

# Solvency and Financial Condition Report

Reporting Year 2024

eurolife

**SOLVENCY AND FINANCIAL  
CONDITION REPORT**

**EUROLIFE LTD  
FOR THE YEAR ENDING  
31 DECEMBER 2024**

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# 1. Executive Summary

## 1. Executive Summary

### 1.1 Overview

Eurolife Limited (“the Company”) is incorporated in Cyprus and is a company limited by shares. The Company operates predominantly in Cyprus and is a 100% subsidiary of the Bank of Cyprus (BoC) Group. The Company offers individual unit-linked products and simple term cover products, as well as individual accident and health products. It also offers life and accident cover on a group basis. Finally, the Company offers provision of services of administering Occupational Pension Scheme assets.

The Company has a solid strategy in place to face competitive challenges. Emphasis is given on improving the existing product offering to secure competitiveness, upgrading customer experience, digital transformation initiatives and safeguarding efficient cost management.

The Company’s Board and Management are actively monitoring the competitive landscape and take appropriate measures ensuring continued service excellence and the protection of our customers.

The Company sells its business through an exclusive tied agency force. This agency force operates through various building facilities hosting its branches in Nicosia, Limassol, Larnaca, Paralimni and Paphos. A tied agency agreement with BOC is also in place since 2006 for insurance intermediation services. The Company may also sell directly to customers.

The purpose of the Solvency and Financial Condition Report (SFCR) is to satisfy the public disclosure requirements under the article 304(1) of the Delegated Regulation (EU) 2015/35. The elements of the disclosure relate to business performance, governance, risk profile, valuation for solvency purposes and capital management. The SFCR has been prepared with reference date 31 December 2024. The Company has complied at all times with all aspects of the Solvency II regulations from the date of first implementation on 1 January 2016.

According to article 74(2) of the Law on Insurance and Reinsurance Services and Other Related Business of 2016, the independent auditors of the Company audit certain information which is defined in the “Orders of the Superintendent of Insurance in relation to the annual audit of the Solvency and Financial Condition Report” and they submit a separate report in relation to it on the date of submission of the SFCR. The Report is published on the Company’s website at [www.eurolife.com.cy](http://www.eurolife.com.cy).

The Company has a system of governance in place which aims to provide the sound and prudent management of the business. The Company’s governance system includes a transparent organisational structure with a clear allocation of responsibilities and appropriate segregation of duties.

The key figures of the Company are presented below:

#### Key figures – 31 December 2024

- €773 million Assets Under Management
- €226 million Total Income
- €197 million Regular Income
- More than €90 million Total Claims Paid
- 226% Solvency II ratio
- 28,9% market share in life and health regular income

## 1.2 Business and performance

The Company prepares its financial statements in accordance with International Financial Reporting Standards (IFRS). On an IFRS basis the Company had an after-tax underwriting profit of €24,9m. The Company's assets are prudently invested taking into account the liquidity requirements of the business and the timing of the insurance liabilities.

The Company has complied at all times with all aspects of the Solvency II regulations from the date of first implementation on 1 January 2016.

## 1.3 System of Governance

The Board of Directors (BoD/Board) of the Company is committed to good governance which is vital to creating trust and engagement between the Company and its stakeholders and contributes towards its long-term success. A key objective of the governance framework of the Company is to ensure compliance with applicable legal and regulatory requirements and based on best practices of corporate governance and corporate administration.

The Company aims to ensure on an ongoing basis that it is a modern, transparent and competitive organisation. By adopting best practices, the Company achieves a dynamic and effective communication with the Board, management and shareholder leading to a successful implementation of its strategy and a more than adequate framework of corporate governance.

The Board of Directors maintains overall responsibility for the management of the Company, including ultimate oversight of the Company's operations. As at the end of year 2024, the Board consisted of 8 members of which 2 were Independent Non-Executive Directors, 2 were Non-Executive Directors and 4 were Executive Directors.

The Company's Board monitors the performance of Senior Management and gives guidance and advice, where appropriate. In order to strengthen its internal control system, the Company has set up the following internal control functions, in accordance with Solvency II requirements:

- Risk Management Function
- Actuarial Function
- Compliance Function
- Information Security Function
- Internal Audit Function

During the year 2024 the following changes in the Company's governance system took place:

- The Company appointed its General Manager as a Board Member in June 2024.
- The Company appointed a new holder for the Risk Function.
- The Company has appointed one new member as Executive Committee member.
- The Company has changed its organisational structure for the reporting line of the Investment Department and Product Development Department.

No other changes have taken place within 2024. The Board self-assessment process for the evaluation of the effectiveness and performance of the Board was undertaken as required on an annual basis.

## 1.4 Risk profile

A key component of the risk management system and the Own Risk and Solvency Assessment (ORSA) process is the annual risk assessment exercise, through which the Company assesses its position regarding the different risks to which it is or might be exposed. The assessment covers all risk types, including less-quantifiable risks, and aims to determine the Company's risk profile taking into consideration its risk appetite. It is based on quantitative and qualitative criteria, prior experience and expert judgment.

As part of the ORSA process, the Company performs stress tests on material risks using some common and some extreme but plausible scenarios in order to examine the impact on its future capital and solvency position. The purpose of this exercise is to identify whether the Company will remain solvent and adequately capitalised should any of these tests or scenarios materialise.

The main results of the risk assessment and ORSA process performed in 2024 are summarized below:

- Market risk was considered material due to the significant exposures to Bond Funds. As part of the ORSA process carried out in 2024, a combined stress test scenario was performed, which indicated that the Company's solvency position would remain well above the minimum regulatory requirements. In addition, as per the relevant Board decision, close monitoring of exposures to Bond Funds will continue.
- Operational risk was also considered as a material risk. As part of the ORSA process, stress test scenarios were carried out combining multiple factors, including the materialisation of operational risk events. The solvency ratio remained well above the regulatory limit. In addition, relevant mitigating actions were approved by the Board during the review and approval of the ORSA Report for 2024.
- Business risk was assessed as a material risk for the Company during 2024. As part of the ORSA process, a stress test regarding business risk, among other factors, was performed indicating that the Company's solvency ratio would remain well above the regulatory limit. Necessary actions shall be taken as necessary to secure competitiveness based on market conditions.
- Underwriting and Liquidity risks were also taken into consideration when carrying out the stress test scenarios during the ORSA process.

### 1.5 Valuation for solvency purposes

The valuation of assets and liabilities for Solvency II purposes is the same as IFRS except:

- Differences in some of the assumptions used for the calculation of technical provisions and associated reinsurance recoverables.
- Assets under IFRS include intangibles, which are valued at zero under Solvency II.
- The Solvency II balance sheet includes a deferred tax liability arising on reporting differences from the change in technical provisions under Solvency II.

These differences are summarized below:

	31.12.2024	31.12.2023
	€'000	€'000
<b>Total own funds per Financial Statements</b>	<b>114.312</b>	<b>101.909</b>
Intangible assets	(6.388)	(6.315)
Change in valuation of Technical Provisions (net)	7.008	(646)
Change in Deferred Tax Liability	(876)	81
<b>Total own funds per Solvency II</b>	<b>114.056</b>	<b>95.029</b>

### 1.6 Capital Management

The Solvency coverage ratio at 31 December 2024 is 226% with own funds of €114,1m, a Solvency Capital Requirement (SCR) of €50,4m and a Minimum Capital Requirement (MCR) of €20,7m. The final amount of the SCR and MCR remains subject to supervisory assessment.

The objective of own funds management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. The Company has maintained capital sufficient to meet its MCR and SCR throughout the year 2024.

## A. Business and performance

## A. Business and performance

### A.1 Business

EuroLife Limited (“the Company”) is incorporated in Cyprus and is a company limited by shares. The address of its registered office is 4 Evrou street, Strovolos, P.O. Box 2003, Nicosia, Cyprus. This Solvency and Financial Condition Report (SFCR) covers EuroLife Limited.

The Company is regulated by the Insurance Companies Control Service (ICCS) in Cyprus. The independent auditors of the Company is PricewaterhouseCoopers Limited, Certified Public Accountants and Registered Auditors.

The Company is a 100% subsidiary of the Bank of Cyprus (BoC) Group. From 18 January 2017, Bank of Cyprus Holdings Public Limited Company became the sole shareholder of the Bank of Cyprus Public Company Ltd. Further information on the BoC Group can be found in its consolidated financial statements published on the BoC website at [www.bankofcyprus.com](http://www.bankofcyprus.com).

The Company offers individual unit-linked products and simple term cover products, as well as individual accident and health products. It also offers life and accident cover on a group basis. The Company provides services for the administration of Occupational Pension Scheme assets. The Company prepares its financial statements in accordance with IFRS Accounting Standards. Under IFRS (and also for management reporting purposes), the business is divided into Life, Health and Occupational Pensions.

For Solvency II purposes the following lines are used:

- Health insurance:
  - Non-SLT Health (Similar to non-Life Techniques)
  - SLT Health obligations (Similar to Life Techniques)
- Index-linked and unit-linked insurance: Insurance obligations with index-linked and unit-linked features
- Other life insurance

These Solvency II lines of business are used when reporting the premium, claims, expenses and technical provisions in the Solvency II Quantitative Reporting Templates (QRTs).

The Company engages in the business of life, health and occupational pensions in Cyprus. In Greece, the Company was operating through a branch under the name of Kyprou Zois. The portfolio of Greek branch was transferred during 2020 and the branch remained dormant.

There have been no significant events that have occurred in the reporting period that have had a material impact on the business and performance of the Company.

### A.2 Underwriting performance

Since the Company prepares its financial statements in accordance with IFRS Accounting Standards, the underwriting performance information given in this section is also provided on an IFRS Accounting Standards basis.

The table below shows the underwriting performance per material line of business:

Underwriting performance	2024	2023
	€'000	€'000
Underwriting performance – Individual life	18.991	24.115
Underwriting performance – Health and Group life business	6.468	5.431
Underwriting performance – Investment contracts	(531)	(1.490)
<b>Total net underwriting performance (based on IFRS)</b>	<b>24.928</b>	<b>28.056</b>

The 2024 results have been mainly affected by the following:

- Positive impact from change in actuarial assumptions.
- Negative impact from reinsurance service result measured under GMM due to recalibration of models compared to last year and changes in assumptions.
- Negative impact from reinsurance service result measured under GMM due to less favourable claims experience.

### A.3 Investment performance

Since the Company prepares its financial statements in accordance with IFRS Accounting Standards, the investment performance information provided in this section is on an IFRS Accounting Standards basis.

#### Unit-linked assets:

The composition of the unit-linked assets and information on income and expenses arising from investments by asset class are shown below:

Asset class	Position as at 31.12.2024	Income/gains and losses - 2024	Position as at 31.12.2023	Income/gains and losses - 2023
	%	€'000	%	€'000
Government Bonds	8,07	1.798	8,40	3.472
Corporate Bonds	2,57	(780)	3,14	967
Equity instruments	0,28	824	0,31	(253)
Cash and deposits	3,90	218	3,76	7
Mortgages and loans	0,05	16	0,06	23
Properties	1,52	360	2,28	757
Collective investments undertakings	83,61	65.323	82,05	44.282
	<b>100,00</b>	<b>67.759</b>	<b>100,00</b>	<b>49.255</b>

The table below shows the composition of unit-linked assets and annualised returns for 2024 and 2023 (net of fees) as disclosed in policyholder literature:

Asset class	Balanced Fund	Guaranteed Fund	Income Fund	Growth Fund	Manulife Investment Fund	GIC Investors Fund	Conservative Fund	Level Up CY30 Fund	Level Up CY30/2 Fund	Level Up CY33 Fund	Level Up CY33/2 Fund
31.12.2024	%	%	%	%	%	%	%	%	%	%	%
Local equities and equity funds	0,35	-	-	0,31	0,35	0,35	-	-	-	-	-
Foreign equities and equity funds	44,19	-	13,76	62,60	44,19	44,19	-	-	-	-	-
Local bonds and debts	3,26	-	7,67	1,12	3,26	3,26	-	84,51	85,52	99,97	100,00
Foreign bonds and debts	29,15	-	61,39	13,75	29,15	29,15	19,68	-	-	-	-
Cash and Cash equivalents	15,90	100,00	14,46	17,27	15,90	15,90	80,32	15,49	14,48	0,03	-
Loans	0,07	-	-	-	0,07	0,07	-	-	-	-	-
Property Investments	7,08	-	2,72	4,95	7,08	7,08	-	-	-	-	-
	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>
Annualised return (net of fees) for 2024	9,92	0,00	4,36	13,47	10,20	9,38	2,59	0,09	1,05	N/A	N/A

Asset class	Balanced Fund	Guaranteed Fund	Income Fund	Growth Fund	Manulife Investment Fund	GIC Investors Fund	Conservative Fund	Level Up CY30 Fund	Level Up CY30/2 Fund
31.12.2023	%	%	%	%	%	%	%	%	%
Local equities and equity funds	0,39	-	-	0,34	0,39	0,39	-	-	-
Foreign equities and equity funds	43,30	-	12,79	61,83	43,30	43,30	-	-	-
Local bonds and debts	4,26	-	9,50	1,78	4,26	4,26	-	82,71	84,52
Foreign bonds and debts	28,71	-	62,52	12,76	28,71	28,71	31,33	-	-
Cash and Cash equivalents	16,55	100,00	12,73	18,41	16,55	16,55	68,67	17,29	15,48
Loans	0,07	-	-	-	0,07	0,07	-	-	-
Property Investments	6,72	-	2,46	4,88	6,72	6,72	-	-	-
	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>
Annualised return (net of fees) for 2023	7,56	0,00	4,81	9,16	7,82	7,04	1,68	N/A	N/A

Other than unit-linked assets:

The composition of other than unit-linked assets and information on income and expenses arising from investments by asset class are shown below:

Asset class	Position as at 31.12.2024	Income/gains and losses - 2024	Position as at 31.12.2023	Income/gains and losses - 2023
	%	€'000	%	€'000
Government Bonds	7,76	177	1,46	88
Corporate Bonds	3,66	134	3,82	145
Cash and deposits	8,73	291	9,10	171
Mortgages and loans	0,26	-	0,34	-
Properties	20,85	678	22,53	133
Collective investments undertakings	58,74	1.408	62,75	4.002
	<b>100,00</b>	<b>2.688</b>	<b>100,00</b>	<b>4.539</b>

All assets are classified at fair value through profit and loss except other than unit-linked government and corporate bonds that are classified at fair value through other comprehensive income.

