate classification of its products, it was deemed that the Company is a composite undertaking and hence the MCR was calculated on that basis. This resulted in an increase of the MCR from €3,700 to €6,200.

The SCR has increased since YE2015 by around €2,2m. This increase is mainly attributed to the counterparty default risk which was higher as at YE2016 due to the significantly higher cash held with Hellenic Bank.

5.3 Non-compliance with the MCR and non-compliance with the SCR

The Company complied with the SCR and MCR during the 2016,

5.4 Any other information

There is no other material information regarding the capital management of the undertaking during the year 2016.

Annex I
S.02.01.02
Balance sheet

Assets		**Solvency II value** **C0010**
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	338
Pension benefit surplus	**R0050**	-
Property, plant & equipment held for own use	**R0060**	17.157
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	10.575.949
Property (other than for own use)	**R0080**	-
Holdings in related undertakings, including participations	**R0090**	-
Equities	**R0100**	-
Equities - listed	**R0110**	-
Equities - unlisted	**R0120**	-
Bonds	**R0130**	947.350
Government Bonds	**R0140**	947.350
Corporate Bonds	**R0150**	-
Structured notes	**R0160**	-
Collateralised securities	**R0170**	-
Collective Investments Undertakings	**R0180**	6.244.599
Derivatives	**R0190**	-
Deposits other than cash equivalents	**R0200**	3.384.000
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	14.230.238
Loans and mortgages	**R0230**	-
Loans on policies	**R0240**	-
Loans and mortgages to individuals	**R0250**	-
Other loans and mortgages	**R0260**	-
Reinsurance recoverables from:	**R0270**	7.469.936
Non-life and health similar to non-life	**R0280**	196.424
Non-life excluding health	**R0290**	-
Health similar to non-life	**R0300**	196.424
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	7.130.888
Health similar to life	**R0320**	-
Life excluding health and index-linked and unit-linked	**R0330**	7.130.888
Life index-linked and unit-linked	**R0340**	142.624
Deposits to cedants	**R0350**	-
Insurance and intermediaries receivables	**R0360**	-
Reinsurance receivables	**R0370**	740.929
Receivables (trade, not insurance)	**R0380**	18.391
Own shares (held directly)	**R0390**	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	-
Cash and cash equivalents	**R0410**	6.285.492
Any other assets, not elsewhere shown	**R0420**	5.060
Total assets	**R0500**	39.343.489

Liabilities		**Solvency II value** **C0010**
Technical provisions – non-life	**R0510**	355.522
Technical provisions – non-life (excluding health)	**R0520**	-
Technical provisions calculated as a whole	**R0530**	-
Best Estimate	**R0540**	-
Risk margin	**R0550**	-
Technical provisions - health (similar to non-life)	**R0560**	355.522
Technical provisions calculated as a whole	**R0570**	-
Best Estimate	**R0580**	301.269
Risk margin	**R0590**	54.253
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	4.669.010
Technical provisions - health (similar to life)	**R0610**	-
Technical provisions calculated as a whole	**R0620**	-
Best Estimate	**R0630**	-
Risk margin	**R0640**	-
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	4.669.010
Technical provisions calculated as a whole	**R0660**	-
Best Estimate	**R0670**	3.956.516
Risk margin	**R0680**	712.494
Technical provisions – index-linked and unit-linked	**R0690**	14.811.960
Technical provisions calculated as a whole	**R0700**	-
Best Estimate	**R0710**	12.551.644
Risk margin	**R0720**	2.260.316
Contingent liabilities	**R0740**	-
Provisions other than technical provisions	**R0750**	-
Pension benefit obligations	**R0760**	-
Deposits from reinsurers	**R0770**	-
Deferred tax liabilities	**R0780**	627.182
Derivatives	**R0790**	-
Debts owed to credit institutions	**R0800**	-
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	505.268
Reinsurance payables	**R0830**	1.151.169
Payables (trade, not insurance)	**R0840**	239.879
Subordinated liabilities	**R0850**	-
Subordinated liabilities not in Basic Own Funds	**R0860**	-
Subordinated liabilities in Basic Own Funds	**R0870**	-
Any other liabilities, not elsewhere shown	**R0880**	289.853
Total liabilities	**R0900**	22.649.844
Excess of assets over liabilities	**R1000**	16.693.645

