HELLENIC LIFE

MEMBER OF HELLENIC BANK GROUP

SOLVENCY AND FINANCIAL CONDITION REPORT AS AT 31ST DECEMBER 2023

April 2024

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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.

The following table gives a comparison of the company's gross written premium, profit before tax and profit after tax between the current and previous year (€000s):

Year	Gross Written Premium	Underwriting performance	Profit/(loss) Before Tax	Profit/(loss) After Tax
2023	€40,697	€10,916	€7,626	€6,786
2022	€39,704	€12,570	€2,699	€1,939

Profit (loss) Before and After Tax are set out under the IFRS17 basis. 2022 has been re-stated on the IFRS17 basis too.

On 21st June 2023, the Board of Directors has resolved to distribute an interim dividend of €1,60 per share out of 31 December 2021 profits amounting to €1,600,000 and approved the payment of an extraordinary dividend of €6,000,000 arising from the transition impact from IFRS 4 to IFRS17 on the in-force business as at 31 December 2021.

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 2023 is set out below:

	Statutory accounts	Solvency II
Total assets	85.759	84.449
Total liabilities, incl. technical provisions	55.832	50.669
Own funds	29.927	33.831

The Company enjoys a healthy solvency and capital position as demonstrated in the table below (all figures as at 31st December 2023):

Solvency capital requirement (SCR)	10.513
Minimum capital requirement (MCR)	7.389
Eligible own funds to cover both SCR and MCR – All Tier 1	33.831
Coverage Ratio	322%

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 €10,513k is higher than the regulatory minimum capital requirement €7,389k and as such, the Company's own funds must cover at least the solvency capital requirement of €10,513k.

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 322%, 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 exposure to market risk, due to its investment portfolio and 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 2023

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

The Company adopted the IFRS17 standard for the production of its financial statements.

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 2023 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:

€000s	2022	2023
Life	11,568	10,115
Unit Linked	886	631
A&H	116	170
Total Underwriting Result	12,570	10,916

2.3 Investment Performance

2.3.1 Income and expenses arising from investments by asset class

During the year ended 31 December 2023, the Company recognised the following net investment income/expense (the comparative values as at 31 December 2022 are also set out):

€000S	2022	2023
Interest income/expense		
- Unit Linked	112	124
- Own Funds	10	47
Dividend income		
- Unit Linked	140	440
- Own Funds	118	337
Net fair value gains/(losses) on financial assets at fair value through profit or loss		
- Unit Linked	-2,128	2,647
- Own Funds	-2,466	581
Unit-linked management fees	261	379
	-3,953	**4,555**

Investment income has been impacted in recent years.

Long periods of very low (and/or negative) interest rates have led to low investment income, which continued in 2021-2022 to support the economy which has been greatly impacted by the global pandemic leading to reduction in economic activity, whilst financial support provided by the government was mainly used to meet the demands for physical goods – a demand which partially met due to both the excess demand and the supply shock.

Then, in February 2022, the war in Ukraine was declared, leading to further economic uncertainty, volatility in the markets and significant inflation. The Central Banks have recently responded with increases in interest rates (pushing down the value of bonds). 2022 has been a challenging year for the markets with investment losses noted across all key asset classes.

Whilst interest rate hikes continued in 2023, the investment markets have shown positive trends and at least partially recovered the losses occurring in the previous years.

The Company's financial assets are set out below:

€000S	2022	2023
Collective Investment Undertakings		
- Unit Linked	25,421	41,742
- Own Funds	21,545	23,142
Government Bonds		
- Unit Linked	179	0
- Own Funds	0	0
Corporate Bonds		
- Unit Linked	0	0
- Own Funds	3,305	

€000S	2022	2023
		0
Cash at bank - Unit Linked - Own Funds	 6.637 775	. 6,372 892

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 assists 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 is 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	2023
Hellenic Bank Commissions	€3,276k	€3,809k
Directors' remuneration	€180k	€175k
Key management salaries and other short-term employee benefits	€581k	€484k

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 June 2023.