**A.4 Other**

There have been no other significant activities undertaken by the Company other than its insurance activities. There are no other material matters in respect of the business or performance of the Company.

## **B. System of Governance**

## B. System of Governance

The Company has in place a system of governance which aims to provide the sound and prudent management of the business. The Company’s governance system includes a transparent organisational structure with a clear allocation of responsibilities and appropriate segregation of duties.

### B.1 General information on the System of Governance

#### B.1.1 Roles & Responsibilities of the Board, Senior Management and Key Functions

##### *Board of Directors*

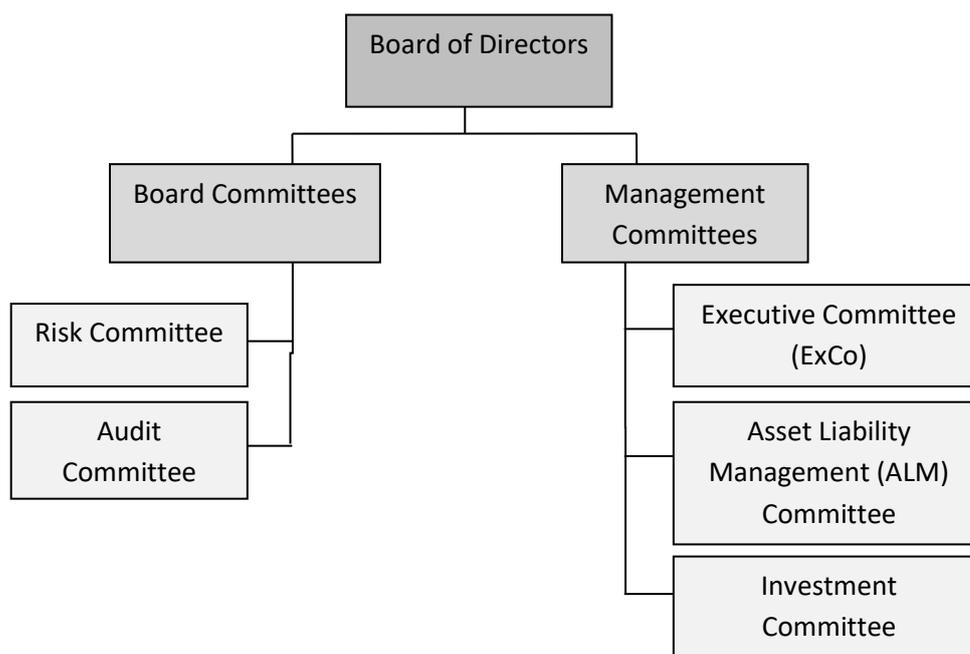
The Board of Directors (BoD/Board) maintains overall responsibility for the management of the Company, including ultimate oversight of the Company’s operations. As at the end of 2024, the Board consisted of 8 members, of which 2 were Independent Non-Executive Directors, 2 were Non-Executive Directors and 4 were Executive Directors.

The Company’s Board monitors the performance of Senior Management and gives guidance and advice, where appropriate. As part of performing its oversight function, the Board reviews and discusses reports submitted by Senior Management and internal control functions regularly and it maintains active and open communication with the General Manager and Senior Management.

In general, the Board is responsible for the following:

- Setting the strategy, tone, culture and values of the Company;
- Establishing the Company’s internal control and risk management systems and monitoring their implementation and effectiveness;
- Overseeing Senior Management and establishing sound business practices and strategic planning;
- Setting the Company’s risk appetite and risk tolerance limits at a level which is proportionate with the strategic goals of the Company and the nature, scope and complexity of its activities;
- Defining and approving the Company’s policies and procedures to ensure its sound operation and compliance with regulatory requirements, taking appropriate measures to address any deficiencies.

#### Overview of Board and Committees



### **Board Committees**

The Board has established two Committees, the Risk Committee and the Audit Committee to assist it in discharging its obligations. Matters not reserved to the Board are delegated to the aforesaid Board Committees. However, delegation does not release the Board from collectively discharging its responsibilities. The terms of reference of the two Committees set out the composition, meeting requirements, responsibilities and authority delegated from the Board to each Committee as well as the reporting requirements of the Committees to the Board.

#### Risk Committee

The Chairperson of the Risk Committee is an Independent Non-Executive Director who reports to the Board the activities of the Risk Committee. The Risk Committee is composed exclusively of 3 Non-Executive Directors, the two of which are independent.

The main purpose of the Committee is to review on behalf of the Board, the aggregate risk profile of the Company, including performance against Risk Appetite for all risk types and ensure that both Risk Profile and Risk Appetite remain appropriate. The responsibilities of the Committee include:

- Reviewing management proposals on the desired risk strategy of the Company and assisting the Board in overseeing the effective implementation of risk strategy by management;
- The oversight of the development, implementation and maintenance of the Company's overall Risk Management Strategy and Framework;
- Review and approval of all Risk Management policies of the Company;
- Determining the adequacy and effectiveness of the Company's Risk Management System and Risk Management Function;
- Monitoring and reviewing reports to external stakeholders on risk matters.

#### Audit Committee

The Chairperson of the Audit Committee is an Independent Non-Executive Director who reports to the Board the activities of the Audit Committee. The Audit Committee is composed exclusively of 3 Non-Executive Directors, two of which are independent.

The Audit Committee is responsible for the review and monitoring of, among other things:

- The effectiveness of the Company's system of internal controls;
- The integrity of the Company's financial statements;
- The effectiveness of the internal and external audit processes;
- The Company's relationship with its external auditors;
- The adequacy and effectiveness of the Company's Internal Audit Function and Compliance Function;
- The adequacy of the communication between the Board, Management and the Control Functions.

It is also responsible for the review and approval of all Compliance policies of the Company.

### **Management Committees**

#### Executive Committee (ExCo)

The Company has established an Executive Committee (ExCo) which consists of all members of Senior Management and which is responsible for the implementation of the business plan and risk management strategy set by the Board. As at the end of year 2024, the ExCo consisted of 8 members in managerial positions which include the General Manager and is also chaired by the General Manager.

The General Manager has the overall responsibility and oversight for all the business operations of the Company and is supported by the Managers of each of the Company's Divisions. Each Division has a clear mandate and responsibilities which are clearly communicated to members of staff and can be adjusted according to business developments and requirements.

The role of the ExCo is to support the effective management of the Company and improve the level of awareness of its Management Team and staff. Its responsibilities include:

- Oversight of the operations of the Company and providing direction with regard to such operations;
- Defining the strategy and plans of the Company and implementing such through allocation of resources across business units and support functions of the Company;
- Overseeing the implementation of Company policies and procedures;
- Developing, reviewing and improving mechanisms and processes for an effective internal control system;
- Coordinating and managing the activities of the Company, apportioning duties to personnel and promoting accountability and reporting.

#### Asset Liability Management (ALM) Committee

The ALM Committee consists of 5 members which include the General Manager, the Company's Chief Risk Officer and Chief Actuary, the Actuarial Function Holder, the Company's Investment Manager, and the Chief Financial Officer. It is chaired by the Company's General Manager.

The responsibilities of the ALM Committee include, among others:

- Overseeing the prudent management of Eurolife's own-asset portfolio and ensuring that assets and liabilities are in accordance with the ALM targets and tolerance levels set out in the Company's ALM policy;
- Achieving the best possible return within its risk appetite limits;
- Recommending risk strategy/risk appetite for financial risks to the Risk Committee;
- Monitoring regulatory changes (capital, liquidity and other) and the consequences of those changes on the Company;
- Reviewing and adopting a capital management plan in accordance with the Company's Capital Management Policy, taking into account the size and nature of the risks undertaken, in order to ensure that the Company has adequate capital and liquidity.

#### Investment Committee

The Investment Committee consists of 5 members which include the General Manager, the Company's Chief Risk Officer and Chief Actuary, the Actuarial Function Holder, the Company's Investment Manager, and the Chief Financial Officer. It is chaired by the Company's General Manager. The purpose of the Committee is to oversee the management of Eurolife's unit-linked funds and to ensure that they are prudently managed having regard to their published objectives and having in mind solely the interests of the policyholders, always adhering to the Prudent Person Principle.

The responsibilities of the Investment Committee include, among others:

- Setting, reviewing and monitoring compliance with investment policies, investment strategies and guidelines, investments processes and procedures;
- Setting and reviewing of asset allocation of Eurolife's unit-linked funds based on market expectations;
- Ensuring proper risk management practices are applied and monitoring performance of external investment managers as against the Company Investment Policy.

## **Key Functions**

In order to strengthen its internal control system, the Company has set up the following internal control functions, in accordance with Solvency II requirements:

- Risk Management Function
- Actuarial Function
- Compliance Function
- Information Security Function
- Internal Audit Function

### Risk Management Function

The purpose of the Risk Management Function (RMF) is to facilitate the effective implementation of the risk management system of the Company and to design the risk management processes and reporting procedures required to identify, assess, monitor and report every type of risk inherent in the Company's operations. It is also responsible for monitoring the risk appetite and tolerance limits set by the Board and for preparing and submitting to the Board the "Own Risk and Solvency Assessment" (ORSA) Report.

In order to facilitate the most effective operation and the objectivity of the risk management system, the RMF is operationally independent from risk-taking functions (e.g. underwriting and claims) and, in addition to its other reporting lines, it reports directly to the Risk Committee in order to escalate issues and act independently from the Senior Management.

### Actuarial Function

The Actuarial Function is responsible for the calculation of the technical provisions, including the assessment of the data quality and the comparison of best estimates against experience. It provides its opinion in relation to the overall underwriting policy and the reinsurance arrangements of the Company and contributes to the effective implementation of the risk management system in respect of the ORSA and Minimum Capital Requirement (MCR)/Solvency Capital Requirement (SCR) calculations. The Actuarial Function has direct access to the Board, in order to ensure its operational independence and safeguard its ability to escalate important issues.

### Compliance Function

The Compliance Function is responsible for ensuring that all actions undertaken by the Company are at all times in compliance with the applicable laws and regulations. It is also responsible to identify, assess and manage the compliance risk that the Company might face and to assess the appropriateness of the procedures and policies in place. In addition, it may suggest organisational and procedural changes to ensure that identified reputational and compliance risks are appropriately managed. The Compliance Function is independent of operational activities. It has direct access to the Audit Committee and the Board, in order to escalate issues and act independently from Senior Management.

### Information Security Function

The Information Security Function is responsible for ensuring the confidentiality, integrity and availability of company information and safeguarding information and communication technology (ICT) systems through established and approved information security policies, processes and controls based on regulatory guidelines and requirements, international standards and best practices. It is also responsible for the identification, periodical assessment and monitoring of information security risks as well as providing expert opinion and guidance where needed in order to manage them effectively and, where applicable, proactively in a secure manner.

It reports to the Risk Committee, the Executive Chairman for administrative purposes as well as to BOC Group Information Security Division for oversight purposes. The Information Security Function Holder reports directly to the Risk Committee of the BoD, in order to escalate issues and act independently from the Executive Committee team if deemed necessary.

The Information Security Function is subject to the audit of the Internal Audit Function regarding the adequacy and effectiveness of its control procedures.

The appointment of the Information Security Function Holder is approved by the Risk Committee with consultation from the BOC Group Chief Information Security Officer.

The responsibilities of the function are governed by the Company's Information Security Function Manual.

#### Internal Audit Function

The Internal Audit Function ("IAF") is responsible to assess the design adequacy and operating effectiveness of the Company's internal control framework, corporate governance and risk management processes. The IAF undertakes scheduled audit engagements and monitors the implementation progress of recommendations arising from internal and external reviews, the results of which are directly reported to the Audit Committee. An Annual Audit Report is submitted to the Company's Board of Directors, through the Audit Committee providing the internal audit opinion based on the work carried out in relation to the Company's operations during the year.

#### **B.1.2 Material changes in the system of governance during 2024**

During the year 2024 the following changes in the Company's governance system took place:

- The Company appointed its General Manager as a Board Member in June 2024.
- The Company appointed a new holder for the Risk Function.
- The Company has appointed one new member as Executive Committee member.
- The Company has changed its organisational structure for the reporting line of the Investment Department and Product Development Department.

No other changes have taken place within 2024. The Board self-assessment process for the evaluation of the effectiveness and performance of the Board was undertaken as required on an annual basis.

#### **B.1.3 Remuneration Policy and Practices**

##### Principles of remuneration policy

The main principles of the applicable remuneration policy are as follows:

- The Company's remuneration policy aims to align the remuneration of directors, executive management and staff with the business strategy, objective and long-term interests of the Company,
- The remuneration promotes and is consistent with sound and effective risk management and does not encourage excessive risk taking that exceeds the level of tolerated risk of the Company,
- Fixed remuneration is the main form of remuneration of staff and Executive Management and comprises salary and any applicable allowances as determined by employment contracts and collective agreements the Company is subject to,
- No Director is involved in deciding his/her remuneration,
- The remuneration of non-executive directors is not linked to the profitability of the Company but is fixed and takes into account the responsibilities and time devoted by the Directors for the execution of their duties.

##### Variable Remuneration

In the year 2024, the Company established a Short-Term Incentive Plan. This involves variable remuneration in the form of cash to selected employees, and will be driven by both delivery of the Company's Strategy, as well as individual performance.

##### Supplementary pension or early retirement schemes

Board Members that are not Executive Management are not entitled to supplementary pension or early retirement schemes. The Company has a hybrid provident fund scheme for all its employees which is

based on both defined benefit and defined contribution. All employees are obligated to contribute to the provident fund a set percentage of their monthly salary and the Company is also obligated to contribute a percentage based on the employee's salary which is set by the collective agreement the Company is subject to.

#### **B.1.4 Material Transactions during 2024**

The Company has a tied-agent agreement with Bank of Cyprus for promoting its products. A commission is payable for this service. In addition to the above, the Company received rental and interest income under its normal course of business from Bank of Cyprus. Payment of one interim dividend was also made during the year 2024 to Bank of Cyprus. In addition to the above, BOC provides general support services to the Company.

Transactions with members of the BoD and Executive Management include Directors' fees, salary compensations and retirement benefit plan contributions, as well as the collection of insurance premiums and payment of claims in the normal course of business.

No other material transactions were undertaken during the year 2024 as between the Company, its shareholders, or members of the administrative, management or supervisory body and other key function holders.

