HELLENIC LIFE
MEMBER OF HELLENIC BANK GROUP

SOLVENCY AND FINANCIAL CONDITION REPORT AS AT 31ST DECEMBER 2022

April 2023

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1 Summary

1.1 Purpose of the report

The purpose of this report is to satisfy the public disclosure requirements under the harmonised EU-wide regulatory regime for Insurance Companies (Solvency II). The elements of the disclosure relate to business and performance, system of governance, risk profile, solvency valuation and capital management.

1.2 Overview of the Company

1.2.1 Business and performance

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

The Company underwrites business in Cyprus.

During the year ended 31 December 2022, the Company wrote €39.7m (2021: €27.4m) of gross premium with profit after tax of €5.3m (2021: €2.9m).

On 19 December 2022, the Board of Directors has resolved to distribute an interim dividend of €2,60 per share out of 31 December 2020 profits amounting to €2.600.000.

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, as shown in the following table:

€'m	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenue	11.9	11.1	11.0	11.1	11.8	12.1	27.2	26.6	27.4	39.7
Profit after tax	3.7	3.5	3.4	3.0	2.2	3.1	2.6	3.9	2.9	5.3

The Company has not written any inwards reinsurance contracts.

1.2.2 System of Governance

The Company has established a robust and sound system of governance enabling the prudent and effective control and management of the Company. The ultimate authority is the Board of Directors, supported by its three subcommittees (the *Investment, Risk Management and Reserves Committee*, the *Audit Committee* and the *Strategy and Transformation Committee*) and the Management of the Company. The governance structure sets out clear accountabilities and responsibilities across all the functions of the Company and in particular, the key control functions (Actuarial, Compliance, Risk Management, and Internal Audit).

The key functions are integrated within the organizational structure and involved in the decision-making process of the company ensuring that the business, capital, and risk strategies are fully aligned to achieve the strategic objectives set by the Board of Directors whilst ensuring the risk profile of the Company remains within the approved risk tolerance.

Some of the functions have been outsourced, however, rigorous checks and scrutinization are performed to ensure that outsourcing providers have the ability and capacity to deliver the required functions and activities to high levels of standards.

1.2.3 Solvency and Capital position

The Company maintains at all times sufficient own funds to cover both the solvency capital requirement and minimum capital requirement with an appropriate buffer. The Statement of Financial Position of the Company for the year ended 31 December 2022 is set out below:

	Statutory accounts	Solvency II
Total assets	€80.5m	€73.3m
Total liabilities, incl. technical provisions	€58.5m	€41.0m
Own funds	€22.0m	€32.3m

The Company enjoys a healthy solvency and capital position as demonstrated in the table below (all figures as at 31st December 2022):

Solvency capital requirement (SCR)	€9.0m
Minimum capital requirement (MCR)	€6.7m
Eligible own funds to cover both SCR and MCR – All Tier 1	€32.3m
Coverage Ratio	358%

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

The solvency capital requirement of €9.0m is higher than the regulatory minimum capital requirement €6.7m and as such, the Company's own funds must cover at least the solvency capital requirement of €9.0m.

The Company is fully compliant with both the solvency capital requirement and the minimum capital requirement and has been during the reporting period.

The Company is sufficiently capitalized and enjoys a healthy solvency position with a coverage ratio of 358%, well above the minimum threshold of 115% set by Insurance Companies Control Services. This is expected to continue in the future, based on the latest Own Risk and Solvency Assessment that has been performed based on the company's approved Business Plan and Budgeting exercise.

1.2.4 Risk Profile

Hellenic Life is a life insurance and as such the key risks faced are underwriting and market risk. Underwriting risk is at the core of any insurance company's business model and it is a risk that is actively sought, accepted, and appropriately managed. The Company also has a positive appetite for market risk as it is a key driver of the financial performance. The Company seeks to protect itself against all risks faced (including the underwriting and market risk) by applying strong mitigation techniques, such as appropriate reinsurance arrangements and asset diversification.

The company assesses its risk and capital requirements using EIOPA's Solvency II Standard Formula, amongst others.

1.3 Material changes during 2022

There have been no material changes in the processes, tools, bases, methodologies, and assumptions adopted by the Company to calculate its financial and regulatory requirements, obligations and reporting.

The Company continues to monitor the impact of the Coronavirus COVID-19 outbreak, which had been declared a pandemic on 11 March 2020 by the World Health Organization, as well the impact of the geopolitical tensions and their consequences arising from the Ukraine – Russian Conflict. The impact on the premium growth, claims and other operations of the Company has not been significant.

On 14 November 2022, the Group announced the implementation of a Voluntary Exit Scheme offering an ex-gratia compensation to employees joining the scheme. One employee of the Company opted to participate in the scheme announced and retire from their position.

2 Business and Performance

2.1 Business

2.1.1 Name and legal form of undertaking

Hellenic Life Insurance Company Limited

66 Griva Digeni Avenue

CY - 1095 Nicosia

Cyprus

Telephone: +35722501581

Fax: +35722450750

Email: life@hellenicbank.com

Private Company Limited by Shares.

The Company's registration number is 115264.

2.1.2 Name and contact details of the supervisory authority

Superintendent of Insurance

Cyprus Insurance Companies Control Service

Ministry of Finance

P.O. Box 23364, 1682 Nicosia

Cyprus

Telephone: +35722602990

Fax: +35722302938

Email: insurance@mof.gov.cy

Name and contact details of the parent company's supervisory authority

The Central Bank of Cyprus

80 John Kennedy Avenue

1076 Nicosia

Cyprus

Telephone: +35722714100

Fax Number: +35722714959

2.1.3 Name and contact details of the external auditor

Ernst and Young Cyprus Limited

Jean Nouvel Tower, 6 Stasinos Avenue,

1060 Nicosia

Cyprus

Telephone: +35722209999

Fax: +35722209100

2.1.4 Holders of qualifying holdings

The single controlling party of Hellenic Life Insurance Company Ltd is Hellenic Bank Public Company Ltd (100%).

2.1.5 Company's position within the Group legal structure

The Company is exclusively owned by Hellenic Bank Public Company Ltd.

2.1.6 Material lines of business and material geographical areas

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

2.1.7 Any significant business or other events

No significant business or external events that have occurred over the year ended 31 December 2022 that have had a material effect on the Company.

2.2 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:

	2022	2021
Life	11,568	5,114
Unit Linked	886	-93
A&H	116	157
Total Underwriting Result	12,570	5,177

The underwriting performance of life business has increased following the successful launch of new products by the Company.