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 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 €18,025K. 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 - €000s			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	-	-0.576	-0.750	0%	-20%	-34%
Sc2 - Higher lapses than anticipated	Underwriting risk	-	-2.880	-3.285	0%	13%	-2%
Sc3 - New Business Volumes Reduction	Underwriting risk/Strategic risk	-0.620	-1.314	-2.058	6%	10%	13%
Sc4 - Downgrade of key foreign institutions	Credit risk	0.556	0.594	0.599	-19%	-19%	-18%

		Impact on Solvency Capital requirement - €000s			Impact on Solvency coverage ratio (%)		
Scenario	**Stressed Risk**	Proj Yr1	Proj Yr2	Proj Yr3	Proj Yr1	Proj Yr2	Proj Yr3
Sc5 - Downgrade of key reinsurers	Credit risk	0.416	0.377	0.303	-14%	-12%	-9%
Sc6 - Counterparty default, also impacting sales	Market risk/ Credit risk/ Strategic risk	-	-3.251	-3.640	0%	-30%	-38%
Sc7 - Economic recession	Market Risk/Underwriting risk	-	-3.116	-4.704	0%	-40%	-67%

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.

On 21st June 2023, the plenary of the Board of Directors approved the payment of an extraordinary dividend (which was not considered as part of the original Stress Testing exercise). The outcomes of the Stress and Scenario Testing have been re-calculated allowing of the dividend payment (and IFRS 17 equity release). The lowest SCR across all projection years and scenarios remains in excess of 150%, thus the Company retains its strong solvency and financial condition.

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 2023:

€000s	Solvency II
Deferred acquisition costs	0
Intangible assets	0
Deferred tax assets	0
Property, plant & equipment	235
Government Bonds	883
Collective Investments Undertakings	22,258
Deposits other than cash equivalents	10
Assets held for index-linked and unit-linked contracts	48,114
Reinsurance recoverable	11,321
Reinsurance receivables	678
Trade and other receivables	111
Cash and cash equivalents	883
Any other assets, not elsewhere shown	5
Total assets	**84,499**

5.1.2 *Bases, methods, and main assumptions*

The valuation principles applied to these assets are presented below:

- *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, Assets held for index-linked and unit-linked contracts, and Collective Investment Undertakings:* These are measured at fair value.
- *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.
- *Reinsurance Recoverable and Receivables:* These are measured on a Best Estimate basis, including the SII Risk Margin.

IFRS vs Solvency II

€000s	Solvency II	Statutory accounts	Major Differences
Intangible assets	0	1,992	Intangibles are valued at zero on a SII valuation basis
Deferred tax assets	0	-	
Property, plant & equipment	235	235	
Government Bonds	883	883	
Collective Investments Undertakings	22,258	22,259	
Deposits other than cash equivalents	10	10	
Assets held for index-linked and unit-linked contracts	48,114	48,114	
Reinsurance recoverable	11,321	0	Reinsurance recoverable under SII is measured on a Best Estimate basis
Reinsurance receivables	678	0	Reinsurance receivables form a distinct item under the SII Balance sheet
Insurance & Reinsurance Contract Assets	0	12,739	Under the New IFRS 17 standard, the Insurance and Reinsurance Contract assets are measured on a Best Estimate Basis with the inclusion of the Risk Adjustment and the respective receivables and payables.
Trade and other receivables	111	111	
Cash and cash equivalents	883	883	
Any other assets, not elsewhere shown	5	0	
Total assets	**84,499**	**87,225**	

* 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 2023 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	41,105	-1,206	0	112	40,191
Risk Margin	5,158	145	0	76	5,378
Gross Technical Provisions	46,263	-882	0	188	45,569
RI Recoverables	429	10,819	0	74	11,321
Net Technical Provision	45,834	-11,700	0	114	34,248

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*

Gross Technical provisions (€'000s)	Unit-Linked	Other Life	Medical Expense	Income protection	Total
Solvency II	46,263	-882	0	188	45,569
IFRS	46,016	8,859	0	316	55,190
Difference	247	-9,740	0	-128	-9,621