### **B.2 Fit and Proper Requirements**

#### **B.2.1 Requirements for skills, knowledge and expertise**

The Company ensures that all persons who effectively run the Company or hold the Key Functions (the "Assessed Persons") at all times fulfill the following requirements:

- They have the requisite experience, specialization and knowledge for the discharge of their duties and responsibilities (the 'fitness test').
- They act in honesty, reliability and integrity, characteristics which promote the culture of compliance in the Company (the 'propriety test').

A person must satisfy the following criteria to be considered fit and proper to hold an Assessed Person position:

- Competence
- Character
- Diligence
- Honesty
- Integrity
- Judgment to perform his/her duties
- Personal reliability
- Good reputation

#### **B.2.2 Fit and proper assessment process**

In line with the Company's Fit and Proper policy, assessments for an Assessed Person position are conducted as follows:

- Before a person is appointed; and
- After their appointment in the event that negative information relative to the assessment becomes known to the Company or where events make it necessary.

Approval by the regulator is required for the appointment of any Assessed Persons on the basis of fit and proper requirements. The Company's Secretary is responsible for ensuring that such approvals are obtained with regard to the members of the Board. For all other Assessed Persons, the Compliance Function is responsible for liaising with the regulator to obtain approvals.

If, following the re-assessment of an Assessed Person, it is concluded that such person no longer complies with Fit and Proper Requirements, the Compliance Function shall notify the regulator, explaining the reasoning for the removal of the person, or in the event that the person remains in that position, the reason such person has remained in the position and the action that is being taken to replace such person.

### **B.3 Risk Management System and ORSA process**

#### **B.3.1 Risk Management System**

The purpose of the Company's risk management system is to provide a clearly defined and well documented risk management strategy that sets the Company's risk management objectives and overall risk appetite, taking into consideration the Company's strategic goals. In addition, it aims to set appropriate processes and procedures which enable the Company to identify, assess, manage, monitor and report the risks to which the Company is or might be exposed in the future.

For this purpose, various risk management policies, which facilitate the control and monitoring of the Company's risk exposures, in line with the regulatory requirements, have been documented by the Risk Management Function and approved by the Risk Committee / Board of Directors, which bears the ultimate responsibility for their application and embedment within the Company's system of governance.

The risk management system sets the principles for risk governance that ensures the establishment of clear responsibility boundaries and the proper segregation of duties in relation to risk management. It is based on the "three lines of defence" model, which ensures that the risk management is a core element of the overall responsibilities of the whole Company, including the Board, its Committees, the Senior Management and the Business Units, and it is integrated in the Company's decision making process.

In particular, the "first line of defence" with regards to risks is fundamentally the Business Units i.e. those units with responsibility to decide and execute decisions and to manage the risks arising on a day to day basis. The core responsibilities of the "first line of defence" are to execute the Company's strategy, meet business performance targets, implement policies and proactively manage risks that arise from the Company's daily operations.

The "second line of defence" is essentially the Risk Management Function, the Compliance Function and the Actuarial Function and its role is to provide risk oversight and an independent and objective challenge to the "first line of defence".

The "third line of defence" is the Internal Audit Function. Its role is to act as an independent control body with the purpose of providing assurance on the effectiveness of the Company's risk management system.

The Company operates a distinct RMF which is operationally independent from the Company's risk-taking functions. The adequacy and effectiveness of the controls and risk mitigating strategies in place, as well as the design and effectiveness of the risk management system, are assessed by the Internal Audit Function which reports its findings to the Audit Committee/Board, making relevant recommendations for improvement.

Among the responsibilities of the Board, and following relevant recommendation by the Risk Committee, is the approval of the Company's Risk Appetite Framework (RAF), which forms part of the decision-making process of the Company. Risk appetite is defined as the degree of risk that the Board is willing to accept in the pursuit of its strategy, taking into account its financial strength and the nature, scale and complexity of its business activities. The RAF is subject to review on an annual basis.

#### **B.3.2 ORSA process**

A key component of the risk management system is the "Own Risk and Solvency Assessment" (ORSA) process. The ORSA is a forward-looking process and it is proportionate in its sophistication to the nature, scale and complexity of the Company's business activities. It represents the Company's own view and understanding of its risks, overall solvency needs and adequacy of its own funds.

The ORSA process is designed and implemented in the following steps:

- Definition of the driving factors for the ORSA planning,
- Identification and classification of risks,
- Preparation of capital planning for the next 3 to 5 years,
- Stress testing and capital allocation,
- Documentation of the ORSA outcome,
- ORSA adoption in the decision-making process of the Company.

In particular, the ORSA enables the Company to properly identify and manage the risks it faces or could face in the future and determine the amount of own funds necessary to ensure that its overall solvency needs are met at all times over its business planning period. In order to determine its overall solvency needs, the Company applies stress testing scenarios to the forward-looking capital plan, and, based on its risk profile, it determines if additional capital over and above the SCR is required.

The ORSA process is ultimately owned and approved by the Company's Board of Directors. However, various bodies, functions and business units of the Company have different roles and responsibilities for the implementation of the ORSA process. These are mainly assigned to the RMF, Actuarial Function, Finance Department, Senior Management and the Risk Committee. The Internal Audit Function conducts, as necessary, as per the risk-based internal audit methodology adopted, an independent review regarding the ORSA process and its outcome in order to ensure that it is appropriately designed and implemented.

The ORSA is performed on an annual basis and the timing of its performance coincides with the Company's financial and strategic planning in order to allow integration with the decision-making process. Should any material changes occur, the ORSA may be performed at a more regular interval or on an ad-hoc basis. Such changes include significant changes in the Company's risk profile, business plan and the economic environment in which the Company operates.

The outcome of the ORSA process is documented in the ORSA Report, which is prepared by the RMF and submitted to the Risk Committee in order to review it and challenge it before recommending it to the Board for approval. The ORSA outcome is used by the Board in order to decide on the actions that can be taken in unforeseen circumstances in the future. Such actions include measures to improve the Company's internal control system, risk management system and its overall governance framework. Following the Board approval, the ORSA Report is submitted to the Regulator, in accordance with the regulatory requirements.

## **B.4 Internal Control System**

### **B.4.1 Description of the Internal Control System**

The Company's Internal Control System (ICS) is designed to provide reasonable assurance on the following:

- Effectiveness and efficiency of operations,
- Reliability of financial and non-financial information,
- An adequate control of risks,
- A prudent approach to business,
- Compliance with laws and regulations, and internal policies and procedures.

Effective internal controls help the Company protect and enhance shareholders' value and reduce the possibility of unexpected losses or damage to its reputation. The Board is ultimately responsible for overseeing and maintaining the adequacy and effectiveness of the internal control and risk management systems.

The Internal Control System of the Company is comprised of the following principles:

- Control Environment and Culture: The Board is responsible for promoting a high level of integrity and for establishing a culture within the Company that emphasizes and demonstrates to all levels of personnel the importance of Internal Control. Senior Management is responsible for the

implementation of the Internal Control culture and principles. All staff members need to understand their role in the ICS and be fully engaged in the process.

- Risk Assessment: The Company must regularly assess both the internal and external risks that it faces. Assessment should include the identification and analysis of all the significant risks that an insurance company is exposed to.
- Control Activities and Segregation of Duties: An adequate Internal Control System requires the implementation of effective and efficient control activities at all levels of the entity which should be implemented in line with the goals and strategies set out by the Board and should involve all staff. As an integrated part of daily business, these activities should be reviewed and recorded on an on-going basis. An appropriate segregation of duties and responsibilities is also required, both at individual level and between Key Functions.
- Information and Communication: The Company should have reliable information at all levels within the organization, in order to define, achieve and review the objectives set out by the Board. The effectiveness of communication procedures should be ensured, whether such communication is internal, external or includes formal or informal paths.
- Information and Communication Security: Security controls for the risks inherent in Information and Communication dissemination and technology must be established, allowing for the effective management of such risks.
- Monitoring: Appropriate monitoring systems must be applied on an ongoing basis, complemented with separate evaluations.

#### **B.4.2 Implementation of the Compliance Function**

The Compliance Function is an integral part of the ICS of the Company. The role of the Compliance Function throughout the Company is to pro-actively facilitate the management of compliance risk by identifying, assessing, monitoring and reporting the compliance risk exposure of the Company. This serves to assist the Company to carry on its business successfully and in conformity with regulatory and ethical standards.

In particular, the Compliance Function establishes, implements and maintains appropriate mechanisms and activities to:

- Promote and facilitate a corporate culture of integrity and ethical values within the Company,
- Monitor the adherence of the Company to all applicable compliance policies and procedures,
- Identify and assess on an on-going basis significant changes in the legal and regulatory environment in which the Company operates and identify the compliance risk that could arise from such changes,
- Formulate proposals for organisational and procedural changes to ensure that identified reputational and compliance risks are appropriately managed,
- Prepare and subsequently review and revise accordingly Company policies on key compliance-related issues,
- Assess the appropriateness of the Company's compliance procedures and guidelines, follow up identified deficiencies promptly and put forth suggestions for improvements as necessary,
- Oversee the complaints process and utilizing customer complaints as a source of relevant information in the context of its general monitoring responsibilities,
- Organize regular training and educational programs for Management and staff on compliance and regulatory matters.

The responsibilities of the Compliance Function are carried out under an annual compliance program/action plan that sets out its planned activities, such as the implementation and review of specific policies and procedures, compliance risk assessment, setting corrective actions to address any control weaknesses that are identified and educating staff on compliance matters.

In addition, the Compliance Function maintains a fully updated compliance chart/register of the existing regulatory framework (laws, regulations and self-regulatory standards) and identifies in cooperation with the relevant departments the compliance obligations emanating from each regulatory framework.

On a quarterly basis, the Compliance Function provides a written report to the Senior Management and Audit Committee detailing the effectiveness of implementation of the compliance chart, the progress on the compliance action plan, the compliance risk assessment results during the reporting period, as well as, any identified breaches and/or deficiencies and the corrective measures recommended.

## **B.5 Internal Audit Function**

### **B.5.1 Implementation of the Internal Audit Function**

The Internal Audit Function (“IAF”) is an independent function responsible for providing its opinion to the BoD, through the Audit Committee, through assessing the design adequacy and operating effectiveness of the Company’s internal control framework, corporate governance and risk management processes. The IAF undertakes scheduled audit engagements and monitors the implementation progress of recommendations arising from internal and external reviews, the results of which are directly reported to the Audit Committee. An Annual Audit Report is submitted to the Board of Directors, through the Audit Committee providing the internal audit opinion based on the work carried out in relation to the operations of the Company during the year.

The Company outsources the IAF to BOC Group’s Internal Audit Division (IA). Notwithstanding any outsourcing, the Company remains fully responsible for discharging all of its obligations regarding the IAF. Risks inherent in the outsourcing of the IAF are identified, monitored and appropriately mitigated and the service provider is properly supervised and managed.

### **B.5.2 Independence of the Internal Audit Function**

IA reports directly to the Company’s BoD (through the AC), as well as to the BOC Group’s Audit Committee. The BOC Group’s Audit Committee is responsible for monitoring the independence, adequacy, and effectiveness of the IA. The Internal Audit Director (IAD) confirms on an annual basis to the BOC Group’s Board of Directors, through the BOC Group Audit Committee, the organisational independence, adequacy and effectiveness of the internal audit activity. This is in line with Principle 7 of the Global Internal Audit Standards, which states that the IAD must confirm to the Board the organisational independence of the IA at least annually. Independence is defined as the freedom from conditions that impair the IA’s ability to carry out its responsibilities in an unbiased manner. IA informs the Company’s Board of Directors in detail on the independence, adequacy and effectiveness of the internal audit activity through the Annual Audit Report submitted to the Company’s Audit Committee.

## **B.6 Actuarial Function**

The primary role of the Actuarial Function is to ensure that technical provisions are established with respect to all insurance obligations towards policyholders and beneficiaries of insurance contracts. In particular, the Actuarial Function ensures that the methodologies and assumptions used in the calculation of the technical provisions are appropriate for the specific lines of business of the Company and for the way the business is managed. It assesses the uncertainty associated with the estimates made in the calculation of technical provisions and it examines the sufficiency and quality of relevant data to be considered in the reserving process.

When comparing best estimates against experience, it reviews the quality of past best estimates and uses the insights gained from this assessment to improve the quality of current calculations. The comparison of best estimates against experience includes comparisons between observed values and the estimates underlying the calculation of the best estimate, in order to draw conclusions on the appropriateness, accuracy and completeness of the data and assumptions used as well as on the methodologies applied in their calculation.

It also contributes to the effective implementation of the risk management system and calculates the MCR/SCR based on regulatory requirements and cooperates closely with the Risk Management Function for the performance of the stress tests as part of the ORSA process.

In addition, the Actuarial Function advises the Senior Management and the Board of Directors on the overall underwriting policy and the reinsurance arrangements of the Company. Specifically, the Annual Actuarial Report submitted to Senior Management and the Board of Directors includes, among else, an opinion on the underwriting and adequacy of reinsurance arrangements and the activities carried out by the Actuarial Function together with relevant recommendations for improvement.

### **B.7 Information Security Function**

The primary role of the information security function is to ensure the confidentiality, integrity and availability of the company information and its related information and communication systems (ICT). This is achieved through the enforcement of information security policies, procedures and controls, based on regulatory guidelines and requirements, international standards and best practices. These policies, procedures and controls are periodically reviewed for their effectiveness and improvement through established programmes that include information security risk assessments, internal and external penetration testing, threat intelligence, awareness training of personnel, associates and other relevant stakeholders, involvement in operational resilience testing and continuous monitoring of networks and systems. In addition, it collaborates with business units and other control functions in order to ensure that the company remains compliant with information security regulatory requirements. Finally, it provides advice, expert opinion and guidance where needed to other business units, senior management and executives for proactive management of information security.

### **B.8 Outsourcing**

The Company has established an Outsourcing Policy in order to ensure compliance with the relevant regulatory requirements and the effective control and management of the risks associated with the outsourced arrangements.

With regard to the outsourcing of any function or insurance activity the following shall apply as a minimum:

- A detailed examination/due diligence shall be undertaken prior to outsourcing the function or insurance activity for the purposes of:
  - allowing the Company to understand the main risks that might arise from the outsourcing,
  - identifying the most suitable strategies for the mitigation/management of such risks,
  - ensuring that the Service Provider has the necessary financial resources, ability, capacity and any authorization required by law to perform the outsourced activities reliably and professionally.
- The Company shall remain fully responsible for the discharging of all its obligations under a function or insurance activity that is outsourced.
- The Company ensures that there is effective supervision of the outsourced function or activity. In addition, it ensures that the Company's regulator will have access to all relevant data held by the Service Provider to which the function or insurance activity is outsourced, regardless of whether such Service Provider is a regulated or unregulated entity.
- The Company ensures that there is a Non-disclosure Agreement in place with the Service Provider in the event that any confidential information is to be provided to the Service Provider.
- The Company safeguards that in any arrangement with a Service Provider it shall have the right to terminate the Outsourced arrangement.

