SOLVENCY

AND FINANCIAL CONDITION REPORT

EUROLIFE LTD

FOR THE YEAR ENDING

31 DECEMBER 2017

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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 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 2017.

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.

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 €14,5m with premium income of €105,8m. 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. There are currently 7 members of the Board of which 2 are Independent Non-Executive Directors, 3 are Non-Executive Directors and 2 are 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
- Internal Audit Function

During the year 2017 the following changes in the Company's governance system took place:

- The resignation of a non-executive Director from the Board and from the Audit Committee in February 2017 (Mr. Costas Argyrides)
- The appointment of a non-executive member to the Board and to the Audit Committee in March 2017 (Mr. Louis Pochanis)
- A maximum time period of ten (10) years was set for the duration for which an Independent non-executive member of the Board may serve as a member of the Board of the Company
- A maximum time period of ten (10) years was set for the duration for which the Chairperson of the Audit Committee and the Chairperson of the Risk Committee can serve as Chairpersons of such Committees.
- The Board self-assessment process for the evaluation of the effectiveness and performance of the Board was activated and is now conducted 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, with the use of a Risk Register. 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 2017 are summarized below:

- Market and Credit risks were considered material due to the large exposure to the Company's banking counterparties. As part of the ORSA process carried out in 2017, a number of stress tests regarding counterparty default risk were performed, which indicated that the Company's solvency position remained within the risk appetite limit and that the Company would be able to cope with such events and proceed with its strategic and business plans. Nevertheless, as per the relevant Board decision taken, the Company's material exposures to its banking counterparties were significantly reduced by the end of the year.
- Operational risk was also considered as a material risk. As part of the ORSA process, a stress test was carried out assuming an operational event would materialise. The solvency ratio remained well above the Company's risk appetite limit. Nevertheless, relevant mitigating actions were approved by the Board during the review and approval of the ORSA Report for 2017.
- Underwriting and Liquidity risks were not considered as material risks.

1.5 Valuation for solvency purposes

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

- Differences in the valuation 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:

	31.12.2017	31.12.2016
	€'000	€'000
Total own funds per Financial Statements	**54.684**	**55.118**
Intangible assets	(11.469)	(9.033)
Change in valuation of Technical Provisions (net)	110.433	105.508
Change in valuation of unallocated surplus	-	(358)
Additional Deferred Tax Liability	(13.804)	(13.144)
Total own funds per Solvency II	**139.844**	**138.091**

1.6 Capital Management

The Solvency coverage ratio at 31 December 2017 was 219% with own funds of €139,8m, a Solvency Capital Requirement (SCR) of €63,8m and a Minimum Capital Requirement (MCR) of €15,9m. 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 2017.

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 Ernst & Young Cyprus 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.

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 International Financial Reporting Standards (IFRS). 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)
- Life insurance with profit participation
- 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 is engaged in the business of life, health and occupational pensions in Cyprus and Greece. In Greece, the Company operates through a branch under the name of Kyprou Zois. Kyprou Zois is currently operated as a run-off business.

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, the underwriting performance information given in this section is also provided on an IFRS basis.

The table below shows the underwriting performance per line of business as presented in the Company's financial statements:

Underwriting performance	2017	2016
	€'000	€'000
Underwriting performance – Life	15.069	8.530
Underwriting performance – Health	(546)	(118)
Underwriting performance – Occupational Pension	102	13
Total net underwriting performance (based on IFRS)	**14.625**	**8.425**

€0,4m of the life underwriting performance relates to the life operations in Greece.

Life underwriting performance:

A significant part of the underwriting performance is due to profits from the risk premium business. The underwriting performance was positively affected from the favorable mortality experience, the contribution of investment management fees and the nil allocation margin reflecting both the increase in new business sales as well as the shift to products with lower expense margins and investments returns in excess of valuation requirements. The underwriting performance on an IFRS basis was, also, positively affected from the decrease in the technical provisions which mainly arose from the increase in the valuation rate of interest.

Health underwriting performance:

The underwriting performance of health business was negative mainly as a result of higher claims experience and higher expenses.

A.3 Investment performance

Since the Company prepares its financial statements in accordance with IFRS, the investment performance information provided in this section is on an IFRS 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 31.12.2017	Income/gains and losses - 2017	Position as at 31.12.2016	Income/gains and losses - 2016
	%	€'000	%	€'000
Government Bonds	4,52	1.298	4,23	1.012
Corporate Bonds	6,51	1.740	5,97	551
Equity instruments	0,50	794	2,41	944
Cash and deposits	6,56	218	7,97	230
Mortgages and loans	0,16	45	0,21	45
Properties	3,39	440	3,53	1.651
Collective investments undertakings	78,36	16.597	75,68	15.772
	100,00	**21.132**	**100,00**	**20.205**

The table below shows the composition of unit-linked assets and annualised returns for 2017 and 2016 (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
31.12.2017	%	%	%	%	%	%	%
Local equities and equity funds	0,33	-	-	0,32	0,33	0,33	-
Foreign equities and equity funds	41,04	-	10,51	65,02	41,04	41,04	-
Local bonds and debts	5,12	-	9,90	2,37	5,12	5,12	-
Foreign bonds and debts	38,05	-	73,54	17,63	38,05	38,05	18,80
Cash and Cash equivalents	4,40	100,00	2,63	5,93	4,40	4,40	81,20
Loans	0,24	-	-	-	0,24	0,24	-
Property Investments	10,82	-	3,42	8,73	10,82	10,82	-
	100,00	**100,00**	**100,00**	**100,00**	**100,00**	**100,00**	**100,00**
Annualised return (net of fees) for 2017	4,40	0,00	2,42	5,54	4,66	3,85	-0,40

Asset class	Balanced Fund	Guaranteed Fund	Income Fund	Growth Fund	Manulife Investment Fund	GIC Investors Fund	Conservative Fund
31.12.2016	%	%	%	%	%	%	%
Local equities and equity funds	0,38	-	-	0,38	0,38	0,38	-
Foreign equities and equity funds	42,31	-	10,13	66,72	42,31	42,31	17,10
Local bonds and debts	4,58	-	8,67	2,15	4,58	4,58	-
Foreign bonds and debts	36,92	-	69,92	17,33	36,92	36,92	-
Cash and Cash equivalents	4,70	100,00	7,92	4,55	4,70	4,70	82,90
Loans	0,25	-	-	-	0,25	0,25	-
Property Investments	10,86	-	3,36	8,87	10,86	10,86	-
	100,00	**100,00**	**100,00**	**100,00**	**100,00**	**100,00**	**100,00**
Annualised return (net of fees) for 2016	5,10	0,00	2,86	6,45	5,35	4,53	-0,20

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 31.12.2017	Income/gains and losses - 2017	Position as at 31.12.2016	Income/gains and losses - 2016
	%	€'000	%	€'000
Government Bonds	3,81	777	4,44	495
Corporate Bonds	4,91	154	5,16	553
Cash and deposits	29,11	752	33,53	984
Mortgages and loans	0,31	15	0,44	12
Properties	13,94	(501)	15,16	667
Collective investments undertakings	47,92	70	41,27	3.089
	100,00	**1.267**	**100,00**	**5.800**

All assets are classified at fair value through profit and loss therefore no gains and losses are recognised directly in equity.