2.3 Investment Performance

2.3.1 Income and expenses arising from investments by asset class

During the year ended 31 December 2022, the Company recognised the following net investment income/expense (the comparative values as at 31 December 2021 are also set out):

€000S	2022	2021
Interest income/expense		
- Unit Linked	112	115
- Own Funds	10	-45
Dividend income		
- Unit Linked	140	106
- Own Funds	118	111
Net fair value gains/(losses) on financial assets at fair value through profit or loss		
- Unit Linked	-2,128	758
- Own Funds	-2,466	-5
Unit-linked management fees	261	167
	-3,953	**1,207**

2022 has been a challenging year for the investment markets. The onset of the Russian - Ukraine conflict impacted almost all asset classes, led to inflationary pressures and increased volatility. As such, the Company recorded unrealised losses on its investment portfolio.

The Company's financial assets are set out below:

€000S	2022	2021
Collective Investment Undertakings		
- Unit Linked	25,421	14,659
- Own Funds	21,545	19,180
Government Bonds		
- Unit Linked	179	293
- Own Funds	0	0
Corporate Bonds		
- Unit Linked	0	0
- Own Funds	3,305	0
Cash at bank		
- Unit Linked	6.637	6,149
- Own Funds	775	5,294

The Company receives dividend income from investments in Collective Investment Undertakings and interest income/charges from the Cash Deposits. The Unit-Linked funds collect interest and dividend income from the Collective Investment Undertakings and interest income from Government Bonds and Cash Deposits.

2.3.2 Gains and losses recognised directly in equity

Debt investments at fair value through other comprehensive income.

These investments relate to investments in Single Bonds, which are classified at fair value through other comprehensive income category as per IFRS 9. These assets are measured at their fair value and are subject to impairment assessment. Changes in fair values are recognized directly in equity (fair value reserve) via other comprehensive income. On derecognition of these assets, their cumulative fair value reserve is reclassified to profit or loss.

2.3.3 Investments in securitisation

The Company does not hold any investment in securitisation.

2.4 Other material income and expenses

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

2.5 Any other information

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

3 System of Governance

3.1 General information on the system of governance

3.1.1 Organisational Structure

The Company is committed to implementing a sound governance framework through which objectives are set and the means of attaining these objectives and monitoring performance is determined. The Board of Directors (BoD) has the ultimate responsibility to ensure a prudent governance structure and a robust and sound risk management framework.

The Company's administrative, management and supervisory body ("AMSB") comprises by the BoD, the Executive Committee, and key control functions such as Risk Management, Actuarial, Compliance and Internal Audit.

The Executive Committee, through the General Manager has the day-to-day responsibility for the implementation of the BoD's strategy objectives and goals and reports to the BoD in the form of planned meetings or ad-hoc meetings, communications, and disclosures as required and appropriate.

The Business Units of the Company have the responsibility for the implementation of the BoD's strategy and goals in their business operations and report to the General Manager. The key control functions are administratively independent from any other operation of the Company and are directly reportable to the Board through its Committees.

The Company's corporate governance framework is based on the "three lines of defence model" which supports the implementation of a robust internal control system and is aligned with the 'four eye principle' that the Company complies with.

- *The structure of the Board of Directors (BoD)*

The membership of the Board is presented below:

- Evripides A. Polykarpou, Chairman
- Andreas Papadatos
- Christos Patsalides
- Adamos Savvides
- Aristodemos Anastassiades
- Aristos Stylianou
- Christodoulos Hadjistavris
- Eleftherios Hadjizacharia
- Petros Arsalides
- Phivos Stasopoulos

- *Board of Directors' roles and responsibilities*

The Company is ultimately governed by the BoD comprising of a non-executive chairman, another eight 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 Committee.

For more effective operation, the BoD has established the following Committees:

- *Audit Committee*

The Audit Committee, is 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 oversight of the External Auditor.

- *Investments, Risk Management and Reserves Committee*

The Investments, Risk Management and Reserves Committee as an advisory Committee to the BoD assists with the formulation of the Company's overall risk strategies and policies for managing significant business risks and is responsible for overseeing the implementation of the Risk Management Framework.

- *Strategy and Transformation Committee*

The Committee monitors the implementation of the Strategic plan of the Company, updating the BoD on the progress and escalating issues faced.

Key functions' main roles and responsibilities

- *Internal Audit*

The Internal Audit is independent of any other Function with operational responsibilities, reporting to the BoD through the Audit Committee. The Function is responsible for evaluating the adequacy and effectiveness of the internal control systems, operational Functions and any matters which would require their review.

- *Compliance*

The Compliance Function has a direct reporting line to the Board. It is independent of risk-taking Functions e.g., underwriting and claims. It is responsible for the establishment and maintenance of a proper framework and policies for the on-going and timely prevention, handling, management and monitoring of compliance risk. The Function is subject to audit by the Internal Audit Function.

- *Actuarial Function*

The Actuarial Function is responsible for the valuation of the technical provisions, expresses an opinion on the overall underwriting policy and the reinsurance arrangements and contributes to the effective implementation of the risk-management system, amongst others. The Function is responsible for the technical pricing of products within the scope defined by the Board of Directors and the preparation of the Actuarial Function Report.

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. The Function is subject to audit by the Internal Audit Function.

- *Risk Management Function (RMF)*

The RMF aims at facilitating the implementation of the Risk Management System of the Company. 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. The Function is subject to audit by the Internal Audit Function.

3.1.2 Material changes in the system of governance over the reporting period

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

3.1.3 Remuneration policy and practices for the BoD and employees

The BoD of the Company adopts the Remuneration Policy of Hellenic Bank. The remuneration of all staff employed by the Company complies with the Group's principles:

- It is in line with the Company's strategy and promotes sound and effective risk management
- It is in line with the Code of Business Conduct and Ethics
- It is linked with the Company's structured performance appraisal system
- Ensures fair treatment, provision of equal opportunities
- It is transparent and adequately disclosed to all members of staff, maintaining the relevant data protection laws

The remuneration of the BoD and employees is not based on share options, shares or variable remuneration components and supplementary pension or early retirement schemes.

- *Material transactions with persons of influence*

The key business transactions conducted by the Company and Hellenic Bank are the following:

- Underwriting of Hellenic Bank insurance policies
- Hellenic Bank is a tied agent and as such receives commission for its services

The table below sets out the key business transactions regarding related parties:

	2022	2021
Hellenic Bank Commissions	€3,201k	€4,639k
Directors' remuneration	€180k	€173k
Key management salaries and other short-term employee benefits	€581k	€552k

All other transactions of Directors and Senior Management with the Company are done in the ordinary course of business. All transactions are entered into on an arm's length basis.