In accordance with the Company's Manual, prior to the outsourcing of an activity or function, an assessment is carried out by the Outsourcing Officer as to whether the outsourced activity or function has

the potential to be considered a critical or important service or activity, and the Legal Department provides confirmation as to the result of such an assessment.

As at the end of 2024, the following critical functions or activities are outsourced:

- The Internal Audit control function of the Company;
- The handling and investigation of healthcare claims;
- Portfolio management services related to Class VII products (management of group pension funds);
- Storage of all policy documents; and
- IT services

All the above service providers are located in Cyprus.

### **B.9 Adequacy of the system of governance**

The Board of Directors of the Company is committed to good governance which is vital to creating trust and engagement between the Company and its stakeholders and contributes towards its long-term success. A key objective of the governance framework of the Company is to ensure compliance with applicable legal and regulatory requirements however, proportionate to the size and complexity of the Company's operations, it also applies best practices of corporate governance and corporate administration.

The Company aims to ensure on an ongoing basis that it is a modern, transparent and competitive organization. By adopting best practices, the Company achieves a dynamic and effective communication with the Board, management and shareholder leading to a successful implementation of its strategy and a more than adequate framework of corporate governance.

## C. Risk Profile

## C. Risk Profile

Solvency II is a risk-based solvency requirement framework which requires the Company to hold capital against underwriting, market, credit and operational risks. The Company aims to maintain sufficient available capital to cover all risks it faces and to satisfy the regulatory requirements at all times.

The Solvency Capital Requirement (SCR) is the economic capital that should be held to ensure that the Company can meet its obligations to policyholders and beneficiaries with certain probability and should be set to a confidence level of 99,5% over a 12-month period. That requirement limits the chance of financial loss for the following year to a 1-in-200-year event. There is also a Minimum Capital Requirement, which represents an 85% confidence level and should not be less than 25% of the SCR. The Company uses the standard formula to calculate the SCR, as provided by the European Insurance and Occupational Pensions Authority (EIOPA).

The Company's solvency position as at 31 December 2024 is equal to 226% which is well above the minimum regulatory requirement. Further relevant quantitative information in relation to the Company's capital requirements and solvency position can be found in Section E, "Capital Management" of this Report.

A key component of the risk management system and the ORSA process is the annual risk identification and assessment exercise, through which the Company assesses its position regarding the different risks to which it is or might be exposed. The assessment covers all risk types, including less-quantifiable risks, and aims to determine the Company's risk profile taking into consideration its risk appetite. It is based on quantitative and qualitative criteria, prior experience and expert judgment.

As part of the ORSA process, the Company performs stress tests on material risks using some common and some extreme but plausible scenarios in order to examine the impact on its future capital and solvency position. The purpose of this exercise is to identify whether the Company will remain solvent and adequately capitalised should any of these tests or scenarios materialise. The results of the stress tests performed in 2024 are presented under each relevant risk category in the following Chapters.

The Company has also performed various sensitivity analyses to illustrate how the Company's solvency position would change, if a single factor is adjusted, but all other circumstances remain unchanged. A reverse stress test is also performed in order to identify potential business vulnerabilities. This exercise starts from an outcome of business failure and identifies circumstances where this might occur. Based on the results of the exercise carried out in 2024, it was concluded that various extreme events would have to occur simultaneously in order for the solvency ratio to drastically fall below a level that the Company would face a business failure.

### C.1 Underwriting Risk

Underwriting risk is defined as the risk of loss or of adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions. The Company is exposed to life and health underwriting risks, which are further broken down to sub-categories of risks, as described below.

#### Life Underwriting Risk

Out of the particular constituents of Life Underwriting Risk, those that affect the Company's business are the mortality risk, the expense risk, the lapse risk and the catastrophe risk. Longevity risk does not affect the Company as it does not write business where survival is a particular risk (e.g. annuity business).

#### Mortality Risk

It is the risk of loss, or of adverse change in the value of insurance liabilities, resulting from changes in the level, trend, or volatility of mortality rates, where an increase in the mortality rate leads to an increase in the value of insurance liabilities.

As a life insurance company, Eurolife is exposed to the risk of mortality experience being higher than expected, which in turn leads to more claims from insurance policies that provide death cover. This has as a result the amount of claim payments to be higher than expected. Higher mortality experience than expected can arise from mis-judgment during assumption setting, inadequate assessment of the risks entailed during underwriting, concentration of risks, etc.

#### Expense Risk

It arises from the variation in expenses incurred in servicing insurance contracts. Eurolife is exposed to the risk that its expenses are higher than expected. Expense risk can arise from higher than expected inflation, lower volume of business than expected, changes in the mix of business, etc.

#### Lapse Risk

It is the risk of loss or adverse change in liabilities due to a change in the expected exercise rates of policyholder options. The relevant options are all legal or contractual policy holder rights to fully or partially terminate, surrender, decrease, restrict or suspend insurance cover or permit the policy to lapse.

Eurolife is exposed to the risk of lapse rates being higher or lower than expected. The risk of higher than expected lapses can incur at the early stage of a policy life-cycle, when a policy may lapse before expenses are recovered. The risk of lower than expected lapses can incur at the late stage of policies life-cycle, when more policies are in-force creating higher claim costs than expected.

Eurolife is also exposed to mass lapses driven by market conditions and any other one-off shock lapse event.

#### Catastrophe Risk

This risk stems from extreme or irregular events whose effects are not sufficiently captured in the other life underwriting risk sub-modules. Eurolife is exposed to life-catastrophe risk due to the potential increase in mortality caused by a catastrophic, extreme death event (e.g. pandemic event, plane crash, nuclear explosion, etc.)

#### **Health Underwriting Risk**

Health underwriting risk module captures the risk of health insurance obligations and it covers the following sub-risks:

- The SLT Health underwriting risk sub module,
- The Non-SLT Health underwriting risk sub module, and
- The Health catastrophe risk.

The Company classifies its health-related business (stand-alone and supplementary benefits) into the two categories, SLT Health and Non-SLT Health and determines the capital requirement under each of the relevant risk sub-categories.

The exposure to SLT Health underwriting risk exists due to Eurolife's health insurance obligations pursued on a similar technical basis to that of life insurance, segmented and valued according to the segmentation for life insurance obligations (e.g. accidental death, disability benefits, income protection benefits).

The exposure to Non-SLT Health underwriting risk exists due to Eurolife's health insurance obligations not pursued on a similar technical basis to that of life insurance (e.g. medical expenses benefits).

Eurolife is exposed to health-catastrophe risk due to the potential mass accident and pandemic events that may occur and could affect its clients.

### **Use of Reinsurance as a Risk Mitigation Technique**

The Company's reinsurance arrangements serve to limit its overall underwriting risk exposure as well as to reduce the volatility of its claims and enhance underwriting performance.

The reinsurance arrangements currently in place cover all types of underwriting risks (mortality, morbidity/disability, medical expenses) and potential events relating to significant known aggregations of risk such as realistic disaster scenarios (catastrophe reinsurance arrangement).

### **Underwriting Risk Management Policy**

The Company's Underwriting Risk Management Policy sets out the policies and procedures for the management of underwriting risk. In addition, a Reserving Risk Management Policy and a Reinsurance Policy are in place.

The Company has in place the following controls for monitoring underwriting risk:

- Use of reinsurance to reduce exposure to mortality, morbidity and medical expense risks,
- Underwriting Department ensures that only insurable risks are accepted and that premiums reflect the unique circumstances of each risk,
- Lapse monitoring is conducted regularly,
- Experience investigations covering mortality, morbidity and expenses are conducted on an annual basis, unless circumstances require a more frequent analysis,
- Product design and pricing aims to minimise adverse client selection and the Company has retained the option to review premium rates at regular intervals throughout the life-cycle of certain types of policies.

### **Underwriting Risk Assessment and ORSA outcome**

Underwriting risk was taken into consideration under the combined scenario of the climate and regulatory risk stress test, which indicated that it would have an impact on the Company's solvency position, but it would remain well above the minimum regulatory limit, as stated in Chapter C.2 below.

In addition, a sensitivity analysis was carried out assuming a 10% increase in the best estimate assumption of future expenses. Even though the increase in the expense assumption would have a significant impact on the Company's solvency ratio, it would have remained above the minimum regulatory limit.

## **C.2 Market Risk**

Market risk is defined as the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. It is broken down to interest rate, equity, property, currency, spread and concentration risk.

The Company writes predominantly unit-linked business where the market risk is borne by the policyholder. The greater impact of market risk to the Company arises from its own assets.

### Interest Rate Risk

This risk exists for all assets and liabilities which are sensitive to changes in the term structure of interest rates or interest rate volatility, whether valued by mark-to-model or mark-to-market techniques. Eurolife's exposure to interest rate risk arises due to its own investments in interest-sensitive assets such as sovereign bonds, corporate bonds, fixed deposits and notice accounts. It also arises from an increase in the technical provisions when interest rates change and there is no perfect asset-liability matching.

### Equity Risk

This risk arises from the level or volatility of market prices for equities. Exposure to equity risk refers to all assets and liabilities whose value is sensitive to changes in equity prices and any assets not shocked in other risk modules.

It is Eurolife's policy not to hold any equities or equity type investments in the other than unit-linked portfolio.

### Property Risk

It arises as a result of sensitivity of assets, liabilities and financial investments to the level or volatility of market prices of property. Types of asset falling under this category are land, buildings, immovable property rights as well as the Company's head office building.

It is Eurolife's policy not to hold any own investments in property other than its head office building and its adjacent parking plot.

### Currency Risk

This risk arises from changes in the level of volatility of currency exchange rates. All investments with exposure to non-euro currencies are stressed under this risk. These include all non-euro denominated investments or Funds or Funds of Funds whose underlying stocks or bonds are non-euro denominated even if the actual Fund is denominated in euro.

Eurolife's exposure to currency risk is limited as the majority of its assets and liabilities are denominated in euro.

### Spread Risk

This risk results from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure.

The Company applies this risk to all assets stressed under the interest rate risk. In addition, it applies the spread risk shock to its fixed deposits, if any.

### Concentration Risk

It is the risk of accumulating investment exposures with the same counterparty. It applies to assets considered under equity, property and spread risk modules, but excludes assets covered under the counterparty default risk. It also excludes assets backing unit liabilities of unit-linked policies where the investment risk is borne by the policyholder.

## **Market Risk Management Policy and Prudent Person Principle**

The policies and procedures for the management of market risk are documented in the Company's Market/Investment Risk Management Policy and in the ALM Policy. Their main objective is to ensure that all investment activities are consistent with the Company's RAF and with the Prudent Person Principle.

In order for the Company to safeguard that investment decisions are taken based on the provisions of the Prudent Person Principle it has established two Executive Committees, the Investment Committee and the ALM Committee, which are responsible for the management of unit-linked assets and own assets, respectively. Committee meetings are held on a quarterly basis, as a minimum, decisions are taken by the majority of votes and relevant information is submitted to the Risk Committee/Board for noting.

In particular, relevant limits have been set within the Company's RAF which are monitored by the RMF and reported to the abovementioned Executive Committees as well as to the Senior Management and Risk Committee. These include, among else, restrictions on own assets (i.e. other than unit-linked assets) in relation to duration, asset classes, counterparty, country, concentration and currency risk exposures.

As regards unit-linked assets (i.e. the assets held in respect of life insurance contracts where the investment risk is borne by the policyholders) the investment objective varies according to the investment

strategy of each of the Company's Internal Funds but it is broadly to achieve the maximum risk-adjusted return for the benefit of the policyholders. Relevant limits have been set according to the mandate of each of the Company's Internal Funds which set specific asset allocation constraints and are continuously monitored. Also, the Company acts in compliance with the Orders issued by the Regulator restricting the types of assets to which policy benefits may be linked.

The Company collaborates with multiple reputable external fund managers with different investment philosophies to allow diversification of fund management. The Company follows a selection process, with specific evaluation and selection criteria, when choosing Fund Managers. The performance and investment process of the chosen Fund Manager is closely and regularly monitored, and the Company ensures that it is able to properly assess and report the assets under management and perform the required solvency capital calculations.

### **Market Risk Assessment and ORSA outcome**

During 2024, market risk was considered as a material risk for the Company due to its significant exposure to Bond Funds. As part of the ORSA process carried out in 2024, a combined stress test scenario was performed assuming, among else, that Eurolife's own investments in Bond Funds deteriorate in value as they are not considered as ESG-compliant, which indicated that the Company's solvency position remained well above the regulatory limit, even though its solvency ratio decreased between 9% to 18% during the projected period. In addition, relevant mitigating actions were approved by the Board during the review and approval of the ORSA Report for 2024.

In addition, a sensitivity analysis was carried out assuming a 10% increase in the interest rates allowed in the "Up Scenario", resulting to an immaterial impact on the Company's solvency ratio.

### **C.3 Credit Risk**

Credit risk or counterparty default risk is defined as the risk of loss due to unexpected default, or deterioration in the credit standing of the Company's counterparties and debtors.

Eurolife is exposed to counterparty default risk arising mainly from its collaboration with banking and reinsurance counterparties.

#### **Credit Risk Management Policy**

The Company has established a Credit Risk Management Policy that sets out the policies and procedures for the management of credit risk. In addition, a Concentration Risk Management Policy is in place.

In particular, the following controls are in place for managing credit risk:

- Counterparty limits are set as part of the Company's risk appetite which is frequently monitored by RMF.
- Credit rating restrictions apply to ensure high credit quality of both unit-linked assets and other than unit-linked assets.
- Frequent counterparty assessments are performed which take into account the counterparty's creditworthiness, financial strength and overall performance and reputation, by using independent and reliable sources.
- Past due items are monitored frequently, at individual and aggregate level, and collections are tracked against previous month.

#### **Credit Risk Assessment and ORSA outcome**

During the risk assessment exercise performed in 2024, credit risk was not considered as a material risk for the Company. As part of the ORSA process, a sensitivity analysis was carried out assuming the downgrade of the Company's main reinsurer by two credit quality steps, indicating an immaterial impact on the Company's solvency ratio.