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

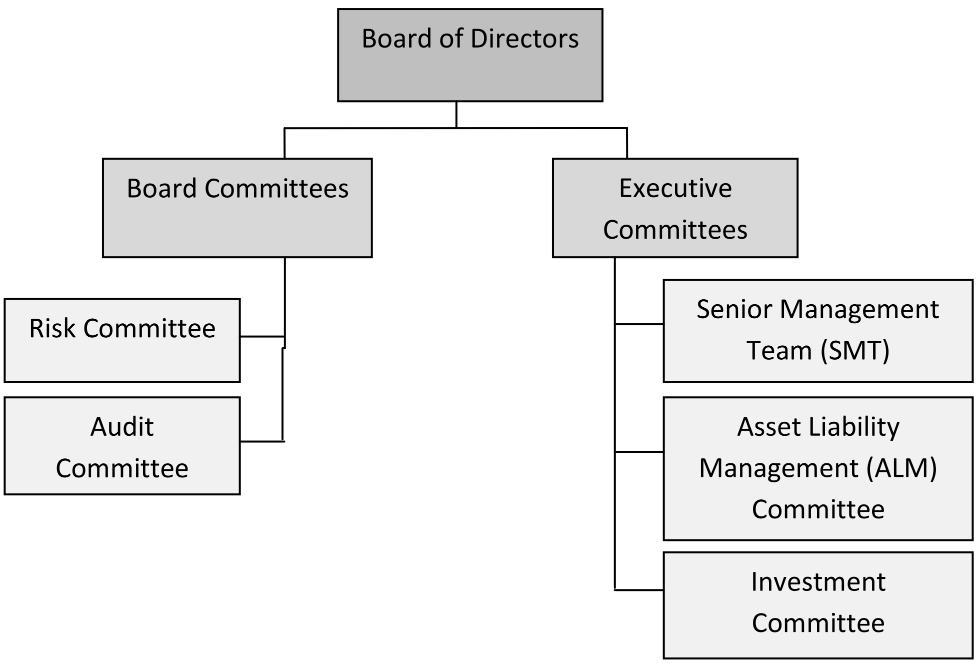
The Board of Directors (BoD/Board) maintains overall responsibility for the management of the Company, including ultimate oversight of the Company's operations. There are currently 7 members of the Board of which 2 are Independent Non-Executive Directors, 3 are Non-Executive Directors and 2 are Executive 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,
- Reviewing and recommending for Board approval all Risk 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 recommendation for Board approval of all Compliance policies of the Company.

Executive Committees

Senior Management Team

The Company has established a Senior Management Team (SMT) which is responsible for the implementation of the business plan and risk management strategy set by the Board. The SMT is comprised by 6 members in managerial positions and is 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 in her role 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 SMT 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 6 members which include the Actuarial Function Holder, the Risk Management Function Holder, the Company's Investment Manager, and Senior Management. 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 Risk Management Function Holder, the Company's Investment Manager, and other members of Senior Management. 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
- 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.

Internal Audit Function

The Internal Audit Function is independent from any operational functions and its role is to assess the adequacy and effectiveness of the internal control and risk management systems, as well as, the effectiveness of other elements of the system of governance. The Internal Audit Function undertakes planned reviews of the Company's processes and their implementation and reports its findings as well as material breaches to the Audit Committee.

B.1.2 Material changes in the system of governance during 2017

During the year 2017 the following changes in the Company's governance system took place:

- The resignation of a non-executive Director from the Board and from the Audit Committee in February 2017 (Mr. Costas Argyrides)
- The appointment of a non-executive member to the Board and to the Audit Committee in March 2017 (Mr. Louis Pochanis)

- A maximum time period of ten (10) years was set for the duration for which an Independent non-executive member of the Board may serve as a member of the Board of the Company
- A maximum time period of ten (10) years was set for the duration for which the Chairperson of the Audit Committee and the Chairperson of the Risk Committee can serve as Chairpersons of such Committees.
- The Board self-assessment process for the evaluation of the effectiveness and performance of the Board was activated and is now conducted 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

Due to regulatory restrictions imposed by the Central Bank of Cyprus on the Bank of Cyprus Group, of which the Company is a member of, in the year 2017, no variable remuneration or discretionary pension payments were granted.

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 2017

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. A payment of dividend was also made during the year 2017 to Bank of Cyprus. No other material transactions were undertaken during the year 2017 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
- Honest
- 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 Bank of Cyprus Group risk management framework and regulatory requirements, have been documented by the Risk Management Function and approved by the Risk Committee and the 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 and Tolerance Statement (RAS) , 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 RAS is subject to review on an annual basis, taking into consideration the Company’s strategic plan and the Bank of Cyprus Group RAS.

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 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 has the responsibility to conduct 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 emphasises 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 organisation, 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 utilising customer complaints as a source of relevant information in the context of its general monitoring responsibilities,
- Organise 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/Board detailing 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 is currently outsourced to the Bank of Cyprus Group Internal Audit Division. The Chairman of the Audit Committee is responsible for the oversight of this outsourced function. As an independent, objective assurance and consulting activity, the Internal Audit Function evaluates the adequacy and effectiveness of the internal control, risk management and governance systems and processes.

In particular, the Internal Audit Function bears the responsibility to:

- Establish, implement and maintain an audit plan to examine and evaluate the adequacy and effectiveness of the Company's risk management, internal control and governance systems;

- Issue recommendations based on the results of the internal audit activity carried out, in accordance with the internal audit plan;
- Follow up the implementation of the recommendations made; and
- Provide timely, accurate and relevant reporting in relation to internal audit matters to the Board of Directors through the Audit Committee.

The Board has delegated to the Audit Committee the responsibility for the oversight and monitoring of the activities of the Internal Audit Function. As such, the Internal Audit Function reports directly to the Audit Committee and it also reports administratively to the General Manager.

In order to allow the effective and efficient fulfillment of its responsibilities, the Internal Audit Function has the necessary resources and authority and has duly and unlimited access to records, IT systems, properties and personnel of the Company.

B.5.2 Independence of the Internal Audit Function

The Internal Audit Function is independent from all other functions and the organisational activities audited and it carries out its assignments with impartiality. It maintains its independence and objectivity by applying the following principles:

- It does not perform any operational functions and is free from undue influence by any other function. This is achieved by being accountable and reporting directly to the Audit Committee;
- Its internal audit plan is reviewed and approved by the Audit Committee;
- When evaluating and reporting the audit results and recommendations, the Internal Audit Function is not subject to influence from senior management that can impair its operational independence and impartiality;
- If independence or objectivity of the Internal Audit Function is impaired in substance or appearance, the details of the impairment are disclosed to the 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 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 authorisation 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 Policy, prior to the outsourcing of an activity or function, an assessment is carried out by Legal Department as to whether the outsourced activity or function has the potential to be considered a critical or important service or activity.

Currently, the following critical functions or activities are outsourced:

- The Internal Audit control function of the Company and
- The handling and investigation of healthcare claims

All the above service providers are located in Cyprus.

B.8 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 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.

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 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).

For several sub-modules the calculation of the capital requirement is scenario-based.

The capital requirement is determined as the impact of a specific scenario on the level of Basic Own Funds. The level of Basic Own Funds is defined as the difference between assets and liabilities.

The Company's solvency position as at 31 December 2017 is equal to 219% which is well above the Company's risk appetite limit. 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 assessment exercise, through which the Company assesses its position regarding the different risks to which it is or might be exposed, with the use of a Risk Register. 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 2017 are presented under each relevant risk category in the following Chapters.

The Company also performs reverse stress tests 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 2017, it was concluded that various extreme events have to occur simultaneously in order for the solvency ratio to drastically fall at 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 morbidity/disability 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.

Morbidity Risk

Similarly, EuroLife is exposed to the risk of morbidity being higher than expected, which in turn leads to more claims from insurance policies that cover serious illnesses and from income protection plans. This has as a result the amount of claim payments to be higher than expected. Higher morbidity 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 has established an Underwriting Risk Management Policy that 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 at least annually,
- 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 not considered as a material risk during the risk assessment exercise performed in 2017, therefore, no specific stress test was deemed necessary to be carried out during the ORSA process.

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.

<u>Interest Rate Risk</u>

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 decrease 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 risks.

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.

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.

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 RAS 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 the relevant meeting Minutes are submitted to the Risk Committee/Board for noting.

In particular, relevant limits have been set within the Company's RAS 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 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.

In addition, in order to limit any investment losses, it is the Company's policy to avoid direct investments in stocks that do not trade in regulated markets, in hybrid assets, derivatives (for purposes other than hedging) and avoid excess exposure to currency risk. The Company aims to maintain at all times a highly diversified portfolio of liquid assets. Also, it is the Company's policy to only invest in regulated collective investment Funds. A preference is made for Undertakings for Collective Investment in Transferable Securities (UCITS) compliant Funds which minimises counterparty, market and liquidity risk.