3.2 Fit and proper requirements

3.2.1 Skills, knowledge and expertise

The Company ensures that all persons 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.

They collectively possess professional qualifications, experience, and knowledge about at least:

- Insurance and financial markets;
- Preparation of business strategy, design of business plans and their implementation;
- Creating and evaluating an effective system of governance, effective procedures, supervision and controls;
- Interpretation of financial data and actuarial analysis;
- Regulatory and legal framework and requirements; and
- Accounting and auditing.

3.2.2 Fitness and propriety assessment

Fitness

In order to ensure that Senior Managers / 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

Propriety

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

3.3 Risk Management System (including ORSA)

3.3.1 Risk Management System description

Strategies, policies, and procedures

The Company has adopted Risk Management policies and procedures in order to achieve its business and financial strategy without exceeding its risk appetite.

The Risk Management strategy is clearly defined and well documented and aligned with the overall business strategy. It sets the Company's risk management objectives, key risk management principles, overall risk appetite and assignment of responsibilities for risk across all the activities of the Company.

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.

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 the SII Standard formula.

Stress testing is conducted at least annually 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.

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.

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 Investments, Risk Management and Reserves 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.

Risk Reporting: The RMF reports to the BoD, through the Investments, Risk Management and Reserves 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, in timely manner:

- 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

3.3.2 Risk Management System implementation and integration

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 Committee, along with the other management committees and the assistance of the RMF.

The *Second Line of Defence* concerns the risk management activities that are carried out by the RMF and the rest of the control Functions. It also refers to the risk management activities performed by the Investments, Risk Management and Reserves 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 Framework 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 and processes 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.

3.3.3 ORSA process

ORSA is a component of the overall risk management and control system of the Company. It allows the Risk Management Function to consider all the risks associated with the Company's business strategies and the required level of capital that the Company needs to set aside so as to cover such risks. ORSA policy documents all the steps, processes and procedures employed by the Risk Management Function to identify, assess, monitor, manage and report the short and long term risks the Company faces or it is likely to face and determines the own funds necessary to ensure that the Company's solvency position is adequately met at all times.

The Company follows the steps outlined below to implement its ORSA:

1. *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.
2. *Assessment and measurement of risks through different approaches incl. stress testing:* the Company collects data, quantifies, and aggregates risks using different approaches such as

Value at Risk and stress testing and qualitative approaches, such as risk register assessment.

3. *Capital Allocation:* According to its risk profile, the Company determines the necessary additional capital over and above the regulatory minimum SCR.
4. *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.
5. *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.
6. *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.
7. *Confirm that the ORSA process is embedded in the decision making of the Company:* The Company confirms that the above procedure is not independent from the "business as usual" process of the Company. The RMF reports the key risks and any stress tests so that the BoD and the Executive Committee make decisions upon the results of these procedures.

3.4 Own Risk and Solvency Assessment

3.4.1 ORSA Integration into the organizational structure and decision-making processes

The ORSA is fully integrated into the organizational structure and decision-making processes of the Company as indicated by the roles and responsibilities of the different bodies and committees. These are described in the table below:

Responsible Body/ Function	Responsibility
Board of Directors	▪ Definition of corporate objectives and risk strategies, definition of the Company's risk profile, used as a significant input to ORSA ▪ Approval of the budget ▪ Establishment of a suitable internal control system, especially with regard to the ORSA ▪ Understanding, review, challenge and approval of the annual ORSA report
Investments, Risk Management and Reserves Committee	▪ Review and challenge of the annual ORSA report of the Company and recommendation for approval to the Board of Directors ▪ Review and challenge of the risk quantification and stress testing performed in the ORSA process ▪ Review and challenge the results of the Pillar 1 capital calculation and the quality of the data used
Senior Management	▪ Dissemination of information on risk strategies and procedures to the employees concerned ▪ Ensuring that there is adequate expertise and knowledge amongst the employees and officers of the Company to successfully carry out the different tasks required by ORSA

Responsible Body/ Function	Responsibility
	▪ Understanding the Company's ORSA
Risk Management Function	▪ Preparation of the Risk Management policies and procedures ▪ Identification and monitoring of key risks faced by the Company ▪ Establishment of methods for risk monitoring and measurement ▪ Coordination of the preparation and implementation of the ORSA ▪ Quantification and run of the stress test scenarios and analysis of the results ▪ Recommendation for capital allocation for Pillar 2 and capital projections ▪ Provision of ORSA training to senior manager and staff
Actuarial Function	▪ Responsible for producing the SII compliant technical provisions. ▪ Responsible for calculating the solvency capital requirements (both current and projected) based on the solvency II standard formula ▪ Provision of technical assistance to the ORSA process owners with regards to key technical areas e.g., valuation issues, reinsurance issues, stress testing, etc.
Finance Function	▪ Preparation of financial projections in accordance with the strategic plan approved by the Board of Directors ▪ Preparation of Pillar 1 capital planning and projection of own funds based on the planning
Internal Audit Function	▪ Independent review of the ORSA as part of their review of the Risk Management Function
Compliance Function	▪ Provide support and assistance on compliance matters as appropriate ensuring adherence to the regulatory obligations ▪ Ensure the timely submission of the annual ORSA report
Other Departments	▪ Compliance and cooperation with the request for collection of data for the implementation of the ORSA and preparation of the ORSA report ▪ Participation in the risk assessment exercise and support to the RMF ▪ Provision of information and adoption of all risk management policies and procedures approved by the Board ▪ Provision of accurate data in timely manner ▪ Inform the control Functions (risk management, internal audit, compliance and actuarial) of any facts relevant to the performance of their roles.

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

3.4.2 ORSA review and approval

The ORSA report is produced at least annually. The document is submitted to the Investments, Risk Management and Reserves Committee for review and then to the BoD for final approval. The assessment is repeated immediately following any significant changes to the internal or external environment that the Company operates.

The latest annual ORSA report was submitted to the regulator in May 2022.

3.4.3 Interaction between capital management activities and risk management system

The Company uses the EIOPA standard formula to calculate the required solvency capital and to assess the overall solvency needs, on a quarterly basis. 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.

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.

3.5 Internal control system

3.5.1 *Internal control system description*

The Company's internal control process is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations.
- Reliability of financial reporting and non-financial information.
- Compliance with applicable laws and regulations.

- Achievement of the Company’s strategy and objectives.