#### **C.4 Liquidity Risk**

Liquidity Risk is defined as the risk that the Company is unable to realise investments and other assets in order to settle its financial obligations when they fall due.

Liquidity risk may arise from significant asset-liability mismatches in relation to duration. These may occur due to unexpected outflows and/or inability to liquidate assets or to receive scheduled payments. In this context, liquidity risk arises if there are circumstances where the Company has insufficient liquid or readily realizable assets to meet its commitments.

In addition, the Company is exposed to liquidity risk under a mass surrender scenario. A less likely event giving rise to high one-off payment is the occurrence of a death, accident or disability claim where a very high sum assured is involved or the occurrence of a catastrophic event giving rise to multiple simultaneous claims. However, the latter events will not require the immediate payment of sums as a mass surrender event would.

Other liquidity needs include the payment of commissions to intermediaries and fulfilling regular obligations such as staff salary payments or supplier invoice payments.

##### **Liquidity Risk Management Policy**

The Company's Liquidity Risk Management Policy stipulates the policies and procedures for the management of liquidity risk.

The Company has established the following controls for the management of liquidity risk:

- The Company has a very limited appetite for liquidity risk and aims to maintain sufficient assets in liquid form.
- Various daily, weekly and monthly liquidity ratios have been set as part of the Company's risk appetite.
- RMF monitors the level of compliance with liquidity limits on a quarterly basis and reports its findings to the Senior Management and Risk Committee.

It is the Company's policy to hold sufficient liquid assets to meet its financial obligations.

##### **Expected profit included in future premiums**

The expected profit included in future premiums is calculated as the difference between the technical provisions without a risk margin and a calculation of the technical provisions without a risk margin under the assumption that the premiums relating to existing insurance and reinsurance contracts that are expected to be received in the future are not received for any reason other than the insured event having occurred, regardless of the legal or contractual rights of the policyholder to discontinue the policy. The amount of expected profit from future premiums as at 31 December 2024 is equal to €16,7m.

##### **Liquidity Risk Assessment and ORSA outcome**

As per the risk assessment performed in 2024, the exposure to liquidity risk was not considered material and so no specific stress test was deemed necessary to be performed during the ORSA process, even though it was taken into consideration in the various stress tests carried out.

#### **C.5 Operational Risk**

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, people and systems, or from external events.

The Company has identified, inter alia, the following causes of operational risk:

- Processes: Causes relating to poorly designed processes, deviations from policy, etc.
- People: Causes relating to human errors, fraudulent activity, key person risk, etc.
- Systems: Causes relating to inadequate or obsolete systems, poor system maintenance, etc.

- External Events: Causes mainly having to do with natural disasters or other socio-economic and/or political factors outside the Company's control.

Legal risk exposure is also considered during the operational risk assessment.

### **Operational Risk Management Policy**

The Company has established an Operational Risk Management Policy that sets out the policies and procedures for the management of operational risk.

Operational risk management is the responsibility of all staff across all levels of the Company, as its exposure to operational risk is inherent in all of the Company's activities and operations. Through the risk and control self-assessment (RCSA) carried out by the Business Units, with the guidance of the RMF and further oversight from GRMD, operational risk exposures are identified and assessed, and relevant action plans are drawn up to mitigate identified risks. Monthly follow-up is performed for monitoring the progress of agreed mitigating actions.

In addition, the Company has established a process for collecting, evaluating, monitoring and reporting operational risk loss data. The collection of internal loss data is supported by all Business Units of the Company, which have the responsibility to report the operational risk events to the RMF, which in turns ensures that they are properly recorded in the operational loss event database.

Furthermore, the Company's RAF includes a combination of qualitative and quantitative limits and thresholds for all major types of operational risk events.

### **Operational Risk Assessment and ORSA outcome**

During the risk assessment exercise, operational risk was assessed as a material risk for the Company. As part of the ORSA process, stress tests were carried out combining multiple factors, including the materialisation of operational risk events including a cyber-attack event, with the solvency ratio remaining well above the regulatory limit. In addition, relevant mitigating actions were approved by the Board during the review and approval of the ORSA Report for 2024.

### **C.6 Other Material Risks**

Business risk was assessed as a material risk for the Company during 2024. Business risk refers to the risk that may cause to the Company inadequate profits or even losses and it is influenced by numerous factors, including business plan and strategy, competition and reputation.

The Company closely monitors market conditions to which the business is exposed and is very agile in adjusting its business goals in response to changes in the business, competitive or regulatory environment.

As part of the ORSA process, a stress test regarding business risk was performed in 2024 assuming, among else, the consequences caused by the recession of the global and local economy due to the extended wars, combined with the impact of a cyber-attack event. The results of the combined stress test showed a decrease in the Company's solvency ratio within the range of 1% to 6%, during the projected period. However, the Company was considered adequately capitalised, since its solvency position remained well above the minimum regulatory requirements.

In addition, as part of the ORSA process, a climate change materiality assessment was performed by the RMF, considering the climate change risk drivers (i.e. transition and physical risks). Based on the materiality assessment performed for both sides of the balance-sheet, it was concluded that the most material climate risk driver for the Company is the transition risk on the asset-side, expected in the medium to long-term. Physical risk on the liability side might have an impact in the long-term. The Company will keep monitoring climate change risk developments, taking any actions deemed necessary for mitigating any negative impact on its business and profitability.

### **C.7 Other information**

The Company aims to maintain its risk profile within its risk appetite and in accordance with regulatory requirements. The set risk appetite limits are monitored by the RMF with the use of the Risk Appetite Dashboard, which is reported on a quarterly basis through the Risk Management Report to the Senior Management, Risk Committee and to GRMD, indicating any possible violations and remedial actions taken or planned to be taken. The Risk Committee has the right to escalate to the Board any issues it deems necessary.

## **D. Valuation for Solvency purposes**

## D. Valuation for Solvency purposes

### D.1 Assets

The primary objective of asset valuation for Solvency purposes is set out in Article 75 of the Solvency II Directive which requires an economic, market-consistent approach to the valuation of assets. According to this approach assets should be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction. The default reference framework for valuing assets is the IFRS Accounting Standards as adopted by the European Union. The Company's financial statements are prepared in accordance with IFRS Accounting Standards and contain a summary of the significant accounting policies adopted in their preparation.

The following table summarises for each material class of assets, the value of the asset and a description for the bases, methods and main assumptions used for valuation for solvency purposes.

Asset class	Value 31.12.2024 €'000	Value 31.12.2023 €'000	Solvency II valuation basis
Pension benefit asset	1.767	669	Value is based on an external actuarial valuation
Property, plant & equipment held for own use	16.252	17.279	Property: valued based on 2024 external valuation report. Plant & Equipment: valued at cost less accumulated depreciation less any impairment
<i>Investments (other than assets held for index-linked and unit-linked contracts)</i>			
Property (other than for own use)	12.055	11.905	Valued based on 2024 external valuation report obtained by independent property valuers.
Bonds	15.509	6.838	Valued at fair value as at the reporting date. The following hierarchy of high level principles for the valuation of assets is used: <ul style="list-style-type: none"> <li>Quoted market prices in active markets (100,0% (2023: 100,0%)).</li> </ul>
Collective Investments Undertakings	79.713	81.264	Valued at fair value based on market prices as at the reporting date.
Deposits other than cash equivalents	613	1.581	Valued at the same basis as per IFRS Accounting Standards financial statements.
Assets held for index-linked and unit-linked contracts	764.595	646.627	Includes bonds, equities, collective investments undertakings, properties and deposits other than cash equivalents held for index-linked and unit-linked contracts. Valued at fair value as at the reporting date.  The following hierarchy of high level principles for the valuation of assets is used: <ul style="list-style-type: none"> <li>Quoted market prices in active markets (97,0% (2023: 95,8%)).</li> <li>Maximum use of relevant observable inputs and market inputs and as little</li> </ul>

			reliance as possible on undertaking-specific inputs, minimizing the use of unobservable inputs (3,0% (2023: 4,2%)).
Loans and mortgages	348	440	Valued at amortised cost.
Reinsurance recoverables	(6.200)	1.416	Reinsurance share Technical Provisions measured in accordance with Solvency II principles
Insurance and intermediaries receivables	5.445	5.094	Includes premiums due and amounts due from agents. Valued at the same basis as per IFRS financial statements.
Reinsurance receivables	6.730	6.648	Includes the current account with the reinsurer and the reinsurance share on incurred outstanding claims. Valued at the same basis as per IFRS Accounting Standards financial statements.
Receivables (trade, not insurance)	488	404	Valued at the same basis as per IFRS Accounting Standards financial statements.
Cash and cash equivalents	11.241	10.211	Valued at the same basis as per IFRS Accounting Standards financial statements.
Any other assets	8.907	4.894	Includes tax receivables and related parties balances. Valued at the same basis as per IFRS Accounting Standards financial statements.
<b>Total assets</b>	<b>917.463</b>	<b>795.270</b>	

The differences in valuation between IFRS Accounting Standards valuation assets and Solvency II are summarised below:

	IFRS Financial Statements	Solvency II Framework
<b>Intangible Assets</b> (Computer Software)	Measured in accordance with International Accounting Standards (IAS) 38 at cost less accumulated amortization and impaired losses	Measured at zero as they cannot be sold separately and there is no value for the same or similar assets from quoted market prices in active markets
<b>Reinsurance Recoverables</b>	Measured using IFRS Accounting Standards methodology and basis (as per IFRS Accounting Standards financial statements)	Reinsurer's share calculated for Technical Provisions is in accordance to Solvency II principles

## D.2 Technical Provisions

Technical Provisions by material line of business:

Technical provisions	Gross Best Estimates (BE)	Risk Margin (RM)	Reinsurance	Net TPs (BE+RM-RI)
<b>31.12.2024</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Health Non SLT	(200)	288	(2.267)	2.355
Health SLT	18.723	11.673	14.788	15.608
Life without profit sharing	(14.909)	15.288	(13.048)	13.427
Unit Linked	705.582	17.371	(5.673)	728.626
<b>Total</b>	<b>709.196</b>	<b>44.620</b>	<b>(6.200)</b>	<b>760.016</b>

Technical provisions	Gross Best Estimates (BE)	Risk Margin (RM)	Reinsurance	Net TPs (BE+RM-RI)
<b>31.12.2023</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Health Non SLT	(485)	265	(2.107)	1.887
Health SLT	14.697	9.033	10.632	13.098
Life without profit sharing	(5.630)	12.309	(6.257)	12.936
Unit Linked	606.523	14.988	(852)	622.363
<b>Total</b>	<b>615.105</b>	<b>36.595</b>	<b>1.416</b>	<b>650.284</b>

In calculating the actuarial and other policyholder liabilities, various assumptions have been made regarding the future experience of the Company's portfolio of insured risks.

In practice best estimate assumptions represent the most likely outcome as determined by the actuary based on Company and industry experience, and other external factors (where appropriate), removing all possible a priori bias on an estimation of the future. Future management actions are also taken into consideration when setting the assumptions (e.g. known future costs).

The main assumptions in assessing the best estimate reserves are as follows:

### Interest rates

The risk-free interest rate term structure used for discounting the projected cash flows in the technical calculation is the euro relevant risk-free structure as specified by the Solvency II regulations. The Company used the rates as provided by the EIOPA. The Company did not use the matching adjustment nor the volatility adjustment at 31 December 2024.

### Expenses

The expenses incurred in servicing all recognized insurance obligations consist of:

- Administration expenses
- Investment management expenses
- Claims management expenses / handling expenses
- Acquisition expenses
- Overhead expenses

To derive the best estimate expense assumptions, the Company performs an expense analysis on an annual basis. The exercise is based on relevant and available past data, subject to expert judgment, and allows for the Company's budgeted expenses. The purpose of this exercise is to allocate expenses into initial and renewal and provide the necessary split into the various expense categories.

## **Inflation**

The inflation assumption is very important as it directly impacts the renewal expenses of the Company (an important source of outflow) as well as the administration fee (which is an important source of income for the Company). In deriving a long-term inflation assumption, the Company looks at long term inflation forecasts and ignores any short-term fluctuations. The assumption is determined by taking into account both market-based price inflation and Company specific expenses, such as salaries. Expected future trends are also considered. Together with the expense assumption, it determines the future expense outflows of the Company.

## **Lapse assumptions**

Lapse assumptions are set with reference to the Company's past experience of policyholder behavior and the prospective assessment of expected policyholder behavior.

Policyholders' option to lapse and also in certain cases to surrender are mainly dependent on the change of policyholders' status such as the ability to further pay the premium, employment status, family status etc.

Lapse assumptions vary by type of business and policy year.

## **Mortality**

In determining the mortality assumption, the Company should use appropriate data that reflects the Company's expected future mortality experience. Since the Company does not have sufficient data to develop its own table, the Company creates its own table by applying a percentage on a standard mortality table. The assumed percentage is determined based on past internal data allowing for expert judgment.

## **Level of uncertainty associated with the value of technical provisions**

Uncertainty relates primarily to the extent that future actual experience will deviate from the best estimate assumptions used in the calculation of the technical provisions. The key assumptions which usually give rise to some level of uncertainty are interest rates, lapse rates and mortality rates. A robust assumption setting process is followed to ensure that the uncertainty is well understood.

## **Solvency II and IFRS Accounting Standards valuation differences**

Whilst Solvency II and IFRS Accounting Standards often use similar approaches and techniques, their most important differences (in terms of methodologies and assumptions) are outlined below:

- The Risk Margin under Solvency II is calculated using a prescribed Cost of Capital basis with the application of a simplification method whereas under IFRS the Risk Adjustment is calculated using a hybrid of Cost of Capital and Value At Risk methodologies.
- Under Solvency II, the discount curve used is based on EIOPA provided term structure whereas IFRS 17 requires the use of a liability discount curve which includes an illiquidity premium (ILP). Therefore, the Company uses the risk-free interest rate curve prescribed by EIOPA plus an ILP which is based on the actual bond portfolio of the Company.
- Under IFRS Accounting Standards, only expenses which are directly attributable should be reflected in the liability measurement whereas under Solvency II all expenses should be allowed for in the calculation of Technical Provisions.
- IFRS Accounting Standards liabilities include the Contractual Service Margin this component does not exist under Solvency II. This is because Solvency II focuses on measurement of the balance sheet at a point in time, while IFRS 17 is based on a 'roll-forward' approach.

The table below compares the IFRS Accounting Standards valuation of insurance contract liabilities to the Solvency II technical provisions, split by line of business.