Net Technical provisions (€'000s)	Unit-Linked	Other Life	Medical Expense	Income protection	Total
Solvency II	45,834	-11,700	0	114	34,248
IFRS	41,834	-12,704	0	117	29,248
Difference	4,000	1,003	0	-3	5,000

The methods relating to the calculation of the technical provisions under IFRS basis is similar to the Solvency II basis. The most material difference between the two is the expense assumption setting, where under IFRS only the attributable portion of the expenses is allocated to the insurance business, as per IFRS17 requirements, whereas under SII, the attributability notion does not exist. Additionally, under IFRS17 the Best Estimate Liabilities include any receivables and payables that are related to the insurance contracts issued and reinsurance contracts held.

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 2022 and year-end 2023:

- The persistency assumptions have been revised following the experience investigation analysis undertaken by the Company in 2023Q4.
- 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 latest macroeconomic environment updates. The inflation rate assumption is slightly lower than the one used in the last year's valuation.

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 2023:

€'000s	Solvency II value
Insurance & intermediaries payables	1,166
Reinsurance payables	82
Payables (trade, not insurance)	1,136
Any other liabilities, not elsewhere shown	788
Deferred Tax	1,927
Total other liabilities	**5,099**

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 different from the IFRS since under the IFRS17 standard, the payables form part of the IFRS17 Best Estimate Liabilities.

- *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.

The value of this liability for Solvency II is the different from the IFRS since under the IFRS17 standard, the payables form part of the IFRS17 Best Estimate Liabilities.

- *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
Insurance & intermediaries payables	1,166	0
Reinsurance payables	82	0
Payables (trade, not insurance)	1,136	1,322
Any other liabilities, not elsewhere shown	788	786
Deferred Tax	1,927	0
Total other liabilities	**5,099**	**2,108**

The key difference with the valuation bases relates to the Deferred Tax Liability (DTL), Insurance and intermediaries payables, as well as reinsurance payables.

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). With respect to insurance and intermediaries payables, under the statutory accounts these are measured within the insurance contract liabilities, whereas the reinsurance payables are measured within the reinsurance contract assets.

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 2023 and 31 December 2022:

Own funds (€'000s)	December 2023	December 2022
Ordinary share capital	1,710	1,710
Reconciliation reserve	32,121	30,588
Other Own Funds	0	0
Total Basic Own funds	33,831	32,298

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 2023 the SCR of the Company was calculated at €10,513k (2022: €9,034k) and the MCR at €7,389k (2022: €6,732k). 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	€'000s
Market risk	3,065
Counterparty default risk	655
Life Underwriting risks	8,671
Health underwriting risk	273
Non-Life underwriting risk	0
Diversification effects	-2,471
Intangible asset risk	0
Basic SCR	10,194
Operational risk	1,488
Adjustments	-1,168
SCR	10,513

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	47	5,230
Notional SCR excluding add-on	93	10,420
Notional MCR cap	42	4,689
Notional MCR floor	23	2,605
Notional Combined MCR	42	4,689
Absolute floor of the notional MCR	2,700	4,000
Notional MCR	2,700	4,689

The total MCR for both activities (Life + non-Life) is equal to €7,389k.

6.2.5 Material changes to the SCR and MCR

The MCR has increased to €7,389k as at 31 December 2023 compared to €6,732k as at 31 December 2022.

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 2023YE, the Solvency Capital Requirement has been adjusted by €1.2m.

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 2023.

6.6 Any other information

There is no other material information regarding the capital management of the undertaking during the year 2023.