Every member of the Company has a role in the system of internal control. Internal control is people-dependent and its strength dependents on people's attitude toward internal control and their attention to it:

- The BoD is responsible for setting the strategy, tone, culture and values of the Company.
- Executive Committee, Risk Management, Actuarial, and Compliance Functions design policies and procedures to ensure that an effective internal control system is established within the Company.
- The Internal Audit Function monitors the effectiveness of the internal control system.

Control Activities

Examples of control activities are set out below:

- The BoD and Executive Committee regularly review actual performance against budgets, forecasts, and prior period results.
- Executive Committee is involved in developing performance plans and targets and measures and reports results against those plans and targets.
- Heads of Business Units and Functions at all business areas review standard performance and exception reports, analyse trends, and measure results against targets on a regular basis.
- The Information Security Policy sets the appropriate framework for the effective management and protection of the Company’s data against possible and potential initial and external threads.
- Key data and programs are appropriately backed up and maintained for business continuity purposes.
- Access to the systems, programs and data is controlled, the systems are maintained in a secure environment and applications are appropriately developed and maintained.

3.5.2 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.

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.

3.6 Internal Audit Function

3.6.1 Internal Audit Function implementation

The internal audit function of the Company is outsourced to the Internal Audit Unit of the Group. The BoD adopts the Internal Audit Unit Charter of the Group as an integral part of the Internal Audit Policy. The Internal Audit Function reports directly to the Audit Committee of the company. The Internal Audit Charter's purpose, among others, is to:

- define the Internal Audit Unit's (IAU) mission, authority, and responsibility;
- establish IAU's position within the Bank, including the nature of the Chief Internal Auditor's functional reporting relationship with the Board;
- authorizes access to records, personnel, and physical properties relevant to the performance of its engagements; and
- define the scope of IAU activities.

Final approval of the Internal Audit Charter resides with the Board.

3.6.2 Independence and objectivity

As stated in the Internal Audit Charter the independence of the IAU from business and operational units is fundamental to the effectiveness of the department. The IAU is independent of the company and other operational units. The Head of Internal Audit Unit reports directly to the Board of Directors through the Audit Committee. The Internal Audit Unit has 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.

3.7 Actuarial Function

The Company's Actuarial Function is the responsibility of the Actuarial Function Holder.

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)

- Responsible of the technical pricing of the products within the scope defined by the Board of Directors

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

3.8 Outsourcing

3.8.1 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.

The Outsourcing Policy of the Company sets out the following:

- Roles and responsibilities
- Outsourcing requirements
    - Supervision of outsourced activities
    - Critical or important Functions or activities
    - Service provider for critical or important Functions or activities
    - Service provider for noncritical Functions
    - Internal outsourcing
    - Approval of outsourcing services
    - Written agreement requirements
    - Termination
- Risk management and internal control system
    - Risk management actions
    - Establishment of risk management
    - Contingency Plan

3.8.2 *Critical or Important operational functions outsourced*

The Company has outsourced the Risk Management, Compliance and Internal Audit Functions to Hellenic Bank and uses the consulting services of Deloitte Actuarial Services.

The Company also outsources the following important activities:

- Certain Information Technology activities
- Cloud data storing services
- Business Continuity support
- Information Security
- Investment management

3.9 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 and evaluated; and recommendations are made to the Board regarding enhancing and developing the systems, including the outcomes from compliance monitoring programmes, root cause analysis from complaints, 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 proportionately to the business' risks.

3.10 Any other information

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

4 Risk Profile

The Company is a leading Bancassurance 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.

4.1 Underwriting Risk

4.1.1 Risk assessment

The main risk assessment tools used by the Company are the standard formula solvency capital requirement calculation (discussed in more detail in section 6.2), stress and scenario testing (discussed in more detail in section 4.7), 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.

4.1.2 Material exposures/risks

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.

4.1.3 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, 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.
- 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 currently distributes its products via Hellenic Bank. The Company's establishment agreement is limited to Hellenic Bank's customers, thus restricting the distribution channels that could be used up to 2020. As such, whilst concentration is observed in that respect, it is not deemed material given the large customer base of Hellenic Bank.

4.1.4 Risk Mitigation

Portfolio Monitoring

The senior management of the Company:

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

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 Onboarding Business, Reinsurance & Group Business Manager and the Claims Management Committee respectively. 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.

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 regularly to assess the appropriateness of 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.

Market and emerging risks/trends monitoring

The Company closely monitors the market and emerging risks /trends and participates in the discussion to address common market issues faced.

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.

4.1.5 Risk Sensitivity

Discussed in section 4.7.

4.1.6 *Any other material information*

No other material information

4.2 Market risk

4.2.1 Risk assessment

The main risk assessment tools used by the Company are the standard formula solvency capital requirement calculation (discussed in more detail in section 6.2), stress and scenario testing (discussed in more detail in section 4.7), 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.

4.2.2 Material exposures/risks

Market risk is the risk that changes in market prices will affect the fair value and/or future cash flows of financial instruments. The Company's market risk exposures mainly arise from its investments to local Cypriot banks and Collective Investment Undertakings (CIUs).

4.2.3 Risk Concentration

Some risk concentrations may arise in respect of Hellenic Bank, due to its strategic relationship with the Company. However, the Company invests in other counterparties and CIUs which enables an adequate level of diversification that may not have been possible through direct investments.

4.2.4 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 market values along with 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.

4.2.5 Risk Sensitivity

Discussed in section 4.7.

4.2.6 Prudent Person Principle

The Solvency II regulations require investment of assets in accordance with 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 CIUs, 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.

4.2.7 *Any other material information*

No other material information

4.3 Credit risk

4.3.1 Risk assessment

The main risk assessment tools used by the Company are the standard formula solvency capital requirement calculation (discussed in more detail in section 6.2), stress and scenario testing (discussed in more detail in section 4.7), 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.

4.3.2 Material exposures/risks

The risk of loss, or of adverse change in the financial situation resulting from fluctuations in the credit standing of counterparties. The key counterparties of the Company are:

- premium counterparties: through non-payment of premium due for insurance protection;
- reinsurers: through failure to pay valid claims against a reinsurance contract held by the Company; and
- banking and financial counterparties: through issuer default and/or default of the banks holding the assets.

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

4.3.3 Risk Concentration

Some risk concentrations may arise in respect of Hellenic Bank, due to its strategic relationship with the Company. However, the Company invests in other counterparties and CIUs which enables a level of diversification that may not have been possible through direct investments.