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 2017, market risk was considered as a material risk for the Company due to the large exposure to market concentration risk that derived from its exposure to its banking counterparties. As part of the ORSA process carried out in 2017, a stress test regarding counterparty default risk was performed, as presented in Chapter C.3 below, which indicated that the Company's solvency position remained within the risk appetite limit, even though there was a drop in the solvency ratio between 10% and 20% during the projected period. During the approval of the ORSA Report 2017 by the Board, it was decided that the Company should further reduce its material exposures to its banking counterparties; something which was achieved by the end of the year.

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 2017, it was concluded that the Company had a material credit risk exposure which derived from the exposure to its banking counterparties. As part of the ORSA process, a number of stress tests were performed with the assumption that counterparty default risk would materialise. The results of the stress tests showed a decrease in the Company's own funds and/or its solvency ratio. It is noted that under these stress tests, the most significant impact on the solvency ratio was observed, since it had a drop within the range of 10% to 45% during the projected period. However, it was evident that the Company would be able to cope with such events and proceed with its strategic and business plans, since it was considered adequately capitalised and its risk appetite in relation to its solvency position would remain at desirable levels and well above the minimum regulatory requirements. Nevertheless, as per the relevant Board decision taken, the Company's material exposures to its banking counterparties were significantly reduced by the end of the year.

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 2017 is equal to €68m.

Liquidity Risk Assessment and ORSA outcome

As per the risk assessment performed in 2017, 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.

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 assistance of the RMF and Operational Risk Officers from GRMD, operational risk exposures are identified and assessed and relevant action plans are drawn up to mitigate identified risks. Frequent follow-up is performed by the RMF 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 RAS 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, a stress test was carried out assuming an operational event would materialise. The impact on the solvency ratio was immaterial as the biggest drop was around 5%, and so, the solvency ratio remained well above the Company's risk appetite limit. Nevertheless, relevant mitigating actions were approved by the Board during the review and approval of the ORSA Report for 2017.

C.6 Other Material Risks

In accordance with the results of the risk assessment exercise carried out during 2017, no other material exposures were identified apart from those mentioned above in relation to market risk, credit risk and operational risk.

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 and tolerance 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 as adopted by the European Union. The Company's financial statements are prepared in accordance with IFRSs 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	Value	Solvency II valuation basis
	31.12.2017 €'000	**31.12.2016 €'000**	
Pension benefit surplus	-	668	Value is based on an external actuarial valuation
Property, plant & equipment held for own use	10.378	10.141	Property: valued based on 2017 external valuation report less accumulated depreciation. Properties are valued at least every 3 years. Plant & Equipment: valued at cost less accumulated depreciation less any impairment
Investments (other than assets held for index-linked and unit-linked contracts)			
Property (other than for own use)	12.055	13.415	Valued based on 2017 external valuation report obtained by independent property valuers.
Bonds	14.041	14.920	Valued at fair value as at the reporting date. The following hierarchy of high level principles for the valuation of assets is used: • Quoted market prices in active markets (92,4% (2016: 93,3%). • Mark-to-model techniques that are benchmarked, extrapolated or otherwise calculated as far as possible from a market input (7,6% (2016: 6,7%).
Collective Investments Undertakings	77.149	64.179	Valued at fair value based on market prices as at the reporting date.
Deposits other than cash equivalents	29.658	38.840	Valued at the same basis as per IFRS financial statements.
Assets held for index-linked and unit-linked contracts	408.371	396.492	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: • Quoted market prices in active markets (93,6% (2016: 93,8%). • Mark-to-model techniques that are benchmarked, extrapolated or otherwise calculated as far as possible from a market input (6,2% (2016: 5,9%). • Maximum use of relevant observable inputs and market inputs and as little reliance as possible on undertaking-specific inputs, minimising the use of unobservable inputs (0,2% (2016: 0,3%).
Loans and mortgages	506	677	Valued at amortised cost.
Reinsurance recoverables	24.687	25.824	Valued at the same basis as per IFRS financial statements.
Insurance and intermediaries receivables	3.386	2.082	Includes premiums due and amounts due from agents. Valued at the same basis as per IFRS financial statements.
Reinsurance receivables	8.171	9.237	Includes the current account with the reinsurer and the reinsurance share on incurred outstanding claims. Valued at the same basis as per IFRS financial statements.
Receivables (trade, not insurance)	1.164	1.055	Valued at the same basis as per IFRS financial statements.
Cash and cash equivalents	17.196	13.281	Valued at the same basis as per IFRS financial statements.
Any other assets	9.113	5.211	Includes tax receivable and the assets held regarding the financial obligation of the Company to the Group Pension Plan for Bank of Cyprus Employees in Greece. Valued at the same basis as per IFRS financial statements.
Total assets	**615.875**	**596.022**	

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

	IFRS Financial Statements	Solvency II Framework
Intangible Assets (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
Reinsurance Recoverable	Measured on the same basis as per IFRS financial statements	Reinsurance share Technical Provisions measured in accordance with 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)
31.12.2017	**€'000**	**€'000**	**€'000**	**€'000**
Health Non SLT	-66	216	-614	764
Health SLT	16.551	4.135	15.388	5.298
Life without profit sharing	15.487	4.483	4.712	15.258
Unit Linked	371.709	16.647	5.201	383.155
Total	**403.681**	**25.481**	**24.687**	**404.475**

Technical provisions	Gross Best Estimates (BE)	Risk Margin (RM)	Reinsurance	Net TPs (BE+RM-RI)
31.12.2016	**€'000**	**€'000**	**€'000**	**€'000**
Health Non SLT	-636	247	-319	-70
Health SLT	15.694	5.988	14.366	7.316
Life with profit sharing	8.180	1.490	-	9.670
Life without profit sharing	8.430	6.335	3.574	11.191
Unit Linked	359.000	11.302	8.203	362.099
Total	**390.668**	**25.362**	**25.824**	**390.206**

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 2017.

Expenses

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

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

The Company performs a regular expense analysis, on relevant and available internal past data, in order to allocate the expenses between initial and renewal and by type of expense. The best estimate expense assumptions are based on the results of this regular analysis together with budgeted expenses and are subject to expert judgment.

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). It is a long-term assumption (short-term fluctuations are ignored) and is based on the both the price inflation (market specific) as well as Company specific expenses. Together with the expense assumption it determines the future expense outflow 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 benefit cover.

Mortality

The mortality assumption should be chosen having regard to relevant available data of the Company. However due to the fact that the Company's mortality experience is too limited to be reliable as a basis, published mortality rates are used upon which a percentage is applied. This percentage has been determined based on relevant and available internal past data and is subject to expert opinion.

Level of uncertainty associated with the value of technical provisions

Uncertainty relates primarily to how future actual experience will differ from the best estimate assumptions used to calculate the technical provisions. The key assumptions are interest rates, lapse rates, and mortality rates. A robust assumption setting process is followed in order to ensure the uncertainty is well understood.

Solvency II and IFRS valuation differences

Whilst some of the approaches and techniques applied under Solvency II are similar to those followed under the IFRS basis, there are other areas where there are major differences (in terms of methodologies and assumptions).

Some of the more important and challenging requirements are listed in the section below and are not listed in order of importance:

- Movement to a cashflow basis for valuation of both gross business and reinsurance.
- Removal of any implicit or explicit margins within best estimates to give a "true best estimate" for solvency purposes.
- Introduction of the principle of a market consistent basis and calculation of a Risk Margin.
- Allowance for negative reserves.
- Introduction of the contract boundary definition (this has an impact on the Company's life plans which consist of a contract boundary).
- Discounting using an EIOPA provided term structure as opposed to discounting using the rate implied by the assets which back the liabilities.