7 Appendix – Quantitative Reporting Templates

7.1 S.02.01.16 - Balance Sheet

Annex I
S.02.01.02
Balance sheet

		Solvency II
Assets		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	235
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	23,151
Property (other than for own use)	R0080	
Holdings in related undertakings, including participations	R0090	
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	883
Government Bonds	R0140	883
Corporate Bonds	R0150	
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	22,258
Derivatives	R0190	
Deposits other than cash equivalents	R0200	10
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	48,114
Loans and mortgages	R0230	
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	
Reinsurance recoverables from:	R0270	11,321
Non-life and health similar to non-life	R0280	74
Non-life excluding health	R0290	
Health similar to non-life	R0300	74
Life and health similar to life, excluding health and index-linked and unit-	R0310	10,819
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	10,819
Life index-linked and unit-linked	R0340	429
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	5
Reinsurance receivables	R0370	678
Receivables (trade, not insurance)	R0380	111
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet	R0400	
Cash and cash equivalents	R0410	883
Any other assets, not elsewhere shown	R0420	
Total assets	R0500	84,499
Liabilities		
Technical provisions – non-life	R0510	188
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	188
TP calculated as a whole	R0570	
Best Estimate	R0580	112
Risk margin	R0590	76
Technical provisions - life (excluding index-linked and unit-linked)	R0600	-882
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	-882
TP calculated as a whole	R0660	
Best Estimate	R0670	-1,026
Risk margin	R0680	145
Technical provisions – index-linked and unit-linked	R0690	46,263
TP calculated as a whole	R0700	
Best Estimate	R0710	41,105
Risk margin	R0720	5,158
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	
Deferred tax liabilities	R0780	1,927
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	3
Insurance & intermediaries payables	R0820	1,166
Reinsurance payables	R0830	82
Payables (trade, not insurance)	R0840	1,136
Subordinated liabilities	R0850	
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	
Any other liabilities, not elsewhere shown	R0880	786
Total liabilities	R0900	50,669
Excess of assets over liabilities	R1000	33,831

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		574															574
Gross - Proportional reinsurance accepted	R0120																	
Gross - Non-proportional reinsurance accepted	R0130																	
Reinsurers' share	R0140		83															83
Net	R0200		490															490
Premiums earned																		
Gross - Direct Business	R0210		559															559
Gross - Proportional reinsurance accepted	R0220																	
Gross - Non-proportional reinsurance accepted	R0230																	
Reinsurers' share	R0240		83															83
Net	R0300		476															476
Claims incurred																		
Gross - Direct Business	R0310		197															197
Gross - Proportional reinsurance accepted	R0320																	
Gross - Non-proportional reinsurance accepted	R0330																	
Reinsurers' share	R0340		147															147
Net	R0400		50															50
Changes in other technical provisions																		
Gross - Direct Business	R0410																	
Gross - Proportional reinsurance accepted	R0420																	
Gross - Non- proportional reinsurance accepted	R0430																	
Reinsurers'share	R0440																	
Net	R0500																	
Expenses incurred	R0550		226															226
Other expenses	R1200																	
Total expenses	R1300																	226

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	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	**Total (Life other than health insurance, incl. Unit-Linked)**	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees					Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020																
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	R0030			36,358	4,747		-1,026				40,079						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080			425	4		10,819				11,248						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090			35,933	4,743		-11,845				28,831						
Risk Margin	R0100		5,158			145					5,302						
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	R0110																
Best estimate	R0120																
Risk margin	R0130																
Technical provisions - total	R0200		46,263			-882					45,381						

7.4 S.17.01.02 – Non-life Technical Provisions

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R001																	
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																		
Best estimate																		
Premium provisions																		
Gross	R006		13															13
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	R015		13															13
Claims provisions																		
Gross	R016		99															99
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		74															74
Net Best Estimate of Claims Provisions	R025		26															26
Total Best estimate - gross	R026		112															112
Total Best estimate - net	R027		39															39
Risk margin	R028	0	76															76
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	R029																	
Best estimate	R030																	
Risk margin	R031																	
Technical provisions - total																		
Technical provisions - total	R032	0	188															188
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		74															74
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	114															114

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)

Year		Development year	1	2	3	4	5	6	7	8	9	10 & +			In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			C0170	C0180
Prior	R0100													R0100		
2013	R0160	95	40											R0160		135
2014	R0170	175												R0170		175
2015	R0180	55	70	254										R0180		379
2016	R0190	150	40				20							R0190		210
2017	R0200	121	43											R0200		164
2018	R0210	30	41	30										R0210		101
2019	R0220	20	147											R0220		167
2020	R0230	145	145											R0230		290
2021	R0240	175												R0240		175
2022	R0250													R0250		
													Total	R0260		1,797