Technical provisions (Net of Reinsurance)	Solvency II (BE + RM - RI)	IFRS Accounting Standards valuation	Difference
<b>31.12.2024</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Health Non SLT	2.355	2.043	312
Health SLT	15.608	706	14.902
Life without profit sharing	13.427	6.398	7.029
Unit Linked	728.626	757.877	(29.251)
<b>Total</b>	<b>760.016</b>	<b>767.024</b>	<b>(7.008)</b>

Technical provisions (Net of Reinsurance)	Solvency II (BE + RM - RI)	IFRS Accounting Standards valuation	Difference
<b>31.12.2023</b>	<b>€'000</b>	<b>€'000</b>	<b>€'000</b>
Health Non SLT	1.887	1.914	(27)
Health SLT	13.098	(14.804)	27.902
Life without profit sharing	12.936	25.381	(12.445)
Unit Linked	622.363	637.147	(14.784)
<b>Total</b>	<b>650.284</b>	<b>649.638</b>	<b>646</b>

### D.3 Liabilities (other than technical provisions)

The primary objective of liabilities (other than technical provisions) valuation for Solvency purposes is set out in Article 75 of the Solvency II Directive which requires an economic, market-consistent approach to the valuation of liabilities (other than technical provisions). According to this approach liabilities (other than technical provisions) should be valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction. The default reference framework for valuing liabilities (other than technical provisions) are the IFRS Accounting Standards as adopted by the European Union. The Company's financial statements are prepared in accordance with IFRS Accounting Standards and contain a summary of the significant accounting policies adopted in their preparation.

The following table summarises for each material class of liabilities (other than technical provisions), the value of the liability (other than technical provisions) and a description for the bases, methods and main assumptions used for valuation for solvency purposes.

Liabilities	Value 31.12.2024 €'000	Value 31.12.2023 €'000	Solvency II valuation basis
Deferred tax liabilities	3.609	2.606	Measured at the amount that is expected to be paid to the tax authorities after taking into account the tax rates and legislation that have been enacted or substantially been enacted by the reporting date. The Solvency II balance sheet includes a deferred tax liability arising on reporting differences from the change in technical provisions under Solvency II.
Insurance & intermediaries payables	33.244	29.092	Includes amounts due to policyholders, amounts due to agents, the current account with the reinsurer and the incurred outstanding claims. Valued at the same basis as per IFRS Accounting Standards financial statements.
Reinsurance payables	66	-	Valued at the same basis as per IFRS Accounting Standards financial statements.
Payables (trade, not insurance)	11.708	12.013	Valued at the same basis as per IFRS Accounting Standards financial statements.
Any other liabilities, not elsewhere shown	964	4.830	Valued at the same basis as per IFRS Accounting Standards financial statements.
<b>Total liabilities</b>	<b>49.591</b>	<b>48.541</b>	

The Solvency II balance sheet includes a deferred tax liability arising from the temporary differences between technical provisions under Solvency II compared to those under IFRS (which are not used for income tax purposes).

#### D.4 Other

There are no other material matters in respect to the valuation of assets and liabilities for solvency purposes.

## E. Capital Management

## E. Capital Management

### E.1 Own Funds

The objective of own funds 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 of Article 82 of the Delegated Regulation. The Company holds regular meetings of the Solvency II Steering Committee, which are at least quarterly, during which the ratio of eligible own funds over SCR and MCR are reviewed. The ultimate responsibility rests with the Company's Board of Directors. As part of own funds management, the Company undertakes an ORSA exercise at least annually. The ORSA exercise incorporates the business planning process which is typically considered over a three-year time horizon.

An analysis of own funds by tier is shown below:

	Ordinary Share capital	Reconciliation reserve	Total
	€'000	€'000	€'000
1 January 2023	15.647	119.368	135.015
Movement for the year	-	(39.986)	(39.986)
<b>31 December 2023</b>	<b>15.647</b>	<b>79.382</b>	<b>95.029</b>
Movement for the year	-	19.027	19.027
<b>31 December 2024</b>	<b>15.647</b>	<b>98.409</b>	<b>114.056</b>
<b>Total Basic Own Funds – Tier 1</b>	<b>15.647</b>	<b>98.409</b>	<b>114.056</b>

The Company's ordinary share capital and reconciliation reserve are all available as tier 1 unrestricted own funds as per Article 69 (a)(i) of the Delegated Regulation. The reconciliation reserve equals the excess of assets over liabilities less other basic own funds as at the reporting date. There are no foreseeable dividends or own shares held.

The Company has no tier 1 restricted own funds (as per Article 80 of the Delegated Regulation), no tier 2 own funds (as per Article 72 of the Delegated Regulation) and no tier 3 own funds (as per Article 76 of the Delegated Regulation). The Company's own funds are all available to cover the SCR and MCR.

The table below shows the difference between own funds as shown in the financial statements and the Solvency II own funds:

	31.12.2024	31.12.2023
	€'000	€'000
<b>Total own funds per Financial Statements</b>	<b>114.312</b>	<b>101.909</b>
Intangible assets	(6.388)	(6.315)
Change in valuation of Technical Provisions (net)	7.008	(646)
Change in Deferred Tax Liability	(876)	81
<b>Total Tier 1 Capital</b>	<b>114.056</b>	<b>95.029</b>
<b>Total basic own funds</b>	<b>114.056</b>	<b>95.029</b>

## E.2 Solvency Capital Requirement and Minimum Capital Requirement

The Company's Solvency Capital Requirement and Minimum Capital Requirement, based on the Solvency II standard formula methodology, for the financial year end 2024 and 2023 are as follows:

	31.12.2024	31.12.2023
	€'000	€'000
Total available own funds to meet the SCR	114.056	95.029
Solvency Capital Requirement (SCR)	50.417	47.423
<b>Solvency Ratio</b>	<b>226%</b>	<b>200%</b>
Total available own funds to meet the MCR	114.056	95.029
Minimum Capital Requirement (MCR)	20.658	18.516
<b>Ratio of Eligible own funds to MCR</b>	<b>552%</b>	<b>513%</b>

The final amount of the SCR and MCR remains subject to supervisory assessment.

A further analysis of the Company's SCR for the year 2024 and 2023 to its different constituents is shown below:

Solvency Capital Requirement (SCR)	31.12.2024	31.12.2023
	€'000	€'000
Market Risk	13.282	17.240
Counterparty Risk	4.066	3.971
Life Underwriting Risk	36.981	32.747
Health Risk	17.250	14.778
<i>Diversification Basic Solvency Capital Requirement (BSCR)</i>	<i>(19.864)</i>	<i>(19.910)</i>
<b>BSCR</b>	<b>51.715</b>	<b>48.826</b>
Operational Risk	5.904	5.371
Loss Absorbing Capacity for Deferred Tax	(7.202)	(6.774)
<b>SCR Total</b>	<b>50.417</b>	<b>47.423</b>

It should be noted that simplified calculations are not used for any of the risk modules or sub modules.

The table below shows the inputs into the MCR calculation as at 31 December 2024 and 2023. Note the Absolute Floor of the Minimum Capital Requirement (AMCR) is prescribed by EIOPA and stated in Euros below:

Minimum Capital Requirement (MCR)	31.12.2024	31.12.2023
	€'000	€'000
AMCR	6.700	6.700
Linear MCR	20.658	18.516
SCR	50.417	47.423
Combined MCR	20.658	18.516
<b>MCR</b>	<b>20.658</b>	<b>18.516</b>

## E.3 Non-Compliance with the MCR and Non-Compliance with the SCR

The Company has maintained capital sufficient to meet its MCR and SCR throughout the years 2024 and 2023.

## E.4 Other

There are no other material matters in respect to the capital management of the Company.

## F. Glossary

## F. Glossary

ALM	Asset Liability Management
BoC	Bank of Cyprus
BoD/Board	Board of Directors
EIOPA	European Insurance and Occupational Pensions Authority
GRMD	Group Risk Management Division
IAS	International Accounting Standards
ICCS	Insurance Companies Control Service
ICS	Internal Control System
IFRS	International Financial Reporting Standards
MCR	Minimum Capital Requirement
Non-SLT Health	Similar to Non-Life Techniques
ORSA	Own Risk and Solvency Assessment
QRTs	Quantitative Reporting Templates
RAS	Risk Appetite and Tolerance Statement
RCSA	Risk and control self-assessment
RMF	Risk Management Function
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
SLT Health obligations	Similar to Life Techniques
SMT	Senior Management Team
UCITS	Undertakings for Collective Investment in Transferable Securities

## G. Templates

## Templates 2024



Section G  
S.05.01.02  
Premiums, claims and expenses by line of business

	Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)												Line of business for: accepted non-proportional reinsurance				Total C0200
	Medical expense insurance C0010	Income protection insurance C0020	Workers' compensation C0030	Motor vehicle liability insurance C0040	Other motor insurance C0050	Marine, aviation and transport C0060	Fire and other damage to C0070	General liability insurance C0080	Credit and suretyship insurance C0090	Legal expenses insurance C0100	Assistance C0110	Miscellaneous financial loss C0120	Health C0130	Casualty C0140	Marine, aviation, transport C0150	Property C0160	
Premiums written																	
Gross - Direct Business	R0110	27.033.257,07															
Gross - Proportional reinsurance accepted	R0120																
Gross - Non-proportional reinsurance accepted	R0130																
Reinsurers' share	R0140	13.668.635,94															
Net	R0200	13.364.621,13															
Premiums earned																	
Gross - Direct Business	R0210	26.727.557,52															
Gross - Proportional reinsurance accepted	R0220																
Gross - Non-proportional reinsurance accepted	R0230																
Reinsurers' share	R0240	13.506.088,34															
Net	R0300	13.221.469,18															
Claims incurred																	
Gross - Direct Business	R0310	10.920.870,63															
Gross - Proportional reinsurance accepted	R0320																
Gross - Non-proportional reinsurance accepted	R0330																
Reinsurers' share	R0340	5.291.674,97															
Net	R0400	5.629.195,66															
Expenses incurred	R0550	9.784.850,01															
Balance - other technical expenses/income	R1210																
Total technical expenses	R1300																9.784.850,01

	Line of Business for: life insurance obligations						Life reinsurance obligations		Total C0300
	Health insurance C0210	Insurance with profit C0220	Index-linked and unit-linked C0230	Other life insurance C0240	Annuities stemming from non- C0250	Annuities stemming from non- C0260	Health reinsurance C0270	Life reinsurance C0280	
Premiums written									
Gross	R1410	9.122.576,44		167.790.828,04	22.249.195,54				199.162.600,02
Reinsurers' share	R1420	6.772.798,33		5.814.359,27	7.777.749,76				20.364.907,36
Net	R1500	2.349.778,11		161.976.468,77	14.471.445,78				178.797.692,66
Premiums earned									
Gross	R1510	9.122.576,44		167.790.828,04	22.249.195,54				199.162.600,02
Reinsurers' share	R1520	6.772.798,33		5.814.359,27	7.777.749,76				20.364.907,36
Net	R1600	2.349.778,11		161.976.468,77	14.471.445,78				178.797.692,66
Claims incurred									
Gross	R1610	289.224,67		77.069.453,25	3.315.836,44				80.674.514,36
Reinsurers' share	R1620	140.853,00		1.850.609,75	1.549.620,30				3.541.083,05
Net	R1700	148.371,67		75.218.843,50	1.766.216,14				77.133.431,31
Expenses incurred	R1900	3.735.593,50		31.036.952,14	6.774.329,22				41.546.874,86
Balance - other technical expenses/income	R2510								
Total technical expenses	R2600								41.546.874,86
Total amount of surrenders	R2700			64.940.974,37					64.940.974,37

Section G  
S.12.01.02  
Life and Health SLT Technical Provisions

Technical provisions calculated as a whole  
 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole  
 Technical provisions calculated as a sum of BE and RM  
 Best Estimate  
 Gross Best Estimate  
 Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default  
 Best estimate minus recoverables from reinsurance/SPV and Finite Re  
 Risk Margin  
 Technical provisions - total  
 Expected profits included in future premiums (EPFP)

	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)		
	Insurance with profit participation	Contracts without options and guarantees	Contracts with options and guarantees		Contracts without options and guarantees	Contracts with options and guarantees				Contracts without options and guarantees	Contracts with options and guarantees					
	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150	C0160	C0170	C0180	C0190	C0200	C0210
R0010		0,00			0,00					0,00	0,00					0,00
R0020		0,00			0,00					0,00	0,00					0,00
R0030			672.866.430,79	32.715.240,35		-14.908.586,17				690.673.084,97		18.722.553,78				18.722.553,78
R0080			-5.672.511,63			-13.049.192,16				-18.721.703,79		14.788.068,73				14.788.068,73
R0090			678.538.942,42	32.715.240,35		-1.859.394,01				709.394.788,76		3.934.485,04				3.934.485,04
R0100		17.371.168,98			15.287.746,14					32.658.915,12		11.673.108,35				11.673.108,35
R0200		722.952.840,12			379.159,97					723.332.000,09		30.395.662,13				30.395.662,13
R0370		16.705.941,95			0,00					16.705.941,95		0,00				0,00



Section G  
S.19.01.21

Non-life Insurance Claims Information

Line of business	Z0010	Medical expense insurance [direct business and accepted proportional reinsurance]
Accident year / Underwriting year	Z0020	Accident year [AY]
Currency	Z0030	Total/NA
Currency conversion	Z0040	Not applicable / Expressed in (converted to) reporting currency

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

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior																
N-14																
N-13																
N-12																
N-11																
N-10																
N-9																
N-8																
N-7																
N-6																
N-5																
N-4																
N-3																
N-2																
N-1																
N																

	In Current year	Sum of years (cumulative)
	C0170	C0180
R0100		
R0110		
R0120		
R0130	0,00	7.960.035,47
R0140	0,00	7.072.274,18
R0150	0,00	7.307.777,60
R0160	0,00	9.931.577,02
R0170	0,00	8.517.921,73
R0180	0,00	13.186.325,29
R0190	0,00	19.594.864,57
R0200	0,00	19.355.905,78
R0210	0,00	13.550.220,19
R0220	0,00	8.842.369,18
R0230	0,00	9.953.524,16
R0240	0,00	11.310.735,48
R0250	10.897.248,02	10.897.248,02
Total	10.897.248,02	147.480.778,67

Gross undiscounted Best Estimate Claims Provisions  
(absolute amount)

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15 & +
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350
Prior																
N-14																
N-13																
N-12																
N-11																
N-10																
N-9																
N-8																
N-7																
N-6																
N-5																
N-4																
N-3																
N-2																
N-1																
N																

