CNP ASFALISTIKI LTD
SOLVENCY AND FINANCIAL CONDITION REPORT
31 December 2016

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APPENDICES

About this Report

CNP Asfalistiki Ltd is committed to maintaining public transparency with regard to its business, financial performance and risks. In this document, *Solvency and Financial Condition Report (SFCR),* we provide additional detailed information on our solvency and financial condition.

This Report is based upon the financial position of CNP Asfalistiki Ltd (CNP Asfalistiki, Company) as at 31 December 2016 and it contains both quantitative and qualitative information in accordance with the Orders of the Superintendent of Insurance in relation to submission of information dated February 2017 / Article 304 (1) of the Delegated Regulation (EU) 2015/35.

The information in this Report has been subject to external audit according to the Orders of the Superintendent of Insurance April 2017. The Auditors' Report is presented in Appendix III.

This Report was approved by the Company's Board of Directors on 17 May 2017 and is in accordance with its Reporting and Disclosure Policy.

The Company's appointed auditor for the year ended 31 December 2016 was PricewaterhouseCoopers Limited (PwC).

About Solvency II Pillar 3

The Solvency II programme is structured around three pillars: the Pillar 1 solvency and capital requirements and Pillar 2 supervisory review process complemented by Pillar 3 market discipline. The aim of the Pillar 3 is to produce disclosures that allow greater level of transparency for the Supervisor and the public on the capital adequacy, risk exposures as well as risk management and internal control processes.

CNP Asfalistiki Ltd is directly regulated and supervised on a solo basis by the Insurance Companies Control Service (Supervisor) at the Cyprus Ministry of Finance, P.O. Box 23364 1682 Nicosia Cyprus. We also report to our ultimate controlling shareholder in France, CNP Assurances, being subject to financial oversight by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) in France at 61, rue Taitbout, 75009 Paris France.

We actively participated in the discussions between the Supervisory Authority in Cyprus and industry association for the Pillar 3 disclosure requirements.

We publish comprehensive Pillar 3 Disclosures annually on the CNP Asfalistiki website www.cnpasfalistiki.com

Defined Term

The abbreviation "€k" represents thousands of Euros.

Summary

Activity and Results

In 2016, we continued to improve our product mix and strengthen our agency network. The Company's Underwriting Profit reached €13.453k with the main contributors being the motor, property and liability business.

2016 saw a major challenge for the insurance industry, the harmonisation of the Cyprus Insurance Legislation (Law 38 (I) 2016) with the Solvency II Directive 2009/138/EU. The Company was committed and successfully achieved full implementation.

The Solvency II Capital Requirement (SCR) ratio positively ascended to 161% as at 31 December 2016 and the Minimum Capital Requirement (MCR) ratio reached 377%.

With regards to the macroeconomic context, markets were marked by the historically low level of European interest rates and high volatility.

The recognition and acknowledgement we enjoy in the Cyprus market as the leader general insurer is a result of the professionalism, zeal and knowledge of our people who reflect and implement the Company's strategy, philosophy and risk culture.

An important factor in this success has been the use of modern technology. In 2016, we have launched a new, modern web portal, INSUPASS and a Mobile Application, offering direct, 24/7 updates and reliable communication for the best possible service to its customers and associates.

We continued our corporate and social responsibility programme in 2016 working closely with Authorities and Institutions.

Our Key figures - 31 December 2016

- **€75 million Investments under management**
- **€52 million Turnover**
- **€21 million Total Claims paid**
- **161% Solvency II Capital base**

Corporate Governance

The implementation of Solvency II in 2016, has introduced important corporate governance requirements. CNP Asfalistiki in anticipation of the regulatory requirements has changed its organisational structure establishing key functions and has formalised its written policies and procedures.

The Company is committed to continuously improving its overall risk management and internal control system and considers that its system as suitable for the nature, complexity and size of the Company.

Risk Profile

The risk profile of CNP Asfalistiki is predominately driven by non-life underwriting risk and market risk, since the solvency capital of the two risks represents the 80,19% of the Basic SCR before diversification. Given the variety of our products, we nevertheless benefit from a diversification between risks.