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of Business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	17.209	424.733															441.942
Gross - Proportional reinsurance accepted	**R0120**	-	-															-
Gross - Non-proportional reinsurance accepted	**R0130**																	-
Reinsurers' share	**R0140**	12.731	179.040															191.771
Net	**R0200**	4.478	245.693															250.171
Premiums earned																		
Gross - Direct Business	**R0210**	17.209	424.733															441.942
Gross - Proportional reinsurance accepted	**R0220**	-	-															-
Gross - Non-proportional reinsurance accepted	**R0230**																	-
Reinsurers' share	**R0240**	12.731	179.040															191.771
Net	**R0300**	4.478	245.693															250.171
Claims incurred																		
Gross - Direct Business	**R0310**	-	418.922															418.922
Gross - Proportional reinsurance accepted	**R0320**	-	-															-
Gross - Non-proportional reinsurance accepted	**R0330**																	-
Reinsurers' share	**R0340**	-	352.671															352.671
Net	**R0400**	-	66.251															66.251
Changes in other technical provisions																		
Gross - Direct Business	**R0410**	-	-															-
Gross - Proportional reinsurance accepted	**R0420**	-	-															-
Gross - Non- proportional reinsurance accepted	**R0430**																	-
Reinsurers' share	**R0440**	-	-															-
Net	**R0500**	-	-															-
Expenses incurred	**R0550**	5.137	126.777															131.914
Other expenses	**R1200**																	-
Total expenses	**R1300**																	131.914

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**			2.625.073	8.037.031					10.662.103
Reinsurers' share	**R1420**			25.794	2.656.030					2.681.824
Net	**R1500**			2.599.278	5.381.001					7.980.279
Premiums earned										
Gross	**R1510**			2.625.073	8.037.031					10.662.103
Reinsurers' share	**R1520**			25.794	2.656.030					2.681.824
Net	**R1600**			2.599.278	5.381.001					7.980.279
Claims incurred										
Gross	**R1610**			48.676	2.464.852					2.513.528
Reinsurers' share	**R1620**			38.051	1.920.688					1.958.739
Net	**R1700**			10.626	544.163					554.789
Changes in other technical provisions										
Gross	**R1710**			0	0					0
Reinsurers' share	**R1720**			0	0					0
Net	**R1800**			0	0					0
Expenses incurred	**R1900**			783.550	2.398.949					3.182.499
Other expenses	**R2500**									-
Total expenses	**R2600**									3.182.499

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Annex I

S.05.02.01

Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010							
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	441.942						441.942
Gross - Proportional reinsurance accepted	R0120	-						-
Gross - Non-proportional reinsurance accepted	R0130	-						-
Reinsurers' share	R0140	191.771						191.771
Net	R0200	250.171						250.171
Premiums earned								
Gross - Direct Business	R0210	441.942						441.942
Gross - Proportional reinsurance accepted	R0220	-						-
Gross - Non-proportional reinsurance accepted	R0230	-						-
Reinsurers' share	R0240	191.771						191.771
Net	R0300	250.171						250.171
Claims incurred								
Gross - Direct Business	R0310	418.922						418.922
Gross - Proportional reinsurance accepted	R0320	-						-
Gross - Non-proportional reinsurance accepted	R0330	-						-
Reinsurers' share	R0340	352.671						352.671
Net	R0400	66.251						66.251
Changes in other technical provisions								
Gross - Direct Business	R0410	-						-
Gross - Proportional reinsurance accepted	R0420	-						-
Gross - Non- proportional reinsurance accepted	R0430	-						-
Reinsurers' share	R0440	-						-
Net	R0500	-						-
Expenses incurred	R0550	131.914						131.914
Other expenses	R1200							
Total expenses	R1300	-						