The table below compares the IFRS 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)	IFRS valuation	Difference
31.12.2017	**€'000**	**€'000**	**€'000**
Health Non SLT	764	1.505	-741
Health SLT	5.298	7.197	-1.899
Life without profit sharing	15.258	30.380	-15.122
Unit Linked	383.155	475.826	-92.671
Total	**404.475**	**514.908**	**-110.433**

Technical provisions (Net of Reinsurance)	Solvency II (BE +RM)	IFRS valuation	Difference
31.12.2016	**€'000**	**€'000**	**€'000**
Health Non SLT	-70	1.154	-1.224
Health SLT	7.316	6.906	410
Life with profit sharing	9.669	8.110	1.559
Life without profit sharing	11.191	20.184	-8.993
Unit Linked	362.100	459.360	-97.260
Total	**390.206**	**495.714**	**-105.508**

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 International Financial Reporting Standards as adopted by the European Union. The Company's financial statements are prepared in accordance with IFRSs 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	Value	Solvency II valuation basis
	31.12.2017 €'000	**31.12.2016 €'000**	
Pension benefit obligation	238	-	Value is based on an external actuarial valuation
Deferred tax liabilities	16.521	16.018	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	19.917	17.567	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 financial statements.
Payables (trade, not insurance)	4.354	2.539	Valued at the same basis as per IFRS financial statements.
Any other liabilities, not elsewhere shown	5.838	5.777	Includes the financial obligation of the Company to the Group Pension Plan for Bank of Cyprus Employees in Greece. Valued at the same basis as per IFRS financial statements.
Total liabilities	**46.868**	**41.901**	

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 2016	15.647	112.537	128.184
Movement for the year	-	9.907	9.907
31 December 2016	**15.647**	**122.444**	**138.091**
Movement for the year	-	1.753	1.753
31 December 2017	**15.647**	**124.197**	**139.844**
Total Basic Own Funds – Tier 1	**15.647**	**124.197**	**139.844**

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:

	31.12.2017	31.12.2016
	€'000	**€'000**
Total own funds per Financial Statements	**54.684**	**55.118**
Intangible assets	(11.469)	(9.033)
Change in valuation of Technical Provisions (net)	110.433	105.508
Change in valuation of unallocated surplus	-	(358)
Additional Deferred Tax Liability	(13.804)	(13.144)
Total Tier 1 Capital	**139.844**	**138.091**
Total basic own funds	**139.844**	**138.091**

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 2017 and 2016 are as follows:

	31.12.2017	31.12.2016
	€'000	**€'000**
Total available own funds to meet the SCR	139.844	138.091
Solvency Capital Requirement (SCR)	63.752	57.862
Solvency Ratio	**219%**	**239%**
Total available own funds to meet the MCR	139.844	138.091
Minimum Capital Requirement (MCR)	15.938	14.466
Ratio of Eligible own funds to MCR	**877%**	**955%**

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

A further analysis of the Company's SCR for the year 2017 and 2016 to its different constituents is shown below:

Solvency Capital Requirement (SCR)	31.12.2017	31.12.2016
	€'000	**€'000**
Market Risk	40.470	39.407
Counterparty Risk	13.315	4.352
Life Underwriting Risk	34.681	33.406
Health Risk	9.601	9.829
Diversification Basic Solvency Capital Requirement (BSCR)	(29.242)	(23.905)
BSCR	68.825	63.089
Operational Risk	4.035	3.039
Loss Absorbing Capacity for Deferred Tax	(9.108)	(8.266)
SCR Total	**63.752**	**57.862**

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 2017 and 2016. Note the Absolute Floor of the Minimum Capital Requirement (AMCR) is prescribed by EIOPA and stated in Euros below:

Minimum Capital Requirement (MCR)	31.12.2017	31.12.2016
	€'000	**€'000**
AMCR	6.200	6.200
Linear MCR	13.836	9.887
SCR	63.752	57.862
Combined MCR	15.938	14.466
MCR	**15.938**	**14.466**

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 2017 and 2016.

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 2017

Section G
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Goodwill	**R0010**	
Deferred acquisition costs	**R0020**	
Intangible assets	**R0030**	.
Deferred tax assets	**R0040**	0,00
Pension benefit surplus	**R0050**	.
Property, plant & equipment held for own use	**R0060**	10.378.459,93
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	132.902.926,30
Property (other than for own use)	**R0080**	12.054.999,92
Holdings in related undertakings, including participations	**R0090**	.
Equities	**R0100**	.
Equities - listed	**R0110**	.
Equities - unlisted	**R0120**	.
Bonds	**R0130**	14.040.563,41
Government Bonds	**R0140**	6.134.507,69
Corporate Bonds	**R0150**	7.906.055,72
Structured notes	**R0160**	.
Collateralised securities	**R0170**	.
Collective Investments Undertakings	**R0180**	77.149.105,03
Derivatives	**R0190**	.
Deposits other than cash equivalents	**R0200**	29.658.257,94
Other investments	**R0210**	.
Assets held for index-linked and unit-linked contracts	**R0220**	408.370.912,24
Loans and mortgages	**R0230**	505.882,46
Loans on policies	**R0240**	457.140,95
Loans and mortgages to individuals	**R0250**	48.741,51
Other loans and mortgages	**R0260**	.
Reinsurance recoverables from:	**R0270**	24.686.741,14
Non-life and health similar to non-life	**R0280**	-614.278,59
Non-life excluding health	**R0290**	.
Health similar to non-life	**R0300**	-614.278,59
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	20.100.425,19
Health similar to life	**R0320**	15.388.175,90
Life excluding health and index-linked and unit-linked	**R0330**	4.712.249,28
Life index-linked and unit-linked	**R0340**	5.200.594,54
Deposits to cedants	**R0350**	.
Insurance and intermediaries receivables	**R0360**	3.385.751,60
Reinsurance receivables	**R0370**	8.171.191,91
Receivables (trade, not insurance)	**R0380**	1.164.379,17
Own shares (held directly)	**R0390**	.
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	.
Cash and cash equivalents	**R0410**	17.196.389,44
Any other assets, not elsewhere shown	**R0420**	9.111.989,07
Total assets	**R0500**	**615.874.623,25**

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	149.743,55
Technical provisions – non-life (excluding health)	**R0520**	.
Technical provisions calculated as a whole	**R0530**	.
Best Estimate	**R0540**	.
Risk margin	**R0550**	.
Technical provisions - health (similar to non-life)	**R0560**	149.743,55
Technical provisions calculated as a whole	**R0570**	0,00
Best Estimate	**R0580**	-66.650,34
Risk margin	**R0590**	216.393,88
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	40.656.510,29
Technical provisions - health (similar to life)	**R0610**	20.686.565,12
Technical provisions calculated as a whole	**R0620**	0,00
Best Estimate	**R0630**	16.551.300,64
Risk margin	**R0640**	4.135.264,48
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	19.969.945,17
Technical provisions calculated as a whole	**R0660**	0,00
Best Estimate	**R0670**	15.486.643,79
Risk margin	**R0680**	4.483.301,39
Technical provisions – index-linked and unit-linked	**R0690**	388.356.685,16
Technical provisions calculated as a whole	**R0700**	0,00
Best Estimate	**R0710**	371.708.886,99
Risk margin	**R0720**	16.647.798,16
Other technical provisions	**R0730**	
Contingent liabilities	**R0740**	.
Provisions other than technical provisions	**R0750**	.
Pension benefit obligations	**R0760**	238.406,00
Deposits from reinsurers	**R0770**	.
Deferred tax liabilities	**R0780**	16.520.902,28
Derivatives	**R0790**	.
Debts owed to credit institutions	**R0800**	.
Financial liabilities other than debts owed to credit institutions	**R0810**	.
Insurance & intermediaries payables	**R0820**	19.917.093,37
Reinsurance payables	**R0830**	0,00
Payables (trade, not insurance)	**R0840**	4.354.127,50
Subordinated liabilities	**R0850**	.
Subordinated liabilities not in Basic Own Funds	**R0860**	.
Subordinated liabilities in Basic Own Funds	**R0870**	.
Any other liabilities, not elsewhere shown	**R0880**	5.837.563,34
Total liabilities	**R0900**	476.031.031,48
Excess of assets over liabilities	**R1000**	**139.843.591,77**