4.3.4 Risk Mitigation

The key risk mitigation techniques are:

- Due diligence on the financial condition of the counterparties before entering into agreement with them;
- Regular reviews of the credit rating and the financial condition of the key counterparties;
- Monitoring of premium debt balances and contract terms;
- 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.

4.3.5 Risk Sensitivity

Discussed in section 4.7.

4.3.6 *Any other material information*

No other material information

4.4 Liquidity risk

4.4.1 Risk assessment

Stress and scenario testing (discussed in more detail in section 4.6), 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.

4.4.2 Material exposures/risks

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 and/or very liquid products, including cash at bank and listed securities (CIUs).

4.4.3 Risk Concentration

No material concentrations identified.

4.4.4 Risk Mitigation

The Company has developed investment guidelines (reviewed and approved by the Board) which, among others, ensure the duration and currency of the invested assets are consistent with the liabilities' profile, prohibit investment in illiquid assets and ensure appropriate levels of counterparties and asset diversification are in place. The Company has also developed a Liquidity Contingency plan.

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.

4.4.5 Risk Sensitivity

Discussed in section 4.7.

4.4.6 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 €11,9m. The methodology used in the derivation of this figure is in line with the relevant guidance issued by EIOPA.

4.4.7 Any other material information

No other material information

4.5 Operational risk

4.5.1 Risk assessment

The main risk assessment tools used by the Company are the standard formula solvency capital requirement calculation (discussed in more detail in section 6.2), stress and scenario testing (discussed in more detail in section 4.7), the risk register and other quantitative and 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.

4.5.2 Material exposures/risks

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

- *Systems risk:* the risk of systems and IT infrastructure failure leading to errors in reporting of the data (including pricing) and 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.
- *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.

- *Policies and Procedures:* Inadequate policies and procedures may lead to the deficiencies in the monitoring or the non-early identification of operational risks such as failures in the systems, breach of outsourcing agreements, 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.
- *Unintended mis-selling:* the risk of causing detriment to customers through sale of products not suited for their needs.
- *Legal risk:* the risk of failure to properly identify and manage legal exposures.
- *Regulatory risks:* the risk of failure to comply with regulatory requirements.

4.5.3 Risk Concentration

In light of the wide range of processes, systems and people this risk covers, no material concentrations have been identified.

4.5.4 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 are documented 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;
- Code of Ethics and Conduct is in place;
- Regular attendance to trainings and 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, when required;
- Peer review of material work and appropriate underwriting, claims and other authority limits in place;
- Purchase of own Insurance and other risk mitigation tools, where appropriate;
- Requirement to report operational losses;
- Business continuity and disaster scenario planning; and
- Standard templates/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.

4.5.5 Risk Sensitivity

Discussed in section 4.7.

4.5.6 Any other material information

No other material information.

4.6 Other material risks

No other material risks to mention.

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

4.7.1 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.

4.7.2 Outcome of stress testing and sensitivity testing

The table below sets a description of the stress scenarios undertaken by the Company, the impact of the sensitivity measured as an amount of the solvency capital requirement, and relative impact on the overall solvency coverage ratio.

		Impact on Solvency Capital requirement -€m			Impact on Solvency coverage ratio (%)		
Scenario	**Stressed Risk**	Proj Yr1	Proj Yr2	Proj Yr3	Proj Yr1	Proj Yr2	Proj Yr3
Sc1 - Adverse claims experience	Underwriting risk	-	- 0.8	- 1.1	0%	-5%	-10%
Sc2 - Higher lapses than anticipated	Underwriting risk	-	- 3.6	- 4.0	0%	68%	59%
Sc3 - New Business Volumes Reduction	Underwriting risk/Strategic risk	- 0.6	- 1.1	- 1.7	9%	18%	27%
Sc4 - Downgrade of key foreign institutions	Credit risk	0.6	0.9	0.9	-20%	-26%	-28%
Sc5 - Downgrade of key reinsurers	Credit risk	0.4	0.4	0.3	-14%	-12%	-10%

		Impact on Solvency Capital requirement -€m			Impact on Solvency coverage ratio (%)		
Scenario	**Stressed Risk**	Proj Yr1	Proj Yr2	Proj Yr3	Proj Yr1	Proj Yr2	Proj Yr3
Sc6 - Counterparty default, also impacting sales	Market risk/ Credit risk/ Strategic risk	-	- 3.9	- 4.3	0%	5%	-7%
Sc7 - Economic recession	Market Risk/Underwriting risk	-	- 2.4	- 2.8	0%	3%	15%
Sc8 - Covid-19 Realistic	Market Risk/Underwriting risk	- 0.3	- 0.7	- 1.3	3%	8%	18%
Sc9 - Covid-19 Pessimistic	Market Risk/Underwriting risk	- 0.6	- 1.4	- 2.5	-16%	-5%	19%

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

4.8 Any other information

No other material information.

5 Valuation for solvency purposes

5.1 Assets

5.1.1 *Value of assets*

The Company held the following assets as at 31st December of 2022:

€000s	Solvency II
Deferred acquisition costs	0.0
Intangible assets	0.0
Deferred tax assets	0.0
Property, plant & equipment	0.3
Government Bonds	3.3
Collective Investments Undertakings	21.5
Deposits other than cash equivalents	0.0
Assets held for index-linked and unit-linked contracts	32.2
Reinsurance recoverable	14.2
Reinsurance receivables	0.8
Trade and other receivables	0.1
Cash and cash equivalents	0.8
Any other assets, not elsewhere shown	0.0
Total assets	**73.3**

5.1.2 *Bases, methods, and main assumptions*

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

- *Property, plant and equipment:* items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure directly attributable to the acquisition of the asset.
- *Bonds and Collective Investment Undertakings:* The Company's financial assets are classified as financial assets at fair value through profit or loss. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
- *Cash and cash equivalents*: for own funds are classified under amortised cost. Unit linked Cash deposits are classified at fair value through profit or loss.
- *Other assets*: Financial assets not classified at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. These financial assets are comprised of mainly reinsurance receivables on claims paid, reinsurance share on reserves and premium receivable.
- *Deferred acquisition costs*: Deferred acquisition costs are amortized over the period in which the costs are expected to be recoverable out of future margins in the revenue of the related contracts. The rate of amortization is consistent with the pattern of emergence of such margins.