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	**R1410**	10.662.103						10.662.103
Reinsurers' share	**R1420**	2.681.824						2.681.824
Net	**R1500**	7.980.279						7.980.279
Premiums earned								
Gross	**R1510**	10.662.103						10.662.103
Reinsurers' share	**R1520**	2.681.824						2.681.824
Net	**R1600**	7.980.279						7.980.279
Claims incurred								
Gross	**R1610**	2.513.528						2.513.528
Reinsurers' share	**R1620**	1.958.739						1.958.739
Net	**R1700**	554.789						554.789
Changes in other technical provisions								
Gross	**R1710**	0						-
Reinsurers' share	**R1720**	0						-
Net	**R1800**	0						-
Expenses incurred	**R1900**	3.182.499						3.182.499
Other expenses	**R2500**							
Total expenses	**R2600**							

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**	-	-			-			-	-	-	-			-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0020**	-	-						-	-	-	-			-	-	-
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**	-		10.439.043	2.112.601		3.956.516	-	-	-	16.508.160		-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	-		131.637	10.987		7.130.888	-	-	-	7.273.512		-	-	-	-	-
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	-		10.307.406	2.101.614		- 3.174.372	-	-	-	9.234.648		-	-	-	-	-
Risk Margin	**R0100**	-	2.260.316			712.494			-	-	2.972.810	-			-	-	-
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	**R0110**	-	-						-	-	-	-			-	-	-
Best estimate	**R0120**	-		-	-		-	-	-	-	-		-	-	-	-	-
Risk margin	**R0130**	-				-			-	-	-	-			-	-	-
Technical provisions - total	**R0200**	-	14.811.960			4.669.010			-	-	19.480.970	-			-	-	-

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**	705	15.246	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15.951
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	480	10.386	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10.867
Net Best Estimate of Premium Provisions	**R0150**	224	4.860	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.084
Claims provisions																		
Gross	**R0160**	-	285.319	-	-	-	-	-	-	-	-	-	-	-	-	-	-	285.319
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	-	185.557	-	-	-	-	-	-	-	-	-	-	-	-	-	-	185.557
Net Best Estimate of Claims Provisions	**R0250**	-	99.761	-	-	-	-	-	-	-	-	-	-	-	-	-	-	99.761
Total Best estimate - gross	**R0260**	705	300.565	-	-	-	-	-	-	-	-	-	-	-	-	-	-	301.269
Total Best estimate - net	**R0270**	224	104.621	-	-	-	-	-	-	-	-	-	-	-	-	-	-	104.845
Risk margin	**R0280**	127	54.126	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54.253
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Best estimate	**R0300**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Risk margin	**R0310**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions - total																		
Technical provisions - total	**R0320**	831	354.691	-	-	-	-	-	-	-	-	-	-	-	-	-	-	355.522
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	480	195.944	-	-	-	-	-	-	-	-	-	-	-	-	-	-	196.424
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	351	158.747	-	-	-	-	-	-	-	-	-	-	-	-	-	-	159.098

Annex I
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	Z0010	

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											-
N-9	R0160	51.258	54.172	20.000	-	-	-	-	-	-	-	
N-8	R0170	57.086	54.172	20.000	-	-	-	-	-	-		
N-7	R0180	120.000	80.000	-	20.000	-	-	-	19.000			
N-6	R0190	40.000	60.000	-	-	-	-	-				
N-5	R0200	120.000	20.000	-	-	-	-					
N-4	R0210	140.000	-	40.000	-	-						
N-3	R0220	170.000	80.000	-	-							
N-2	R0230	95.000	40.000	-								
N-1	R0240	175.000	-									
N	R0250	55.000										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	-	-
	R0160	-	125.430
	R0170	-	131.258
	R0180	19.000	239.000
	R0190	-	100.000
	R0200	-	140.000
	R0210	-	180.000
	R0220	-	250.000
	R0230	-	135.000
	R0240	-	175.000
	R0250	55.000	55.000
Total	R0260	74.000	1.547.774