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
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	19.673.025,10	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00					19.673.025,10
Gross - Proportional reinsurance accepted	**R0120**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00					0,00
Gross - Non-proportional reinsurance accepted	**R0130**													0,00	0,00	0,00	0,00	0,00
Reinsurers' share	**R0140**	9.540.426,91	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	9.540.426,91
Net	**R0200**	10.132.598,19	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	10.132.598,19
Premiums earned																		
Gross - Direct Business	**R0210**	19.522.189,36	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00					19.522.189,36
Gross - Proportional reinsurance accepted	**R0220**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00					0,00
Gross - Non-proportional reinsurance accepted	**R0230**													0,00	0,00	0,00	0,00	0,00
Reinsurers' share	**R0240**	9.439.903,85	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	9.439.903,85
Net	**R0300**	10.082.285,52	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	10.082.285,52
Claims incurred																		
Gross - Direct Business	**R0310**	15.166.399,33	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00					15.166.399,33
Gross - Proportional reinsurance accepted	**R0320**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00					0,00
Gross - Non-proportional reinsurance accepted	**R0330**													0,00	0,00	0,00	0,00	0,00
Reinsurers' share	**R0340**	7.674.963,72	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	7.674.963,72
Net	**R0400**	7.491.435,61	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	7.491.435,61
Changes in other technical provisions																		
Gross - Direct Business	**R0410**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00					0,00
Gross - Proportional reinsurance accepted	**R0420**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00					0,00
Gross - Non- proportional reinsurance accepted	**R0430**													0,00	0,00	0,00	0,00	0,00
Reinsurers' share	**R0440**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net	**R0500**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Expenses incurred	**R0550**	5.608.315,33	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	5.608.315,33
Other expenses	**R1200**																	0,00
Total expenses	**R1300**																	5.608.315,33

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**	6.242.975,17	0,00	66.464.418,18	15.348.471,88	0,00	0,00	0,00	0,00	88.055.865,23
Reinsurers' share	**R1420**	3.829.702,45	0,00	4.477.048,79	6.425.867,89	0,00	0,00	0,00	0,00	14.732.619,13
Net	**R1500**	2.413.272,72	0,00	61.987.369,39	8.922.603,99	0,00	0,00	0,00	0,00	73.323.246,10
Premiums earned										
Gross	**R1510**	6.242.975,17	0,00	66.464.418,18	15.348.471,88	0,00	0,00	0,00	0,00	88.055.865,23
Reinsurers' share	**R1520**	3.829.702,45	0,00	4.477.048,79	6.425.867,89	0,00	0,00	0,00	0,00	14.732.619,13
Net	**R1600**	2.413.272,72	0,00	61.987.369,39	8.922.603,99	0,00	0,00	0,00	0,00	73.323.246,10
Claims incurred										
Gross	**R1610**	714.399,02	0,00	45.278.106,65	4.572.544,07	0,00	0,00	0,00	0,00	50.565.049,74
Reinsurers' share	**R1620**	564.627,24	0,00	1.697.774,01	1.835.700,43	0,00	0,00	0,00	0,00	4.098.101,68
Net	**R1700**	149.771,78	0,00	43.580.332,64	2.736.843,64	0,00	0,00	0,00	0,00	46.466.948,06
Changes in other technical provisions										
Gross	**R1710**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Reinsurers' share	**R1720**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Net	**R1800**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Expenses incurred	**R1900**	1.827.071,85	0,00	14.292.579,92	3.421.896,56	0,00	0,00	0,00	0,00	19.541.548,33
Other expenses	**R2500**									0,00
Total expenses	**R2600**									19.541.548,33

Section G
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Country (by amount of gross premiums written) - non-life obligations					Total for top 5 countries and home country (by amount of gross premiums written) - non-life obligations
		C0010	C0020	C0020	C0020	C0020	C0020	C0070
	R0010		-	-	-	-	-	
		C0080	C0090	C0090	C0090	C0090	C0090	C0140
Premiums written								
Gross - Direct Business	R0110	19.673.025,10						19.673.025,10
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	9.540.426,91						9.540.426,91
Net	R0200	10.132.598,19						10.132.598,19
Premiums earned								
Gross - Direct Business	R0210	19.522.189,36						19.522.189,36
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	9.439.903,85						9.439.903,85
Net	R0300	10.082.285,52						10.082.285,52
Claims incurred								
Gross - Direct Business	R0310	15.166.399,33						15.166.399,33
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	7.674.963,72						7.674.963,72
Net	R0400	7.491.435,61						7.491.435,61
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers'share	R0440							
Net	R0500	0,00						0,00
Expenses incurred	R0550	5.608.315,33						5.608.315,33
Other expenses	R1200							
Total expenses	R1300							5.608.315,33

		Home Country	Country (by amount of gross premiums written) - life obligations					Total for top 5 countries and
		C0150	C0160	C0160	C0160	C0160	C0160	C0210
	R1400		GR	-	-	-	-	
		C0220	C0230	C0230	C0230	C0230	C0230	C0280
Premiums written								
Gross	R1410	86.762.761,86	1.293.103,37					88.055.865,23
Reinsurers' share	R1420	14.479.404,62	253.214,51					14.732.619,13
Net	R1500	72.283.357,24	1.039.888,86					73.323.246,10
Premiums earned								
Gross	R1510	86.762.761,86	1.293.103,37					88.055.865,23
Reinsurers' share	R1520	14.479.404,62	253.214,51					14.732.619,13
Net	R1600	72.283.357,24	1.039.888,86					73.323.246,10
Claims incurred								
Gross	R1610	49.565.541,69	999.508,05					50.565.049,74
Reinsurers' share	R1620	3.389.227,96	708.873,72					4.098.101,68
Net	R1700	46.176.313,73	290.634,33					46.466.948,06
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800	0,00	0,00					0,00
Expenses incurred	R1900	19.168.095,13	373.453,20					19.541.548,33
Other expenses	R2500							
Total expenses	R2600							19.541.548,33

Section G
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health	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	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
				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**
Technical provisions calculated as a whole	**R0010**	0,00	0,00			0,00			.	.	0,00	0,00			.	.	0,00
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0020**	.	0,00			0,00			.	.	0,00	0,00			.	.	0,00
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**	0,00		0,00	371.708.886,99		0,00	15.486.643,79	.	.	387.195.530,78		0,00	16.551.300,64	.	.	16.551.300,64
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**	.		.	5.200.594,54		.	4.712.249,28	.	.	9.912.843,82		.	15.388.175,90	.	.	15.388.175,90
Best estimate minus recoverables from reinsurance/SPV and Finite Re	**R0090**	0,00		0,00	366.508.292,45		0,00	10.774.394,50	.	.	377.282.686,96		0,00	1.163.124,73	.	.	1.163.124,73
Risk Margin	**R0100**	0,00	16.647.798,16			4.483.301,39			.	.	21.131.099,55	4.135.264,48			.	.	4.135.264,48
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	**R0110**																
Best estimate	**R0120**																
Risk margin	**R0130**																
Technical provisions - total	**R0200**	0,00	388.356.685,16			19.969.945,17			.	.	408.326.630,33	20.686.565,12			.	.	20.686.565,12

Section G
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				Total Non-Life obligation
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross - Total	**R0060**	-866.922,32	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	-866.922,32
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-819.333,50	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	-819.333,50
Net Best Estimate of Premium Provisions	**R0150**	-47.588,81	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	-47.588,81
Claims provisions																		
Gross - Total	**R0160**	800.271,98	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	800.271,98
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	205.054,91	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	205.054,91
Net Best Estimate of Claims Provisions	**R0250**	595.217,07	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	595.217,07
Total Best estimate - gross	**R0260**	-66.650,34	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	-66.650,34
Total Best estimate - net	**R0270**	547.628,25	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	547.628,25
Risk margin	**R0280**	216.393,88	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	216.393,88
Amount of the transitional on Technical Provisions																		
TP as a whole	**R0290**	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Best estimate	**R0300**	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Risk margin	**R0310**	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.
Technical provisions - total																		
Technical provisions - total	**R0320**	149.743,55	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	149.743,55
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	-614.278,59	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	-614.278,59
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	**R0340**	764.022,14	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.	764.022,14
Line of Business: further segmentation (Homogeneous Risk Groups - HRG)																		