IFRS vs Solvency II

€000s	Solvency II	Statutory accounts	Major Differences
Deferred acquisition costs	0	0	DAC are valued at zero on a SII valuation basis
Intangible assets	0	2,124	Intangibles are valued at zero on a SII valuation basis
Deferred tax assets	0	0	
Property, plant & equipment	328	328	
Government Bonds	3,305	3,305	
Collective Investments Undertakings	21,545	21,545	
Deposits other than cash equivalents	10*	10*	
Assets held for index-linked and unit-linked contracts	32,237	32,237	
Reinsurance recoverable	14,211	19,244	Reinsurance recoverable is measured on a Best Estimate basis under SII
Reinsurance receivables	822	822	
Trade and other receivables	96	96	
Cash and cash equivalents	768	768	
Any other assets, not elsewhere shown	0	0	
Total assets	73,322	80,478	(7,157)

* The *Deposits and other then cash* don't allow for the payables from financial institutions which under Solvency II are shown under liabilities.

5.2 Technical Provisions

5.2.1 *Technical provisions, 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 2022 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	28,239	4,516	0	181	32,935
Risk Margin	3,635	619	0.04	57	4,311
Gross Technical Provisions	31,874	5,134	0.04	237	37,246
RI Recoverables	339	13,747	0	125	14,211
Net Technical Provision	31,535	-8,613	0.04	113	23,035

Description of the bases, methods and main assumptions used

- *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 prudency 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 of the above, any outstanding claims as at the valuation date are also added to the BEL.

- *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 prudency 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 of the above, any outstanding claims as at the valuation date are also added to the BEL.

- *Group Life Insurance, Medical Expense Insurance & Income Protection Insurance*

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.

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 the unexpired policies as at the valuation date. Such cashflows mostly relate to future claims, future instalments, administration expenses and reinsurance cost.

- *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 insurance obligations over their lifetime thereof. This rate, called the Cost-of-Capital, is prescribed at 6%, as published by EIOPA.

- *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 reinsurance counterparty.

5.2.2 *Uncertainty in the 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.

5.2.3 *Material differences in the bases, methods and main assumptions*

Net Technical provisions (€'000s)	Unit-Linked	Other Life	Medical Expense	Income protection	Total
Solvency II	31,535	-8,613	0.04	113	23,035
IFRS	33,468	3,447	0	58	36,974
Difference	-1,933	-12,060	0.04	54	-13,938

Lower technical provisions emerge under Solvency II as prudency 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.

5.2.4 *Matching*

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

5.2.5 *Volatility adjustment*

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

5.2.6 *Transitional risk-free interest rate-term structure*

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

5.2.7 *Transitional deductions*

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

5.2.8 *Recoverables and Material assumption changes*

Reinsurance Recoverables relate to the amounts recoverable from reinsurance contracts and are calculated separately. The methodologies described above apply on both gross and net bases. In order to estimate gross reserves, any inflow related to the existence of reinsurance is not taken into account. In order to estimate the net reserves, the projections allow also for any cashflows related to reinsurance (RI premium, RI claims, RI commissions). A reduction of reinsurance recoverables is also made to allow for expected losses due to the default of a reinsurance counterparty. The probability of default is derived from that used in the counterparty default risk under the standard formula depending on the credit quality of each reinsurer.

The following material assumption changes have taken place between year-end 2021 and year-end 2022:

- The mortality and persistency assumptions have been revised following and a mortality and persistency analysis undertaken by the Company in 2022Q4.
- The risk-free rates used both for discount and fund growth for the Solvency II valuation are as prescribed by EIOPA and have been revised appropriately based on the latest market conditions and Company experience for the IFRS valuation.
- Expense assumptions have been updated following the annual expense analysis undertaken by the Actuarial Function.
- The inflation assumption has been updated to take into consideration the uncertainty underpinning the inflation rates during 2022, where higher rates have been observed and expected to remain higher than the long-term average during the course of the following few years.

5.3 Valuation of other liabilities

5.3.1 Value of other liabilities

The table below sets out the value of the other liabilities as at 31st December 2022:

€'000s	Solvency II value
Insurance & intermediaries payables	225
Reinsurance payables	-
Payables (trade, not insurance)	1,394
Any other liabilities, not elsewhere shown	680
Deferred Tax	1,477
Total other liabilities	3,775

Description of the bases, methods and main assumptions used

- *Insurance and intermediaries payables*

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*

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.

The Company cedes reinsurance in the normal course of business for the purpose of limiting its net loss potential through the diversification of its risks. Assets, liabilities, income and expenses arising from ceded reinsurance contracts are presented separately from the related assets, liabilities, income and expenses of the related insurance contracts because the reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders.

Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

- *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.

5.3.2 *Material differences in the bases, methods and main assumptions*

The table sets out the other liabilities in solvency purposes and IFRS basis:

€'000s	Solvency II value	Statutory Account
Financial Liabilities other than depts own to credit institutions	0	0
Insurance & intermediaries payables	225	225
Reinsurance payables	-	-
Payables (trade, not insurance)	1,394	1,394
Any other liabilities, not elsewhere shown	680	680
Deferred Tax	1,477	-
Total other liabilities	3,775	2,298

The key difference with the valuation bases relates to the 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).

5.4 Any other information

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

6 Capital Management

6.1 Own Funds

6.1.1 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.

6.1.2 *Own funds description*

The following table shows the structure of own funds as at 31 December 2022 and 31 December 2021:

Own funds (€'000s)	December 2022	December 2021
Ordinary share capital	1,710	1,710
Reconciliation reserve	10,338	6,771
Retained Earnings	20,250	17,707
Other Own Funds	0	0
Total Basic Own funds	32,298	26,188

6.1.3 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.

6.1.4 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.

6.1.5 *IFRS and Solvency II balance sheets*

The key differences in the valuation of assets and liabilities between IFRS and Solvency II standards are as set out below:

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

6.1.6 *Own funds subjected to transitional arrangements*

No own funds are subjected to transitional arrangement.

6.1.7 *Ancillary own funds*

No ancillary own funds.

6.1.8 *Items deducted from own funds*

No items are deducted from own funds.

6.1.9 *Availability and transferability restrictions of own funds*

No restrictions in the availability and transferability of own funds.

6.1.10 *Deferred tax assets*

The Company does not currently calculate any amount of deferred tax assets in its Solvency II balance sheet.

6.2 Solvency Capital Requirement and Minimum Capital Requirement

6.2.1 *Amounts of SCR and MCR*

As at 31 December 2022 the SCR of the Company was calculated at €9.0m (2021: €8.7m) and the MCR at €6.7m (2021: €6.4m). Therefore, the Company keeps the SCR in its books as capital charge. The SCR has been submitted to the supervisory authorities and the Company awaits for their feedback.