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year		0	1	2	3	4	5	6	7	8	9	10&+			Year end (discounted data)
		C0200	**C0210**	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0290**	**C0300**			**C0360**
Prior	**R0100**													**R0100**	-
N-9	**R0160**	-	-	-	-	-	-	-	-	-	-			**R0160**	-
N-8	**R0170**	-	-	-	-	-	-	-	-	-				**R0170**	-
N-7	**R0180**	-	-	-	-	-	-	-	-					**R0180**	-
N-6	**R0190**	-	-	-	-	-	-	-						**R0190**	-
N-5	**R0200**	-	-	-	-	-	-							**R0200**	-
N-4	**R0210**	-	-	-	-	20.000								**R0210**	20.000
N-3	**R0220**	-	-	-	20.000									**R0220**	20.000
N-2	**R0230**	-	-	23.100										**R0230**	23.100
N-1	**R0240**	-	38.911											**R0240**	38.911
N	**R0250**	151.781												**R0250**	151.781
													Total	**R0260**	253.792

Annex I
S.22.01.21
Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010					
Basic own funds	R0020					
Eligible own funds to meet Solvency Capital Requirement	R0050					
Solvency Capital Requirement	R0090					
Eligible own funds to meet Minimum Capital Requirement	R0100					
Minimum Capital Requirement	R0110					

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	1.710.000	1.710.000			
Share premium account related to ordinary share capital	R0030	0	0			
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0			
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	10.604.000	10.604.000			
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	4.389.938	4.389.938			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	338				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	-10.632	-10.632			
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	
Total basic own funds after deductions	R0290	16.693.645	16.693.307	0	0	338
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	16.693.645	16.693.307	0	0	338
Total available own funds to meet the MCR	R0510	16.693.307	16.693.307	0	0	
Total eligible own funds to meet the SCR	R0540	16.693.645	16.693.307	0	0	338
Total eligible own funds to meet the MCR	R0550	16.693.307	16.693.307	0	0	
SCR	R0580	7.806.951				
MCR	R0600	6.200.000				
Ratio of Eligible own funds to SCR	R0620	214%				
Ratio of Eligible own funds to MCR	R0640	269%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	16.693.645
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	12.303.707
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	R0760	4.389.938
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	R0790	0

Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	2.618.988		
Counterparty default risk	R0020	5.450.768		
Life underwriting risk	R0030	2.803.829		
Health underwriting risk	R0040	279.427		
Non-life underwriting risk	R0050	-		
Diversification	R0060	- 3.123.095		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	8.029.915		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	403.879,98
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	- 626.844,09
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	7.806.950,87
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	7.806.950,87
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

Annex I
S.25.02.21
Solvency Capital Requirement - for undertakings using the standard formula and partial internal model

Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0070	C0080	C0090

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	
Diversification	R0060	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	
Capital add-ons already set	R0210	
Solvency capital requirement	R0220	
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Annex I
S.25.03.21
Solvency Capital Requirement - for undertakings on Full Internal Models

Unique number of component	Components description	Calculation of the Solvency Capital Requirement
C0010	C0020	C0030

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	
Diversification	R0060	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC (transitional)	R0160	
Solvency capital requirement excluding capital add-on	R0200	
Capital add-ons already set	R0210	
Solvency capital requirement	R0220	
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	**R0010**	