	Year end (discounted data)
	C0360
R0100	
R0110	
R0120	
R0130	
R0140	
R0150	
R0160	
R0170	
R0180	
R0190	
R0200	
R0210	
R0220	
R0230	
R0240	
R0250	
Total	R0260

Section G  
5.23.01.01  
Own funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

Ordinary share capital (gross of own shares)  
Share premium account related to ordinary share capital  
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings  
Subordinated mutual member accounts  
Surplus funds  
Preference shares  
Share premium account related to preference shares  
Reconciliation reserve  
Subordinated liabilities  
An amount equal to the value of net deferred tax assets  
Other own fund items approved by the supervisory authority as basic own funds not specified above

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

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand

Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand

Unpaid and uncalled preference shares callable on demand

A legally binding commitment to subscribe and pay for subordinated liabilities on demand

Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC

Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC

Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC

Other ancillary own funds

Total ancillary own funds

Available and eligible own funds

Total available own funds to meet the SCR

Total available own funds to meet the MCR

Total eligible own funds to meet the SCR

Total eligible own funds to meet the MCR

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

Reconciliation reserve

Excess of assets over liabilities

Own shares (held directly and indirectly)

Foreseeable dividends, distributions and charges

Other basic own fund items

Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

Expected profits

Expected profits included in future premiums (EPFP) - Life business

Expected profits included in future premiums (EPFP) - Non-life business

Total Expected profits included in future premiums (EPFP)

	Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
R0010	15.646.500,00	15.646.500,00			
R0030					
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	98.409.807,55	98.409.807,55			
R0140					
R0160	0,00				0,00
R0180					
R0220					
R0230					
R0290	114.056.307,55	114.056.307,55			0,00
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					

	Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
R0400					
R0500	114.056.307,55	114.056.307,55			0,00
R0510	114.056.307,55	114.056.307,55			
R0540	114.056.307,55	114.056.307,55	0,00	0,00	0,00
R0550	114.056.307,55	114.056.307,55	0,00	0,00	
R0580	50.417.493,35				
R0600	20.657.824,78				
R0620	2,28				
R0640	5,52				

	Value C0060
R0700	114.056.307,55
R0710	
R0720	
R0730	15.646.500,00
R0740	0,00
R0760	98.409.807,55
R0770	16.705.941,95
R0780	
R0790	16.705.941,95

Section G  
S.25.01.21  
Solvency Capital Requirement - for undertakings on Standard Formula

Article 112 Z0010

Gross solvency capital requirement	USP	Simplifications
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Market risk  
Counterparty default risk  
Life underwriting risk  
Health underwriting risk  
Non-life underwriting risk  
Diversification  
Intangible asset risk  
Basic Solvency Capital Requirement

	C0110	C0090	C0120
R0010	13.282.116,73		
R0020	4.066.112,90		
R0030	36.981.084,24	36.981.084,24	
R0040	17.250.200,10	17.250.200,10	
R0050			
R0060	-19.863.992,84		
R0070	0,00		
R0100	51.715.521,13		

Calculation of Solvency Capital Requirement  
Adjustment due to RFF/MAP nSCR aggregation  
Operational risk  
Loss-absorbing capacity of technical provisions  
Loss-absorbing capacity of deferred taxes  
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC  
Solvency Capital Requirement excluding capital add-on  
Capital add-on already set  
of which, capital add-ons already set - Article 37 (1) Type a  
of which, capital add-ons already set - Article 37 (1) Type b  
of which, capital add-ons already set - Article 37 (1) Type c  
of which, capital add-ons already set - Article 37 (1) Type d  
Solvency capital requirement  
Other information on SCR  
Capital requirement for duration-based equity risk sub-module  
Total amount of Notional Solvency Capital Requirements for remaining part  
Total amount of Notional Solvency Capital Requirements for ring-fenced funds  
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios  
Diversification effects due to RFF nSCR aggregation for article 304

	C0100
R0120	0,00
R0130	5.904.471,27
R0140	0,00
R0150	-7.202.499,05
R0160	
R0200	50.417.493,35
R0210	
R0211	
R0212	
R0213	
R0214	
R0220	50.417.493,35
R0400	
R0410	
R0420	0,00
R0430	0,00
R0440	0,00

Approach to tax rate

C0109

Approach based on average tax rate

R0590

Calculation of loss absorbing capacity of deferred taxes

LAC DT  
C0130

LAC DT  
LAC DT justified by reversion of deferred tax liabilities  
LAC DT justified by reference to probable future taxable economic profit  
LAC DT justified by carry back, current year  
LAC DT justified by carry back, future years  
Maximum LAC DT

R0640	-7.202.499,05
R0650	0,00
R0660	-7.202.499,05
R0670	0,00
R0680	0,00
R0690	-5.761.999,24

Section G

S.28.02.01

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

	Non-life activities		Life activities	
	MCR(NL, NL) Result		MCR(NL, L) Result	
	C0010		C0020	
Linear formula component for non-life insurance and reinsurance obligations	R0010	725.245,71		0,00

- Medical expenses and proportional reinsurance
- Income protection insurance and proportional reinsurance
- Workers' compensation insurance and proportional reinsurance
- Motor vehicle liability insurance and proportional reinsurance
- Other motor insurance and proportional reinsurance
- Marine, aviation and transport insurance and proportional reinsurance
- Fire and other damage to property insurance and proportional reinsurance
- General liability insurance and proportional reinsurance
- Credit and suretyship insurance and proportional reinsurance
- Legal expenses insurance and proportional reinsurance
- Assistance and proportional reinsurance
- Miscellaneous financial loss insurance and proportional reinsurance
- Non-proportional health reinsurance
- Non-proportional casualty reinsurance
- Non-proportional marine, aviation and transport reinsurance
- Non-proportional property reinsurance

	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	
R0020	2.066.138,62		13.364.621,13					
R0030								
R0040								
R0050								
R0060								
R0070								
R0080								
R0090								
R0100								
R0110								
R0120								
R0130								
R0140								
R0150								
R0160								
R0170								

Linear formula component for life insurance and reinsurance obligations

	Non-life activities		Life activities	
	MCR(L, NL) Result		MCR(L, L) Result	
	C0070		C0080	
R0200		0,00	19.932.579,07	

- Obligations with profit participation - guaranteed benefits
- Obligations with profit participation - future discretionary benefits
- Index-linked and unit-linked obligations
- Other life (re)insurance and health (re)insurance obligations
- Total capital at risk for all life (re)insurance obligations

	Net (of reinsurance/SPV) best estimate and TP calculated as a whole		Net (of reinsurance/SPV) total capital at risk		Net (of reinsurance/SPV) best estimate and TP calculated as a whole		Net (of reinsurance/SPV) total capital at risk	
	C0090		C0100		C0110		C0120	
R0210					0,00			
R0220					0,00			
R0230					711.254.182,77			
R0240					2.075.091,04			
R0250							21.300.318.399,79	

Overall MCR calculation

	Value	
	C0130	
Linear MCR	R0300	20.657.824,78
SCR	R0310	50.417.493,35
MCR cap	R0320	22.687.872,01
MCR floor	R0330	12.604.373,34
Combined MCR	R0340	20.657.824,78
Absolute floor of the MCR	R0350	6.700.000,00

Minimum Capital Requirement

R0400	20.657.824,78
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Notional non-life and life MCR calculation

- Notional linear MCR
- Notional SCR excluding add-on (annual or latest calculation)
- Notional MCR cap
- Notional MCR floor
- Notional Combined MCR
- Absolute floor of the notional MCR
- Notional MCR

	Non-life activities		Life activities	
	C0140		C0150	
R0500	725.245,71		19.932.579,07	
R0510	1.770.034,89		48.647.458,46	
R0520	796.515,70		21.891.356,31	
R0530	442.508,72		12.161.854,61	
R0540	725.245,71		19.932.579,07	
R0550	2.700.000,00		4.000.000,00	
R0560	2.700.000,00		19.932.579,07	

## Templates 2023

Section G  
S.02.01.02  
Balance sheet

	Solvency II value C0010
Assets	
Goodwill	
Deferred acquisition costs	
Intangible assets	
Deferred tax assets	
Pension benefit surplus	
Property, plant & equipment held for own use	
Investments (other than assets held for index-linked and unit-linked contracts)	
Property (other than for own use)	
Holdings in related undertakings, including participations	
Equities	
Equities - listed	
Equities - unlisted	
Bonds	
Government Bonds	
Corporate Bonds	
Structured notes	
Collateralised securities	
Collective Investments Undertakings	
Derivatives	
Deposits other than cash equivalents	
Other investments	
Assets held for index-linked and unit-linked contracts	
Loans and mortgages	
Loans on policies	
Loans and mortgages to individuals	
Other loans and mortgages	
Reinsurance recoverables from:	
Non-life and health similar to non-life	
Non-life excluding health	
Health similar to non-life	
Life and health similar to life, excluding health and index-linked and unit-linked	
Health similar to life	
Life excluding health and index-linked and unit-linked	
Life index-linked and unit-linked	
Deposits to cedants	
Insurance and intermediaries receivables	
Reinsurance receivables	
Receivables (trade, not insurance)	
Own shares (held directly)	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	
Cash and cash equivalents	
Any other assets, not elsewhere shown	
Total assets	
Liabilities	
Technical provisions - non-life	
Technical provisions - non-life (excluding health)	
Technical provisions calculated as a whole	
Best Estimate	
Risk margin	
Technical provisions - health (similar to non-life)	
Technical provisions calculated as a whole	
Best Estimate	
Risk margin	
Technical provisions - life (excluding index-linked and unit-linked)	
Technical provisions - health (similar to life)	
Technical provisions calculated as a whole	
Best Estimate	
Risk margin	
Technical provisions - life (excluding health and index-linked and unit-linked)	
Technical provisions calculated as a whole	
Best Estimate	
Risk margin	
Technical provisions - index-linked and unit-linked	
Technical provisions calculated as a whole	
Best Estimate	
Risk margin	
Other technical provisions	
Contingent liabilities	
Provisions other than technical provisions	
Pension benefit obligations	
Deposits from reinsurers	
Deferred tax liabilities	
Derivatives	
Debts owed to credit institutions	
Financial liabilities other than debts owed to credit institutions	
Insurance & intermediaries payables	
Reinsurance payables	
Payables (trade, not insurance)	
Subordinated liabilities	
Subordinated liabilities not in Basic Own Funds	
Subordinated liabilities in Basic Own Funds	
Any other liabilities, not elsewhere shown	
Total liabilities	
Excess of assets over liabilities	
	Solvency II value C0010
R0010	
R0020	
R0030	
R0040	0,00
R0050	668.566,59
R0060	17.278.875,39
R0070	101.587.224,56
R0080	11.905.000,00
R0090	
R0100	
R0110	
R0120	
R0130	6.837.722,81
R0140	1.891.064,66
R0150	4.946.658,15
R0160	
R0170	
R0180	81.263.781,28
R0190	
R0200	1.580.720,47
R0210	
R0220	646.626.856,35
R0230	440.036,02
R0240	440.036,02
R0250	0,00
R0260	
R0270	1.416.406,28
R0280	-2.106.611,37
R0290	
R0300	-2.106.611,37
R0310	4.374.929,11
R0320	10.631.850,43
R0330	-6.256.921,32
R0340	-851.911,46
R0350	
R0360	5.093.943,17
R0370	6.648.329,26
R0380	403.640,74
R0390	
R0400	
R0410	10.211.244,05
R0420	4.894.951,26
R0500	795.270.073,67
	Solvency II value C0010
R0510	-220.388,12
R0520	
R0530	
R0540	
R0550	
R0560	-220.388,12
R0570	0,00
R0580	-485.375,90
R0590	264.987,79
R0600	30.409.289,04
R0610	23.730.675,45
R0620	0,00
R0630	14.697.363,40
R0640	9.033.312,05
R0650	6.678.613,58
R0660	0,00
R0670	-5.630.189,27
R0680	12.308.802,86
R0690	621.511.276,02
R0700	0,00
R0710	606.523.405,17
R0720	14.987.870,85
R0730	
R0740	
R0750	
R0760	0,00
R0770	
R0780	2.606.157,49
R0790	
R0800	
R0810	
R0820	29.091.680,95
R0830	0,00
R0840	12.012.840,28
R0850	
R0860	
R0870	
R0880	4.830.380,83
R0900	700.241.236,49
R1000	95.028.837,18

Section G  
 S-05.01.02  
 Premiums, claims and expenses by line of business

	Line of business for non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)											Line of business for accepted non-proportional reinsurance				Total C000
	Medical expense insurance C000	Income protection insurance C000	Workers' compensation C000	Motor vehicle liability insurance C000	Other motor insurance C000	Marine, aviation and transport C000	Fire and other damage to C000	General liability insurance C000	Credit and suretyship insurance C000	Legal expenses insurance C000	Assistance C000	Miscellaneous financial loss C000	Health C000	Casualty C000	Marine, aviation, transport C000	
Premiums written																
Gross - Direct Business	R0010	25 110 874,95														
Gross - Proportional reinsurance accepted	R0020															
Gross - Non-proportional reinsurance accepted	R0030															
Reinsurers' share	R0040	12 453 372,80														
Net	R0050	12 457 202,15														
Premiums earned																
Gross - Direct Business	R0010	24 835 468,22														
Gross - Proportional reinsurance accepted	R0020															
Gross - Non-proportional reinsurance accepted	R0030															
Reinsurers' share	R0040	12 487 057,23														
Net	R0050	12 348 410,99														
Claims incurred																
Gross - Direct Business	R0010	11 586 837,38														
Gross - Proportional reinsurance accepted	R0020															
Gross - Non-proportional reinsurance accepted	R0030															
Reinsurers' share	R0040	5 335 354,21														
Net	R0050	5 646 582,21														
Expenses incurred	R0050	3 126 072,60														
Balance - other technical expenses/income	R1100															
Total technical expenses	R1300															9 135 072,00