6.2.2 *Amount of SCR split by risk modules*

The following table shows the SCR split by risk modules:

Solvency Capital Requirement	€'m
Market risk	3,181
Counterparty default risk	576
Life Underwriting risks	6,982
Health underwriting risk	254
Non-Life underwriting risk	0
Diversification effects	-2,352
Intangible asset risk	0
Basic SCR	8,640
Operational risk	1,398
Adjustments	-1,004
SCR	9,034

6.2.3 *Simplifications/specific parameters*

The Company uses EIOPA's Solvency II Standard Formula. It does not use Company specific parameters and does not use simplified calculations in its calculation.

6.2.4 Information on the inputs used to calculate the MCR

€'000s	Non-life activities	Life activities
Notional linear MCR	38	4,641
Notional SCR excluding add-on	73	8,961
Notional MCR cap	33	4,032
Notional MCR floor	18	2,240
Notional Combined MCR	33	4,032
Absolute floor of the notional MCR	2,700	4,000
Notional MCR	2,700	4,033

The total MCR for both activities (Life + non-Life) is equal to €6.7m.

6.2.5 *Material changes to the SCR and MCR*

The SCR has slightly increased compared to YE2021 mainly due to the increase in the yield curve.

The MCR has increased to €6.7m as at 31 December 2022 compared to €6.4m as at 31 December 2021.

6.2.6 Loss-absorbing capacity adjustment and deferred tax assets

The loss absorbing capacity of deferred taxes is calculated as the sum of the deferred tax liability as presented in the Solvency II Balance Sheet and of a proportion of the temporary differences between the valuation for tax purposes and the Solvency II valuation (applying a tax rate on this difference of 10.0%, as opposed to the 12.5% income tax rate of Cyprus thus leaving a prudency margin of 2.5%).

As at 2022YE, the Solvency Capital Requirement has been adjusted by €1.0m.

6.3 Duration-based equity risk sub-module option

The duration-based equity risk sub-module is not used by the Company for the calculation of its Solvency Capital requirements.

6.4 Internal model

An internal model is not used by the Company for the calculation of its Solvency Capital requirements and its Minimum Capital requirements.

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

The Company complied with the SCR and MCR during the 2022.

6.6 Any other information

There is no other material information regarding the capital management of the undertaking during the year 2022.

7 Appendix – Quantitative Reporting Templates

7.1 S.02.01.16 - Balance Sheet

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	
Property, plant & equipment held for own use	**R0060**	328
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	24,860
Property (other than for own use)	**R0080**	
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	3,305
Government Bonds	**R0140**	
Corporate Bonds	**R0150**	3,305
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	21,545
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	10
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	32,237
Loans and mortgages	**R0230**	
Loans on policies	**R0240**	
Loans and mortgages to individuals	**R0250**	
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	14,211
Non-life and health similar to non-life	**R0280**	125
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	125
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	13,747
Health similar to life	**R0320**	
Life excluding health and index-linked and unit-linked	**R0330**	13,747
Life index-linked and unit-linked	**R0340**	339
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	
Reinsurance receivables	**R0370**	822
Receivables (trade, not insurance)	**R0380**	96
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**	768
Any other assets, not elsewhere shown	**R0420**	
Total assets	**R0500**	73,323
		Solvency II value
Liabilities		C0010
Technical provisions – non-life	**R0510**	238

Technical provisions – non-life (excluding health)	**R0520**	
TP calculated as a whole	**R0530**	
Best Estimate	**R0540**	
Risk margin	**R0550**	
Technical provisions - health (similar to non-life)	**R0560**	238
TP calculated as a whole	**R0570**	
Best Estimate	**R0580**	181
Risk margin	**R0590**	57
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	5,134
Technical provisions - health (similar to life)	**R0610**	
TP calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	5,134
TP calculated as a whole	**R0660**	
Best Estimate	**R0670**	4,516
Risk margin	**R0680**	619
Technical provisions – index-linked and unit-linked	**R0690**	31,874
TP calculated as a whole	**R0700**	
Best Estimate	**R0710**	28,239
Risk margin	**R0720**	3,635
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	1,477
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	3
Insurance & intermediaries payables	**R0820**	225
Reinsurance payables	**R0830**	
Payables (trade, not insurance)	**R0840**	1,394
Subordinated liabilities	**R0850**	
Subordinated liabilities not in BOF	**R0860**	
Subordinated liabilities in BOF	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	680
Total liabilities	**R0900**	41,024
Excess of assets over liabilities	**R1000**	32,299

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

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:				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**		558															558
Gross - Proportional reinsurance accepted	**R0120**																	
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**	1	197															197
Net	**R0200**	-1	362															361
Premiums earned																		
Gross - Direct Business	**R0210**		560															560
Gross - Proportional reinsurance accepted	**R0220**																	
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**	1	227															228
Net	**R0300**	-1	333															332
Claims incurred																		
Gross - Direct Business	**R0310**		150															150
Gross - Proportional reinsurance accepted	**R0320**																	
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**		85															85
Net	**R0400**		65															65
Changes in other technical provisions																		
Gross - Direct Business	**R0410**		8															8
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers'share	**R0440**		6															6
Net	**R0500**		2															2
Expenses incurred	**R0550**		308															308
Other expenses	**R1200**																	
Total expenses	**R1300**																	308

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

		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	Health reinsurance	Life-reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**			16,670	22,476					39,145
Reinsurers' share	**R1420**			34	9,792					9,826
Net	**R1500**			16,636	12,684					29,320
Premiums earned										
Gross	**R1510**			16,670	22,449					39,119
Reinsurers' share	**R1520**			34	9,792					9,826
Net	**R1600**			16,636	12,657					29,293
Claims incurred										
Gross	**R1610**			1,990	9,465					11,455
Reinsurers' share	**R1620**			42	8,102					8,144
Net	**R1700**			1,948	1,363					3,310
Changes in other technical provisions										
Gross	**R1710**			10,850	-3,039					7,811
Reinsurers' share	**R1720**			-10	-2,041					-2,052
Net	**R1800**			10,860	-997					9,863
Expenses incurred	**R1900**			3,878	5,608					9,486
Other expenses	**R2500**									1,247
Total expenses	**R2600**									10,733

7.3 S.12.01.02 – Life and Health SLT Technical Provisions

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
				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**
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 as a whole	**R0020**									
Technical provisions calculated as a sum of BE and RM										
Best Estimate										
Gross Best Estimate	**R0030**			23,544	4,695		4,516			
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**			334	5		13,747			
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**			23,210	4,690		-9,231			
Risk Margin	**R0100**		3,635			619				
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	**R0110**									
Best estimate	**R0120**									
Risk margin	**R0130**									
Technical provisions - total	**R0200**		31,874			5,134				