The Company is exposed to Pillar 1 risks (market, counterparty default, non-life underwriting, health underwriting and operational risk) as well as risks not fully covered by Pillar 1 such as strategic, business, liquidity, legal and compliance and reputational. The Company uses the standard formula to calculate its Pillar 1 risks and in 2016, it has revisited its normal and stress scenarios.

In 2016, we have successfully submitted to the Superintendent of Insurance the Day 1 Quantitative Reporting Templates (QRTs) and the quarterly QRTs.

Valuation of Assets and Liabilities

The valuation of the assets and liabilities of the Solvency II balance sheet is carried out by a Valuation Policy and Reserving Policy endorsed by the Company's Board of Directors.
The Company prepares its financial statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

As a principle, the Company's assets and liabilities (particularly financial instruments) are valued on a fair value basis and are then included either directly in the IFRS balance sheet or disclosed in the notes to the financial statements. For its Solvency II balance sheet, the Company uses the fair value of assets and liabilities as calculated for IFRS accounting purposes, insofar as this value complies with Solvency II asset and liability valuation principles. This ensures that a reliable Solvency II balance sheet will be produced as part of an orderly, well-managed process. It also ensures consistency with the IFRS financial statements.

In substance there are no differences with regards to the base, methods and key assumptions used by the Company for the valuation of the assets and liabilities for solvency purposes under Solvency II and those used for their valuation in financial statements.

There are instances where, the value of certain items may be estimated using simplified approaches when those items do not represent significant exposure or when the difference with fair value as calculated under IFRS is not material. Company is consistent in applying alternative valuation techniques unless the change in method would result in a more appropriate measurement
The Company's Solvency II technical reserves amounted to €71.715k at 31 December 2016.

Capital Management

At 31 December 2016, the Own Funds of the Company under IFRS amounted to €34.138k and under the Solvency II (eligible for SCR coverage) amounted to €31.525k. The basis of consolidation for financial accounting purposes differs from that used for prudential purposes.

The Company's capital is Tier 1 except from an amount of €380k that is classified as Tier 3 resulting from a tax base (temporary) difference.

The total SCR of the Company as at the end of 2016 came up to €19.632k with a total Minimum Capital Requirement (MCR) at €8.252k. These amounts are subject to supervisory assessment.

A. Business and Performance

A.1. Business

As the leading general insurer in Cyprus having the largest market share, we continue to become stronger offering maximum value insurance to our customers, associates and employees. Our enduring relationship of trust with our customers was achieved via our customer oriented philosophy, our professionalism and the knowledge as well as specialisation of our management, personnel and insurance intermediaries.

The Company was incorporated on 28 April 1981, as a limited liability company by shares, with the business name "ΛΑΙΚΗ ΑΣΦΑΛΙΣΤΙΚΗ ΕΤΑΙΡΕΙΑ ΛΙΜΙΤΕΔ". Following changes in the Company's legal name, as of 19 July 2013, the Company's legal name is CNP Asfalistiki Ltd with registration number HE 15555.

CNP Asfalistiki is a 100% owned subsidiary of CNP Cyprus Insurance Holdings Ltd (CNP CIH) a limited company incorporated in Cyprus. With effect from 1 January 2009, following the strategic partnership achieved between CNP Assurances and Cyprus Popular Bank Public Co Ltd, CNP Assurances acquired 50,1% of the share capital of CNP CIH, with the remaining 49,9% remaining with Cyprus Popular Bank Public Co Ltd. Following the decisions of the Eurogroup in March 2013 and the relevant decrees issued by the Resolution Authority, Bank of Cyprus Public Co (BoC) Limited has substituted Cyprus Popular Bank in its shareholding and currently holds the 49,9% of the share capital of CNP CIH. CNP Assurances is listed on the Paris Stock Exchange and BoC is listed on the London and Cyprus Stock Exchange.