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)

Development year

Year		**0**	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15 & +**		**In Current year**	**Sum of years (cumulative)**
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**		**C0170**	**C0180**
Prior	**R0100**																.	**R0100**	.	.
N-14	**R0110**	.	.	.	.	.	.	.	.	.	.	.	.	.	.	.		**R0110**	.	.
N-13	**R0120**	.	.	.	.	.	.	.	.	.	.	.	.	.	.			**R0120**	.	.
N-12	**R0130**	.	.	.	.	.	.	.	.	.	.	.	.	.				**R0130**	.	.
N-11	**R0140**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	226.996,62	0,00					**R0140**	0,00	226.996,62
N-10	**R0150**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	244.061,85	1.387.573,38						**R0150**	1.387.573,38	1.631.635,23
N-9	**R0160**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	718.392,23	3.235.776,15							**R0160**	3.235.776,15	3.954.168,38
N-8	**R0170**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1.519.327,40	3.756.135,77								**R0170**	3.756.135,77	5.275.463,17
N-7	**R0180**	0,00	0,00	0,00	0,00	0,00	0,00	1.307.498,98	4.418.410,60									**R0180**	4.418.410,60	5.725.909,58
N-6	**R0190**	0,00	0,00	0,00	0,00	0,00	1.765.898,66	5.283.120,02										**R0190**	5.283.120,02	7.049.018,68
N-5	**R0200**	0,00	0,00	0,00	0,00	2.024.990,13	5.935.045,34											**R0200**	5.935.045,34	7.960.035,47
N-4	**R0210**	0,00	0,00	0,00	1.906.425,09	5.165.849,09												**R0210**	5.165.849,09	7.072.274,18
N-3	**R0220**	0,00	0,00	1.676.172,69	5.631.604,91													**R0220**	5.631.604,91	7.307.777,60
N-2	**R0230**	0,00	3.282.865,11	6.648.711,91														**R0230**	6.648.711,91	9.931.577,02
N-1	**R0240**	1.087.130,93	7.430.790,80															**R0240**	7.430.790,80	8.517.921,73
N	**R0250**	12.263.600,33																**R0250**	12.263.600,33	12.263.600,33
																	Total	**R0260**	61.156.618,30	76.916.377,99

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

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	.															

		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
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	15.646.500,00	15.646.500,00		.	
Share premium account related to ordinary share capital	R0030	.	.		.	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	.	.		.	
Subordinated mutual member accounts	R0050	.		.	.	.
Surplus funds	R0070	0,00	0,00			
Preference shares	R0090	.		.	.	.
Share premium account related to preference shares	R0110	.		.	.	.
Reconciliation reserve	R0130	124.197.091,77	124.197.091,77			
Subordinated liabilities	R0140	.		.	.	.
An amount equal to the value of net deferred tax assets	R0160	0,00				0,00
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	.	.	.	.	.
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230	.	.	.	.	.
Total basic own funds after deductions	R0290	139.843.591,77	139.843.591,77	.	.	0,00
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	.			.	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	.			.	
Unpaid and uncalled preference shares callable on demand	R0320	.			.	.
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	.			.	.
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	.			.	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	.			.	.
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	.			.	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	.			.	.
Other ancillary own funds	R0390	.			.	.

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Total ancillary own funds	R0400	.			.	.
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	139.843.591,77	139.843.591,77	.	.	0,00
Total available own funds to meet the MCR	R0510	139.843.591,77	139.843.591,77	.	.	
Total eligible own funds to meet the SCR	R0540	139.843.591,77	139.843.591,77	0,00	0,00	0,00
Total eligible own funds to meet the MCR	R0550	139.843.591,77	139.843.591,77	0,00	0,00	
SCR	R0580	63.752.111,18				
MCR	R0600	15.938.027,79				
Ratio of Eligible own funds to SCR	R0620	219%				
Ratio of Eligible own funds to MCR	R0640	877%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	139.843.591,77	
Own shares (held directly and indirectly)	R0710	.	
Foreseeable dividends, distributions and charges	R0720	.	
Other basic own fund items	R0730	15.646.500,00	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0,00	
Reconciliation reserve	R0760	124.197.091,77	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	68.015.836,00	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780		
Total Expected profits included in future premiums (EPIFP)	R0790	68.015.836,00	

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

Article 112	**Z0010**	No

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0100**
Market risk	**R0010**	40.470.194,47		
Counterparty default risk	**R0020**	13.314.599,33		
Life underwriting risk	**R0030**	34.681.296,26		
Health underwriting risk	**R0040**	9.600.612,83		
Non-life underwriting risk	**R0050**	.		
Diversification	**R0060**	-29.242.077,88		
Intangible asset risk	**R0070**	0,00		
Basic Solvency Capital Requirement	**R0100**	68.824.625,02		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	4.034.930,16
Loss-absorbing capacity of technical provisions	**R0140**	0,00
Loss-absorbing capacity of deferred taxes	**R0150**	-9.107.444,00
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	.
Solvency Capital Requirement excluding capital add-on	**R0200**	63.752.111,18
Capital add-on already set	**R0210**	.
Solvency capital requirement	**R0220**	63.752.111,18
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 Requirement 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

Section G

S.28.01.01

Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	

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

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	

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

Overall MCR calculation		C0070
Linear MCR	R0300	
SCR	R0310	
MCR cap	R0320	
MCR floor	R0330	
Combined MCR	R0340	
Absolute floor of the MCR	R0350	
Minimum Capital Requirement	R0400	

Section G

S.28.02.01

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

		Non-life activities $MCR_{(NL,NL)}$ Result	Life activities $MCR_{(NL,L)}$ Result
		C0010	**C0020**
Linear formula component for non-life insurance and reinsurance obligations	**R0010**	942.447,66	0,00

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance) written premiums in the last 12 months
		C0030	**C0040**	**C0050**	**C0060**
Medical expenses and proportional reinsurance	**R0020**	547.628,25	19.504.449,59	.	.
Income protection insurance and proportional reinsurance	**R0030**	0,00	0,00	.	.
Workers' compensation insurance and proportional reinsurance	**R0040**	.	.	.	.
Motor vehicle liability insurance and proportional reinsurance	**R0050**	.	.	.	.
Other motor insurance and proportional reinsurance	**R0060**	.	.	.	.
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	.	.	.	.
Fire and other damage to property insurance and proportional reinsurance	**R0080**	.	.	.	.
General liability insurance and proportional reinsurance	**R0090**	.	.	.	.
Credit and suretyship insurance and proportional reinsurance	**R0100**	.	.	.	.
Legal expenses insurance and proportional reinsurance	**R0110**	.	.	.	.
Assistance and proportional reinsurance	**R0120**	.	.	.	.
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	.	.	.	.
Non-proportional health reinsurance	**R0140**	.	.	.	.
Non-proportional casualty reinsurance	**R0150**	.	.	.	.
Non-proportional marine, aviation and transport reinsurance	**R0160**	.	.	.	.
Non-proportional property reinsurance	**R0170**	.	.	.	.