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		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			
		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 as a whole	**R0020**							
Technical provisions calculated as a sum of BE and RM								
Best Estimate								
Gross Best Estimate	**R0030**	32,754						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	14,086						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	18,669						
Risk Margin	**R0100**	4,254						
Amount of the transitional on Technical Provisions								
Technical Provisions calculated as a whole	**R0110**							
Best estimate	**R0120**							
Risk margin	**R0130**							
Technical provisions - total	**R0200**							

7.4 S.17.01.02 – Non-life Technical Provisions

Annex I
S.17.01.02
Non-life Technical Provisions

		t business and accepted proportional reinsu		Total Non-Life obligation
		Medical expense insurance	Income protection insurance	
		C0020	**C0030**	**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 as a whole	**R0050**			
Technical provisions calculated as a sum of BE and RM				
Best estimate				
Premium provisions				
Gross	**R0060**		11	11
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**			
Net Best Estimate of Premium Provisions	**R0150**		11	11
Claims provisions				
Gross	**R0160**			
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**			
Net Best Estimate of Claims Provisions	**R0250**			
Total Best estimate - gross	**R0260**		11	11
Total Best estimate - net	**R0270**		11	11
Risk margin	**R0280**	0	57	57
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**	0	68	68
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**			
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	0	68	68

7.5 S.19.01.21 – Non-life Insurance Claims Information

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Accident year [AY]

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

		Development year												In Current year	Sum of years (cumulative)
	Year	0	1	2	3	4	5	6	7	8	9	10 & +			
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100												R0100		
2013	R0160	170	80										R0160		250
2014	R0170	95	40										R0170		135
2015	R0180	175											R0180		175
2016	R0190	55	70	254									R0190		379
2017	R0200	150	40				20						R0200	20	210
2018	R0210	121	43										R0210		164
2019	R0220	30	41	30									R0220		101
2020	R0230	20	147										R0230		167
2021	R0240	145	145										R0240	145	290
2022	R0250	175											R0250	175	175
												Total	R0260	340	2,047

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year												Year end (discounted data)
	Year	0	1	2	3	4	5	6	7	8	9	10 & +		
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100												R0100	
2013	R0160				20	20	20	20	20	20			R0160	
2014	R0170			23	20	20	20	20	20				R0170	
2015	R0180		39	24	20	20							R0180	
2016	R0190	152	334	74	70	70	70						R0190	
2017	R0200	466	59	66	31	15	15						R0200	
2018	R0210	131	77	41									R0210	
2019	R0220	135	20										R0220	
2020	R0230	155	6										R0230	
2021	R0240	85	3										R0240	
2022	R0250	141											R0250	
												Total	R0260	

7.6 S.23.01.01 – Own Funds

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 (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	1,710	1,710			
Share premium account related to ordinary share capital	R0030					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	30,589	30,589			
Subordinated liabilities	R0140					
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
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					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	32,299	32,299			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	32,299	32,299			
Total available own funds to meet the MCR	R0510	32,299	32,299			
Total eligible own funds to meet the SCR	R0540	32,299	32,299			
Total eligible own funds to meet the MCR	R0550	32,299	32,299			
SCR	R0580	9,034				
MCR	R0600	6,732				
Ratio of Eligible own funds to SCR	R0620	357.52%				
Ratio of Eligible own funds to MCR	R0640	479.76%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	32,299	
Own shares (held directly and indirectly)	R0710		
Foreseeable dividends, distributions and charges	R0720		
Other basic own fund items	R0730	1,710	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740		
Reconciliation reserve	R0760	30,589	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	11,887	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780		
Total Expected profits included in future premiums (EPIFP)	R0790	11,887	

7.7 S.25.01.21 – Solvency Capital Requirement

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0120**
Market risk	**R0010**	3,181		
Counterparty default risk	**R0020**	576		
Life underwriting risk	**R0030**	6,982		
Health underwriting risk	**R0040**	254		
Non-life underwriting risk	**R0050**			
Diversification	**R0060**	-2,352		
Intangible asset risk	**R0070**			
Basic Solvency Capital Requirement	**R0100**	8,640		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	1,398
Loss-absorbing capacity of technical provisions	**R0140**	
Loss-absorbing capacity of deferred taxes	**R0150**	-1,004
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	
Solvency capital requirement excluding capital add-on	**R0200**	9,034
Capital add-on already set	**R0210**	
Solvency capital requirement	**R0220**	9,034
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	**R0400**	
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	
Total amount of Notional Solvency Capital Requirements 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**	

		Yes/No
Approach to tax rate		**C0109**
Approach based on average tax rate	**R0590**	2 - No

		LAC DT
Calculation of loss absorbing capacity of deferred taxes		**C0130**
LAC DT	**R0640**	-1,004
LAC DT justified by reversion of deferred tax liabilities	**R0650**	-1,004
LAC DT justified by reference to probable future taxable economic profit	**R0660**	
LAC DT justified by carry back, current year	**R0670**	
LAC DT justified by carry back, future years	**R0680**	
Maximum LAC DT	**R0690**	

7.8 S.28.02.01 – Minimum Capital Requirement

Annex I
S.28.02.01
Minimum capital Requirement - Both life and non-life insurance activity

		Non-life activities MCR(NL,NL) Result	Life activities MCR(NL,L)Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	38	

		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				
Income protection insurance and proportional reinsurance	R0030	56	362		
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		4,641

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	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			27,900	
Other life (re)insurance and health (re)insurance obligations	R0240				
Total capital at risk for all life (re)insurance obligations	R0250				6,350,986

Overall MCR calculation

		C0130
Linear MCR	R0300	4,679
SCR	R0310	9,034
MCR cap	R0320	4,065
MCR floor	R0330	2,259
Combined MCR	R0340	4,065
Absolute floor of the MCR	R0350	6,700
		C0130
Minimum Capital Requirement	R0400	6,700

Notional non-life and life MCR calculation		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	38	4,641
Notional SCR excluding add-on (annual or latest calculation)	R0510	73	8,961
Notional MCR cap	R0520	33	4,032
Notional MCR floor	R0530	18	2,240
Notional Combined MCR	R0540	33	4,032
Absolute floor of the notional MCR	R0550	2,700	4,000
Notional MCR	R0560	2,700	4,032