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	**C0030**
Medical expense insurance and proportional reinsurance	**R0020**		
Income protection insurance and proportional reinsurance	**R0030**		
Workers' compensation insurance and proportional reinsurance	**R0040**		
Motor vehicle liability insurance and proportional reinsurance	**R0050**		
Other motor insurance and proportional reinsurance	**R0060**		
Marine, aviation and transport insurance and proportional reinsurance	**R0070**		
Fire and other damage to property insurance and proportional reinsurance	**R0080**		
General liability insurance and proportional reinsurance	**R0090**		
Credit and suretyship insurance and proportional reinsurance	**R0100**		
Legal expenses insurance and proportional reinsurance	**R0110**		
Assistance and proportional reinsurance	**R0120**		
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**		
Non-proportional health reinsurance	**R0140**		
Non-proportional casualty reinsurance	**R0150**		
Non-proportional marine, aviation and transport reinsurance	**R0160**		
Non-proportional property reinsurance	**R0170**		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	**R0200**	

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	**C0060**
Obligations with profit participation - guaranteed benefits	**R0210**		
Obligations with profit participation - future discretionary benefits	**R0220**		
Index-linked and unit-linked insurance obligations	**R0230**		
Other life (re)insurance and health (re)insurance obligations	**R0240**		
Total capital at risk for all life (re)insurance obligations	**R0250**		

Overall MCR calculation

		C0070
Linear MCR	**R0300**	
SCR	**R0310**	
MCR cap	**R0320**	
MCR floor	**R0330**	
Combined MCR	**R0340**	
Absolute floor of the MCR	**R0350**	

		C0070
Minimum Capital Requirement	**R0400**	

Annex I

S.28.02.01

Minimum Capital Requirement - Both life and non-life insurance activity

		Non-life activities	Life activities
		$MCR_{(NL,NL)}$ Result	$MCR_{(NL,L)}$Result
		C0010	**C0020**
Linear formula component for non-life insurance and reinsurance obligations	**R0010**	41.907	1.555.647

		Non-life activities		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	**C0040**	**C0050**	**C0060**
Medical expense insurance and proportional reinsurance	**R0020**	224,16	4477,90		
Income protection insurance and proportional reinsurance	**R0030**	104621,23	245.693		
Workers' compensation insurance and proportional reinsurance	**R0040**				
Motor vehicle liability insurance and proportional reinsurance	**R0050**				
Other motor insurance and proportional reinsurance	**R0060**				
Marine, aviation and transport insurance and proportional reinsurance	**R0070**				
Fire and other damage to property insurance and proportional reinsurance	**R0080**				
General liability insurance and proportional reinsurance	**R0090**				
Credit and suretyship insurance and proportional reinsurance	**R0100**				
Legal expenses insurance and proportional reinsurance	**R0110**				
Assistance and proportional reinsurance	**R0120**				
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**				
Non-proportional health reinsurance	**R0140**				
Non-proportional casualty reinsurance	**R0150**				
Non-proportional marine, aviation and transport reinsurance	**R0160**				
Non-proportional property reinsurance	**R0170**				

		Non-life activities MCR$_{(L,NL)}$ Result	Life activities MCR$_{(L,L)}$ Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200		

		Non-life activities Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Non-life activities Net (of reinsurance/SPV) total capital at risk	Life activities Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Life activities Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210			-	
Obligations with profit participation - future discretionary benefits	R0220			-	
Index-linked and unit-linked insurance obligations	R0230			12.551.644	
Other life (re)insurance and health (re)insurance obligations	R0240			3.956.516	
Total capital at risk for all life (re)insurance obligations	R0250				

Overall MCR calculation

		C0130
Linear MCR	R0300	1.597.553
SCR	R0310	7.806.951
MCR cap	R0320	3.513.128
MCR floor	R0330	1.951.738
Combined MCR	R0340	1.951.738
Absolute floor of the MCR	R0350	6.200.000
		C0130
Minimum Capital Requirement	R0400	

Notional non-life and life MCR calculation		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	41.907	1.555.647
Notional SCR excluding add-on (annual or latest calculation)	R0510	204.791	7.602.160
Notional MCR cap	R0520	92.156	3.420.972
Notional MCR floor	R0530	51.198	1.900.540
Notional Combined MCR	R0540	51.198	1.900.540
Absolute floor of the notional MCR	R0550	2.500.000	3.700.000
Notional MCR	R0560	6.200.000	6.200.000