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year		Development year	1	2	3	4	5	6	7	8	9	10 & +			Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300			C0360
Prior	R0100											15		R0100	9
2013	R0160			23	20	20	20	20	20					R0160	
2014	R0170		39	24	20	20								R0170	
2015	R0180	152	334	74	70	70	70							R0180	
2016	R0190	466	59	66	31	15	15	15						R0190	9
2017	R0200	131	77	41										R0200	
2018	R0210	135	20											R0210	
2019	R0220	155	6											R0220	
2020	R0230	85	3	3										R0230	2
2021	R0240	141	77											R0240	43
2022	R0250	65												R0250	37
													Total	R0260	99

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)	R001	1,710	1,710			
Share premium account related to ordinary share capital	R003					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakir	R004					
Subordinated mutual member accounts	R005					
Surplus funds	R007					
Preference shares	R009					
Share premium account related to preference shares	R011					
Reconciliation reserve	R0130	32,121	32,121			
Subordinated liabilities	R014					
An amount equal to the value of net deferred tax assets	R016					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R018					
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	R023					
Total basic own funds after deductions	R029	33,831	33,831			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R030					
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	R032					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R033					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R034					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R035					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R036					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R037					
Other ancillary own funds	R039					
Total ancillary own funds	R040					
Available and eligible own funds						
Total available own funds to meet the SCR	R050	33,831	33,831			
Total available own funds to meet the MCR	R051	33,831	33,831			
Total eligible own funds to meet the SCR	R054	33,831	33,831			
Total eligible own funds to meet the MCR	R055	33,831	33,831			
SCR	R058	10,513				
MCR	R060	7,389				
Ratio of Eligible own funds to SCR	R062	321.79%				
Ratio of Eligible own funds to MCR	R064	457.86%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R070	33,831	
Own shares (held directly and indirectly)	R071		
Foreseeable dividends, distributions and charges	R072		
Other basic own fund items	R073	1,710	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R074		
Reconciliation reserve	R076	32,121	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R077	18,025	
Expected profits included in future premiums (EPIFP) - Non- life business	R078		
Total Expected profits included in future premiums (EPIFP)	R079	18,025	

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	3,065		
Counterparty default risk	R0020	655		
Life underwriting risk	R0030	8,671		
Health underwriting risk	R0040	273		
Non-life underwriting risk	R0050			
Diversification	R0060	-2,471		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	10,194		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	1,488
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-1,168
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	10,513
Capital add-on already set	R0210	
Solvency capital requirement	R0220	
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	10,513
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Approach to tax rate		
Approach based on average tax rate	R0590	2 - No

		LAC DT
Calculation of loss absorbing capacity of deferred taxes		C0130
LAC DT	R0640	-1,168
LAC DT justified by reversion of deferred tax liabilities	R0650	-1,168
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	R0010	47	

		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	39	490		
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	R0200		5,207

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a	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			40,677	
Other life (re)insurance and health (re)insurance obligations	R0240				
Total capital at risk for all life (re)insurance obligations	R0250				7,031,699

Overall MCR calculation

		C0130
Linear MCR	R0300	5,254
SCR	R0310	10,513
MCR cap	R0320	4,731
MCR floor	R0330	2,628
Combined MCR	R0340	4,731
Absolute floor of the MCR	R0350	7,389
		C0130
Minimum Capital Requirement	R0400	7,389

Notional non-life and life MCR calculation		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	47	5,207
Notional SCR excluding add-on (annual or latest calculation)	R0510	94	10,420
Notional MCR cap	R0520	42	4,689
Notional MCR floor	R0530	23	2,605
Notional Combined MCR	R0540	42	4,689
Absolute floor of the notional MCR	R0550	2,700	4,000
Notional MCR	R0560	2,700	4,689