	Line of business for life insurance obligations					Life reinsurance obligations		Total C000
	Health insurance C000	Insurance with profit C000	Index-linked and sick benefit C000	Other life insurance C000	Amounts deriving from non- C000	Health reinsurance C000	Life reinsurance C000	
Premiums written								
Gross	R1410	8 487 296,18		33 838 792,29	20 302 846,80		132 512 944,21	
Reinsurers' share	R1420	6 420 317,43		3 427 053,99	7 812 059,39		19 650 366,81	
Net	R1500	2 066 978,75		30 411 738,30	12 490 787,41		112 862 577,40	
Premiums earned								
Gross	R1410	8 487 296,18		33 838 792,29	20 302 846,80		132 512 944,21	
Reinsurers' share	R1420	6 420 317,43		3 427 053,99	7 812 059,39		19 650 366,81	
Net	R1600	2 066 978,75		30 411 738,30	12 490 787,41		112 862 577,40	
Claims incurred								
Gross	R1810	555 159,45		64 837 293,32	3 028 570,20		69 022 312,21	
Reinsurers' share	R1820	34 818,76		3 361 418,38	1 361 418,09		5 461 655,23	
Net	R1900	244 577,98		61 475 874,94	1 667 152,11		63 555 384,51	
Expenses incurred	R1900	1 541 030,52		28 720 088,04	8 445 809,45		38 707 851,41	
Balance - other technical expenses/income	R2100							
Total technical expenses	R2300						18 707 851,41	
Total amount of surpluses	R2700			11 101 000,89			51 766 308,89	





Section G  
S.19.01.21  
Non-life Insurance Claims Information

Line of business	Z0010	Medical expense insurance [direct business and accepted proportional reinsurance]
Accident year / Underwriting year	Z0020	Accident year [AY]
Currency	Z0030	Total/NA
Currency conversion	Z0040	Not applicable / Expressed in (converted to) reporting currency

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

Year	0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 & +															
	C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160
Prior	R0100															
N-14	R0110															
N-13	R0120															
N-12	R0130	7.049.018,68	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00			
N-11	R0140	7.960.035,47	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00			
N-10	R0150	7.072.274,18	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00				
N-9	R0160	7.307.777,60	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00						
N-8	R0170	9.931.577,02	0,00	0,00	0,00	0,00	0,00	0,00	0,00							
N-7	R0180	8.517.921,73	0,00	0,00	0,00	0,00	0,00	0,00								
N-6	R0190	13.186.325,29	0,00	0,00	0,00	0,00	0,00									
N-5	R0200	19.594.864,57	0,00	0,00	0,00											
N-4	R0210	19.355.905,78	0,00	0,00	0,00											
N-3	R0220	13.550.220,19	0,00	0,00												
N-2	R0230	8.842.369,18	0,00													
N-1	R0240	9.953.524,16	0,00													
N	R0250	11.235.995,71														

Total	In Current year		Sum of years (cumulative)
	C0170	C0180	C0180
	R0100		
	R0110		
	R0120		
	R0130	0,00	7.049.018,68
	R0140	0,00	7.960.035,47
	R0150	0,00	7.072.274,18
	R0160	0,00	7.307.777,60
	R0170	0,00	9.931.577,02
	R0180	0,00	8.517.921,73
	R0190	0,00	13.186.325,29
	R0200	0,00	19.594.864,57
	R0210	0,00	19.355.905,78
	R0220	0,00	13.550.220,19
	R0230	0,00	8.842.369,18
	R0240	0,00	9.953.524,16
	R0250	11.235.995,71	11.235.995,71
	R0260	11.235.995,71	143.557.809,56

Gross undiscounted Best Estimate Claims Provisions  
(absolute amount)

Year	0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 & +															
	C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0310	C0320	C0330	C0340	C0350
Prior	R0100															
N-14	R0110															
N-13	R0120															
N-12	R0130															
N-11	R0140															
N-10	R0150															
N-9	R0160															
N-8	R0170															
N-7	R0180															
N-6	R0190															
N-5	R0200															
N-4	R0210															
N-3	R0220															
N-2	R0230															
N-1	R0240															
N	R0250															

Total	Year end (discounted data)	
	C0360	C0360
	R0100	
	R0110	
	R0120	
	R0130	
	R0140	
	R0150	
	R0160	
	R0170	
	R0180	
	R0190	
	R0200	
	R0210	
	R0220	
	R0230	
	R0240	
	R0250	
	R0260	

Section G  
S.23.01.01  
Own funds

Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35

- Ordinary share capital (gross of own shares)
- Share premium account related to ordinary share capital
- Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
- Subordinated mutual member accounts
- Surplus funds
- Preference shares
- Share premium account related to preference shares
- Reconciliation reserve
- Subordinated liabilities
- An amount equal to the value of net deferred tax assets

Other own fund items approved by the supervisory authority as basic own funds not specified above

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

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

- Unpaid and uncalled ordinary share capital callable on demand
- Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
- Unpaid and uncalled preference shares callable on demand
- A legally binding commitment to subscribe and pay for subordinated liabilities on demand
- Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
- Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
- Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
- Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
- Other ancillary own funds

Total ancillary own funds

Available and eligible own funds

- Total available own funds to meet the SCR
- Total available own funds to meet the MCR
- Total eligible own funds to meet the SCR
- Total eligible own funds to meet the MCR

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

Reconciliation reserve

- Excess of assets over liabilities
- Own shares (held directly and indirectly)
- Foreseeable dividends, distributions and charges
- Other basic own fund items
- Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

- Expected profits
- Expected profits included in future premiums (EPIFP) - Life business
- Expected profits included in future premiums (EPIFP) - Non- life business
- Total Expected profits included in future premiums (EPIFP)

	Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
R0010	15.646.500,00	15.646.500,00			
R0030					
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	79.382.337,18	79.382.337,18			
R0140					
R0160	0,00				0,00
R0180					
R0220					
R0230					
R0290	95.028.837,18	95.028.837,18			0,00
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					

	Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
R0400					
R0500	95.028.837,18	95.028.837,18			0,00
R0510	95.028.837,18	95.028.837,18			
R0540	95.028.837,18	95.028.837,18	0,00	0,00	0,00
R0550	95.028.837,18	95.028.837,18	0,00	0,00	
R0580	47.422.829,77				
R0600	18.515.669,13				
R0620	2,00				
R0640	5,13				

	Value C0060
R0700	95.028.837,18
R0710	
R0720	
R0730	15.646.500,00
R0740	0,00
R0760	79.382.337,18
R0770	52.577.711,76
R0780	
R0790	52.577.711,76

Section G  
S.25.01.21  
Solvency Capital Requirement - for undertakings on Standard Formula

Article 112	Z0010	No		
		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	17.239.996,65		
Counterparty default risk	R0020	3.971.194,82		
Life underwriting risk	R0030	32.747.039,80	32.747.039,80	
Health underwriting risk	R0040	14.778.196,68	14.778.196,68	
Non-life underwriting risk	R0050			
Diversification	R0060	-19.910.330,21		
Intangible asset risk	R0070	0,00		
Basic Solvency Capital Requirement	R0100	48.826.097,75		
Calculation of Solvency Capital Requirement		C0100		
Adjustment due to RFF/MAP nSCR aggregation	R0120	0,00		
Operational risk	R0130	5.371.421,99		
Loss-absorbing capacity of technical provisions	R0140	0,00		
Loss-absorbing capacity of deferred taxes	R0150	-6.774.689,97		
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160			
Solvency Capital Requirement excluding capital add-on	R0200	47.422.829,77		
Capital add-on already set	R0210			
of which, capital add-ons already set - Article 37 (1) Type a	R0211			
of which, capital add-ons already set - Article 37 (1) Type b	R0212			
of which, capital add-ons already set - Article 37 (1) Type c	R0213			
of which, capital add-ons already set - Article 37 (1) Type d	R0214			
Solvency capital requirement	R0220	47.422.829,77		
Other information on SCR				
Capital requirement for duration-based equity risk sub-module	R0400			
Total amount of Notional Solvency Capital Requirements for remaining part	R0410			
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	0,00		
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0,00		
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0,00		
Approach to tax rate		C0109		
Approach based on average tax rate	R0590	Approach based on average tax rate		
Calculation of loss absorbing capacity of deferred taxes		LAC DT		
		C0130		
LAC DT	R0640	-6.774.689,97		
LAC DT justified by reversion of deferred tax liabilities	R0650	0,00		
LAC DT justified by reference to probable future taxable economic profit	R0660	-6.774.689,97		
LAC DT justified by carry back, current year	R0670	0,00		
LAC DT justified by carry back, future years	R0680	0,00		
Maximum LAC DT	R0690	-5.419.751,97		

Section G  
S.28.02.01  
Minimum Capital Requirement - Both life and non-life insurance activity

Linear formula component for non-life insurance and reinsurance obligations

	Non-life activities MCR(NL, NL) Result	Life activities MCR(NL, L) Result
	C0010	C0020
R0010	661.686,57	0,00

Medical expenses and proportional reinsurance  
Income protection insurance and proportional reinsurance  
Workers' compensation insurance and proportional reinsurance  
Motor vehicle liability insurance and proportional reinsurance  
Other motor insurance and proportional reinsurance  
Marine, aviation and transport insurance and proportional reinsurance  
Fire and other damage to property insurance and proportional reinsurance  
General liability insurance and proportional reinsurance  
Credit and suretyship insurance and proportional reinsurance  
Legal expenses insurance and proportional reinsurance  
Assistance and proportional reinsurance  
Miscellaneous financial loss insurance and proportional reinsurance  
Non-proportional health reinsurance  
Non-proportional casualty reinsurance  
Non-proportional marine, aviation and transport reinsurance  
Non-proportional property reinsurance

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
R0020	1.621.235,46	12.457.202,13		
R0030				
R0040				
R0050				
R0060				
R0070				
R0080				
R0090				
R0100				
R0110				
R0120				
R0130				
R0140				
R0150				
R0160				
R0170				

Linear formula component for life insurance and reinsurance obligations

	Non-life activities MCR(L, NL) Result	Life activities MCR(L, L) Result
	C0070	C0080
R0200	0,00	17.853.982,57

Obligations with profit participation - guaranteed benefits  
Obligations with profit participation - future discretionary benefits  
Index-linked and unit-linked obligations  
Other life (re)insurance and health (re)insurance obligations  
Total capital at risk for all life (re)insurance obligations

Net (of reinsurance/SPV) best estimate and TP calculated as a whole    Net (of reinsurance/SPV) total capital at risk    Net (of reinsurance/SPV) best estimate and TP calculated as a whole    Net (of reinsurance/SPV) total capital at risk

	C0090	C0100	C0110	C0120
R0210			0,00	
R0220			0,00	
R0230			607.375.316,63	
R0240			4.692.245,02	
R0250				19.291.168.862,84

Overall MCR calculation  
Linear MCR  
SCR  
MCR cap  
MCR floor  
Combined MCR  
Absolute floor of the MCR

	Value
	C0130
R0300	18.515.669,13
R0310	47.422.829,77
R0320	21.340.273,40
R0330	11.855.707,44
R0340	18.515.669,13
R0350	6.700.000,00

Minimum Capital Requirement

R0400	18.515.669,13
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Notional non-life and life MCR calculation

Notional linear MCR  
Notional SCR excluding add-on (annual or latest calculation)  
Notional MCR cap  
Notional MCR floor  
Notional Combined MCR  
Absolute floor of the notional MCR  
Notional MCR

	Non-life activities C0140	Life activities C0150
R0500	661.686,57	17.853.982,57
R0510	1.694.729,43	45.728.100,34
R0520	762.628,24	20.577.645,15
R0530	423.682,36	11.432.025,08
R0540	661.686,57	17.853.982,57
R0550	2.700.000,00	4.000.000,00
R0560	2.700.000,00	17.853.982,57

## H. Independent Auditors Report



## *Independent Auditor's Report*

To the Board of Directors of Eurolife Limited

### *Report on the Audit of the relevant elements of the Solvency and Financial Condition Report*

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#### *Opinion*

We have audited the following Solvency II Quantitative Reporting Templates ("QRTs") contained in Annex I to Commission Implementing Regulation (EU) No 2023/895 of 4 April 2023, of Eurolife Limited (the "Company"), prepared as at 31 December 2024:

- S.02.01.02 – Balance sheet
- S.12.01.02 – Life and Health SLT Technical Provisions
- S.17.01.02 – Non-Life Technical Provisions
- S.23.01.01 – Own funds
- S.25.01.21 – Solvency Capital Requirement – for undertakings on Standard Formula
- S.28.02.01 – Minimum Capital Requirement – Both life and non-life insurance activity

The above QRTs are collectively referred to for the remainder of this report as "the relevant QRTs of the Solvency and Financial Condition Report".

In our opinion, the information in the relevant QRTs of the Solvency and Financial Condition Report as at 31 December 2024 is prepared, in all material respects, in accordance with the Insurance and Reinsurance Services and other Related Issues Law of 2016 as amended, the Commission Delegated Regulation (EU) 2015/35 as amended, the relevant EU Commission's Implementing Regulations and the relevant Orders of the Superintendent of Insurance (collectively "the Framework").

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#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the relevant QRTs of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the relevant QRTs of the Solvency and Financial Condition Report in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of Matter**

We draw attention to the 'Valuation for solvency purposes' and the 'Capital Management' and other relevant disclosures sections of the Solvency and Financial Condition Report, which describe the basis of preparation. The Solvency and Financial Condition Report is prepared in compliance with the Framework, and therefore in accordance with a special purpose financial reporting framework. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

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### *Other information*

The Board of Directors is responsible for the Other information. The Other information comprises certain narrative sections and certain QRTs of the Solvency and Financial Condition Report as listed below:

Narrative sections:

- Business and performance
- Valuation for solvency purposes
- Capital management

QRTs (contained in Annex I to Commission Implementing Regulation (EU) No 2023/895 of 4 April 2023):

- S.05.01.02 – Premiums, claims and expenses by line of business
- S.19.01.21 – Non-Life insurance claims

Our opinion on the relevant QRTs of the Solvency and Financial Condition Report does not cover the Other information listed above and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Solvency and Financial Condition Report, our responsibility is to read the Other information and, in doing so, consider whether the Other information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other information, we are required to report that fact. We have nothing to report in this regard.

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### *Responsibilities of the Board of Directors for the Solvency and Financial Condition Report*

The Board of Directors is responsible for the preparation of the Solvency and Financial Condition Report in accordance with the Framework.

The Board of Directors is also responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

In preparing the Solvency and Financial Condition Report, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.



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### *Auditor's Responsibilities for the Audit of the relevant QRTs of the Solvency and Financial Condition Report*

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

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

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

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



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*Other Matter*

Our report is intended solely for the Board of Directors of the Company and should not be used by any other parties. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

*PricewaterhouseCoopers*

PricewaterhouseCoopers Limited  
Certified Public Accountants and Registered Auditors

PwC Central, 43 Demostheni Severi Avenue  
CY-1080 Nicosia Cyprus

28 March 2025