		Non-life activities $MCR_{(L,NL)}$ Result	Life activities $MCR_{(L,L)}$ Result
		C0070	**C0080**
Linear formula component for life insurance and reinsurance obligations	**R0200**	0,00	12.893.708,00

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole provisions	Net (of reinsurance/SPV) total capital at risk
		C0090	**C0100**	**C0110**	**C0120**
Obligations with profit participation - guaranteed benefits	**R0210**	.		0,00	
Obligations with profit participation - future discretionary benefits	**R0220**	.		0,00	
Index-linked and unit-linked obligations	**R0230**	.		366.508.292,45	
Other life (re)insurance and health (re)insurance obligations	**R0240**	.		11.937.519,24	
Total capital at risk for all life (re)insurance obligations	**R0250**		.		14.396.374.349,03

Overall MCR calculation		**C0130**
Linear MCR	**R0300**	13.836.155,65
SCR	**R0310**	63.752.189,18
MCR cap	**R0320**	28.688.485,13
MCR floor	**R0330**	15.938.047,29
Combined MCR	**R0340**	15.938.047,29
Absolute floor of the MCR	**R0350**	6.200.000,00
MCR	**R0400**	15.938.047,29

		Non-life activities	Life activities
Notional non-life and life MCR calculation		**C0140**	**C0150**
Notional linear MCR	**R0500**	942.447,66	12.893.708,00
Notional SCR excluding ~~with~~ add-on (annual or latest calculation)	**R0510**	4.342.470,76	59.409.718,42
Notional MCR cap	**R0520**	1.954.111,84	26.734.373,29
Notional MCR floor	**R0530**	1.085.617,69	14.852.429,60
Notional Combined MCR	**R0540**	1.085.617,69	14.852.429,60
Absolute floor of the notional MCR	**R0550**	2.500.000,00	3.700.000,00
Notional MCR	**R0560**	2.500.000,00	14.852.429,60

Templates 2016

Section G
S.02.01.02
Balance sheet

Assets		**Solvency II value**
		C0010
Intangible assets	**R0030**	
Deferred tax assets	**R0040**	
Pension benefit surplus	**R0050**	668.068
Property, plant & equipment held for own use	**R0060**	10.140.513
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	131.354.229
Property (other than for own use)	**R0080**	13.415.000
Holdings in related undertakings, including participations	**R0090**	
Equities	**R0100**	
Equities - listed	**R0110**	
Equities - unlisted	**R0120**	
Bonds	**R0130**	14.920.355
Government Bonds	**R0140**	6.898.200
Corporate Bonds	**R0150**	8.022.155
Structured notes	**R0160**	
Collateralised securities	**R0170**	
Collective Investments Undertakings	**R0180**	64.179.166
Derivatives	**R0190**	
Deposits other than cash equivalents	**R0200**	38.839.708
Other investments	**R0210**	
Assets held for index-linked and unit-linked contracts	**R0220**	396.491.874
Loans and mortgages	**R0230**	677.037
Loans on policies	**R0240**	527.648
Loans and mortgages to individuals	**R0250**	149.390
Other loans and mortgages	**R0260**	
Reinsurance recoverables from:	**R0270**	25.824.237
Non-life and health similar to non-life	**R0280**	-317.817
Non-life excluding health	**R0290**	
Health similar to non-life	**R0300**	-317.817
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	17.939.463
Health similar to life	**R0320**	14.365.917
Life excluding health and index-linked and unit-linked	**R0330**	3.573.546
Life index-linked and unit-linked	**R0340**	8.202.590
Deposits to cedants	**R0350**	
Insurance and intermediaries receivables	**R0360**	2.081.791
Reinsurance receivables	**R0370**	9.237.512
Receivables (trade, not insurance)	**R0380**	1.055.240
Own shares (held directly)	**R0390**	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	
Cash and cash equivalents	**R0410**	13.281.263
Any other assets, not elsewhere shown	**R0420**	5.210.612
Total assets	**R0500**	596.022.377

Liabilities		**Solvency II value**
		C0010
Technical provisions – non-life	**R0510**	-388.413
Technical provisions – non-life (excluding health)	**R0520**	
Technical provisions calculated as a whole	**R0530**	
Best Estimate	**R0540**	
Risk margin	**R0550**	
Technical provisions - health (similar to non-life)	**R0560**	-388.413
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	-635.634
Risk margin	**R0590**	247.221
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	46.116.714
Technical provisions - health (similar to life)	**R0610**	21.682.187
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	15.694.184
Risk margin	**R0640**	5.988.003
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	24.434.527
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	16.609.511
Risk margin	**R0680**	7.825.016
Technical provisions – index-linked and unit-linked	**R0690**	370.302.243
Technical provisions calculated as a whole	**R0700**	
Best Estimate	**R0710**	359.000.270
Risk margin	**R0720**	11.301.974
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	16.017.507
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	2.553.329
Reinsurance payables	**R0830**	15.013.819
Payables (trade, not insurance)	**R0840**	2.539.112
Subordinated liabilities	**R0850**	
Subordinated liabilities not in Basic Own Funds	**R0860**	
Subordinated liabilities in Basic Own Funds	**R0870**	
Any other liabilities, not elsewhere shown	**R0880**	5.777.012
Total liabilities	**R0900**	457.931.324
Excess of assets over liabilities	**R1000**	138.091.053

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
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	15.426.223																15.426.223
Gross - Proportional reinsurance accepted	**R0120**																	
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**	7.402.281																7.402.281
Net	**R0200**	8.023.942																8.023.942
Premiums earned																		
Gross - Direct Business	**R0210**	15.087.521																15.087.521
Gross - Proportional reinsurance accepted	**R0220**																	
Gross - Non-proportional reinsurance accepted	**R0230**																	
Reinsurers' share	**R0240**	7.203.815																7.203.815
Net	**R0300**	7.883.706																7.883.706
Claims incurred																		
Gross - Direct Business	**R0310**	11.345.264																11.345.264
Gross - Proportional reinsurance accepted	**R0320**																	
Gross - Non-proportional reinsurance accepted	**R0330**																	
Reinsurers' share	**R0340**	5.436.396																5.436.396
Net	**R0400**	5.908.868																5.908.868
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers' share	**R0440**																	
Net	**R0500**																	
Expenses incurred	**R0550**	2.871.121																2.871.121
Other expenses	**R1200**																	
Total expenses	**R1300**																	2.871.121

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**	6.235.746	80.623	62.849.209	15.011.314					84.176.891
Reinsurers' share	**R1420**	3.903.459	-	4.472.602	6.178.010					14.554.071
Net	**R1500**	2.332.287	80.623	58.376.607	8.833.304					69.622.821
Premiums earned										
Gross	**R1510**	6.235.746	80.623	62.849.209	15.011.314					84.176.891
Reinsurers' share	**R1520**	3.903.459	-	4.472.602	6.178.010					14.554.071
Net	**R1600**	2.332.287	80.623	58.376.607	8.833.304					69.622.821
Claims incurred										
Gross	**R1610**	245.551	-	48.386.763	3.517.486					52.149.800
Reinsurers' share	**R1620**	132.672	-	2.911.794	1.566.433					4.610.899
Net	**R1700**	112.879	-	45.474.968	1.951.054					47.538.901
Changes in other technical provisions										
Gross	**R1710**									
Reinsurers' share	**R1720**									
Net	**R1800**									
Expenses incurred	**R1900**	937.915		9.453.114	2.269.970					12.660.999
Other expenses	**R2500**									
Total expenses	**R2600**									12.660.999

Section G
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010							
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	15.426.223						15.426.223
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	7.402.281						7.402.281
Net	R0200	8.023.942						8.023.942
Premiums earned								
Gross - Direct Business	R0210	15.087.521						15.087.521
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	7.203.815						7.203.815
Net	R0300	7.883.706						7.883.706
Claims incurred								
Gross - Direct Business	R0310	11.345.264						11.345.264
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	5.436.396						5.436.396
Net	R0400	5.908.868						5.908.868
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	2.871.121						2.871.121
Other expenses	R1200							
Total expenses	R1300							2.871.121

		Home Country	Top 5 countries (by amount of gross premiums written) - life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400		GREECE					
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	82.677.302	1.499.590					84.176.891
Reinsurers' share	R1420	14.257.557	296.514					14.554.071
Net	R1500	68.419.745	1.203.075					69.622.821
Premiums earned								
Gross	R1510	82.677.302	1.499.590					84.176.891
Reinsurers' share	R1520	14.257.557	296.514					14.554.071
Net	R1600	68.419.745	1.203.075					69.622.821
Claims incurred								
Gross	R1610	52.049.870	99.930					52.149.800
Reinsurers' share	R1620	4.586.954	23.945					4.610.899
Net	R1700	47.462.916	75.985					47.538.901
Changes in other technical provisions								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900	12.257.896	403.103					12.660.999
Other expenses	R2500							
Total expenses	R2600							12.660.999

Section G
S.12.01.02
Life and Health SLT Technical Provisions

			Index-linked and unit-linked insurance		Other life insurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0150**	**C0160**	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
Technical provisions calculated as a whole	**R0010**																
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0020**																
Technical provisions calculated as a sum of BE and RM																	
Best Estimate																	
Gross Best Estimate	**R0030**	8.179.908															
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0080**			8.202.590			3.573.546				11.776.136		14.365.917				14.365.917
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	**R0090**	8.179.908		350.797.679			4.856.057				355.653.736		1.328.266				1.328.266
Risk Margin	**R0100**	1.489.714	11.301.974			6.335.302					19.126.990	5.988.003					5.988.003
Amount of the transitional on Technical Provisions																	
Technical Provisions calculated as a whole	**R0110**																
Best estimate	**R0120**																
Risk margin	**R0130**					-											
Technical provisions - total	**R0200**	9.669.622	370.302.243			14.764.905					394.736.771	21.682.187					21.682.187

Section G
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**																	
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**																	
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**	-1.280.325																-1.280.325
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-640.163																-640.163
Net Best Estimate of Premium Provisions	**R0150**	-640.163																-640.163
Claims provisions																		
Gross	**R0160**	644.691																644.691
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	322.346																322.346
Net Best Estimate of Claims Provisions	**R0250**	322.346																322.346
Total Best estimate - gross	**R0260**	-635.634																-635.634
Total Best estimate - net	**R0270**	-317.817																-317.817
Risk margin	**R0280**	247.221																247.221
Amount of the transitional on Technical Provisions																		
Technical Provisions calculated as a whole	**R0290**																	
Best estimate	**R0300**																	
Risk margin	**R0310**																	
Technical provisions - total																		
Technical provisions - total	**R0320**	-388.413																-388.413
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	-317.817																-317.817
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	-70.596																-70.596

Section G
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	Z0010	Accident year

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											
N-9	R0160									244.062	1.387.573	
N-8	R0170								718.392	3.235.776		
N-7	R0180							1.519.327	3.756.136			
N-6	R0190						1.307.499	4.418.411				
N-5	R0200					1.765.899	5.283.120					
N-4	R0210				2.024.990	5.935.045						
N-3	R0220			1.906.425	5.165.849							
N-2	R0230		1.676.173	5.631.605								
N-1	R0240	3.282.865	6.648.712									
N	R0250	7.430.791										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0160	1.387.573	1.631.635
	R0170	3.235.776	3.954.168
	R0180	3.756.136	5.275.463
	R0190	4.418.411	5.725.910
	R0200	5.283.120	7.049.019
	R0210	5.935.045	7.960.035
	R0220	5.165.849	7.072.274
	R0230	5.631.605	7.307.778
	R0240	6.648.712	9.931.577
	R0250	7.430.791	7.430.791
Total	R0260	48.893.018	63.338.650

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											
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											

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

Section G
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	15.646.500	15.646.500			
Share premium account related to ordinary share capital	**R0030**					
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	122.444.553	122.444.553			
Subordinated liabilities	**R0140**					
An amount equal to the value of net deferred tax assets	**R0160**					
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	138.091.053	138.091.053			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	138.091.053	138.091.053			
Total available own funds to meet the MCR	**R0510**	138.091.053	138.091.053			
Total eligible own funds to meet the SCR	**R0540**	138.091.053	138.091.053			
Total eligible own funds to meet the MCR	**R0550**	138.091.053	138.091.053			
SCR	**R0580**	57.862.724				
MCR	**R0600**	14.465.681				
Ratio of Eligible own funds to SCR	**R0620**	238,65%				
Ratio of Eligible own funds to MCR	**R0640**	954,61%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	138.091.053	
Own shares (held directly and indirectly)	**R0710**		
Foreseeable dividends, distributions and charges	**R0720**		
Other basic own fund items	**R0730**	15.646.500	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**		
Reconciliation reserve	**R0760**	122.444.553	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**	58.746.976	
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**	-	
Total Expected profits included in future premiums (EPIFP)	**R0790**	58.746.976	

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	39.407.159		
Counterparty default risk	R0020	4.351.988		
Life underwriting risk	R0030	33.406.170		
Health underwriting risk	R0040	9.828.854		
Non-life underwriting risk	R0050			
Diversification	R0060	-23.904.327		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	63.089.844		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	3.038.984
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-8.266.103
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	57.862.724
Capital add-on already set	R0210	
Solvency capital requirement	R0220	57.862.724
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Section G

S.28.02.01

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

		Non-life activities $MCR_{(NL,NL)}$ Result	Life activities $MCR_{(NL,L)}$ Result
		C0010	**C0020**
Linear formula component for non-life insurance and reinsurance obligations	**R0010**		373.441

		Non-life activities		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	**C0040**	**C0050**	**C0060**
Medical expense insurance and proportional reinsurance	**R0020**				7.945.562
Income protection insurance and proportional reinsurance	**R0030**				
Workers' compensation insurance and proportional reinsurance	**R0040**				
Motor vehicle liability insurance and proportional reinsurance	**R0050**				
Other motor insurance and proportional reinsurance	**R0060**				
Marine, aviation and transport insurance and proportional reinsurance	**R0070**				
Fire and other damage to property insurance and proportional reinsurance	**R0080**				
General liability insurance and proportional reinsurance	**R0090**				
Credit and suretyship insurance and proportional reinsurance	**R0100**				
Legal expenses insurance and proportional reinsurance	**R0110**				
Assistance and proportional reinsurance	**R0120**				
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**				
Non-proportional health reinsurance	**R0140**				
Non-proportional casualty reinsurance	**R0150**				
Non-proportional marine, aviation and transport reinsurance	**R0160**				
Non-proportional property reinsurance	**R0170**				

		Non-life activities	Life activities
		MCR$_{(L,NL)}$ Result	MCR$_{(L,L)}$ Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200		7.402.482

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210				
Obligations with profit participation - future discretionary benefits	R0220			8.179.908	
Index-linked and unit-linked insurance obligations	R0230			359.000.270	
Other life (re)insurance and health (re)insurance obligations	R0240			18.522.511	
Total capital at risk for all life (re)insurance obligations	R0250				7.036.946.474

Overall MCR calculation

		C0130
Linear MCR	R0300	7.775.923
SCR	R0310	57.862.724
MCR cap	R0320	14.465.681
MCR floor	R0330	26.038.226
Combined MCR	R0340	14.465.681
Absolute floor of the MCR	R0350	6.200.000
		C0130
Minimum Capital Requirement	R0400	14.465.681

Notional non-life and life MCR calculation		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	373.441	7.402.482
Notional SCR excluding add-on (annual or latest calculation)	R0510	2.778.878	55.083.847
Notional MCR cap	R0520	1.250.495	24.787.731
Notional MCR floor	R0530	694.719	13.770.962
Notional Combined MCR	R0540	694.719	13.770.962
Absolute floor of the notional MCR	R0550	2.500.000	3.700.000
Notional MCR	R0560	2.500.000	13.770.962

H. Independent Auditors Report

Building a better
working world

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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

Opinion

We have audited the following Solvency II Quantitative Reporting Templates ("QRTs") contained in Annex I to Commission Implementing Regulation (EU) No 2015/2452 of 2 December 2015, of Eurolife Limited (the "Company"), prepared as at 31 December 2017:

- 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.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
- 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 2017 is prepared, in all material respects, in accordance with the Insurance and Reinsurance Services and other Related Issues Law of 2016, the Commission Delegated Regulation (EU) 2015/35, the Commission Delegated Regulation (EU) 2016/467, the relevant EU Commission's Implementing Regulations and the relevant Orders of the Superintendent of Insurance (collectively "the Framework").

Emphasis of matter

We draw attention to the approach adopted by the Company when completing the Forms:

▸ On Form S.02.01.02, the Company included an amount of €5.967.799, which relates to the Company's Greek branch's pension scheme assets, on line R0420, rather than including each asset of this scheme individually on other relevant balance sheet line.

Our conclusion is not qualified in respect of this matters.

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' Code of Ethics for Professional Accountants (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.

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 2015/2452 of 2 December 2015):

- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- 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.

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.

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 judgment and maintain professional skepticism 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.

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.

Savvas Pentaris
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia

3 May 2018