CNP Assurances Group is France's leading provider of life insurance and term creditor insurance, the fourth largest life insurer in Europe and the fifth largest insurance company in Brazil. It was founded 160 years ago and worldwide has 35 million insureds under personal risk and protection policies and 14 million savings and pension policyholders. In 2016, the Group reported premium income of €31,5 billion and its net average technical reserves were €308,7 billion. 81% of CNP Assurance's financial assets are managed according to environmental, social and corporate governance.

Our principal activity is the transaction of general insurance business which includes accident and health insurance, motor insurance, marine and goods in transit insurance, fire insurance, other damage to property insurance, marine liability insurance, general liability insurance and miscellaneous insurance.

The Company's registered office is located at 17, Akropoleos Avenue, CY-2006 Strovolos, Nicosia, Cyprus. We operate offices in Nicosia, Limassol, Larnaca, Paphos and Paralimni and in Greece through our branch established in Athens.

New insurance legislation: The Law on Insurance and Reinsurance Services and Other Related Issues of 2016 [Law 38(I) 2016] and the Insurance and Reinsurance Services and Other Related Issues Regulations of 2016 were published in the national Gazette and came into force on 11 April 2016. The new legislation regulates the issues relating to the taking-up, pursuit and supervision of insurance and reinsurance services and the taking-up, pursuit and supervision of insurance mediation services and other related issues as well as harmonizes the Cyprus insurance legislation with Directive 2009/138/EU (Solvency II).

Solvency II: We have successfully implemented a detailed action plan to align our governance arrangements, policies, procedures, practices and standards in accordance with the key Solvency II requirements. We have also achieved to further improve our Solvency II position with our Solvency II capital coverage ratio coming up to 161% as at 31 December 2016 vs 145% at the end of 2015.

Risk Management: We have implemented a robust business strategy and managed our risk profile to reflect our objective maintaining financial strength and reducing capital volatility. Our risk culture was strengthened and better embedded the use of our Risk Management Framework.

Distribution channels and Customer Service: We have channelled our products through our string network of insurance intermediaries and our direct selling points. To better serve our customers we have launched a new modern web portal, INSUPASS and our Mobile Application offering direct 24/7 updates and reliable communication with customers and associates.

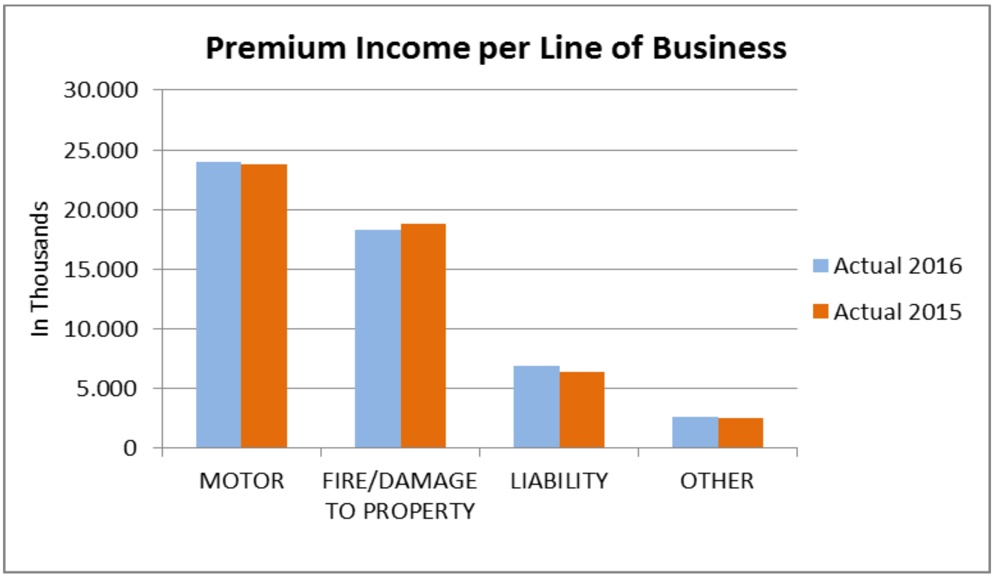
Social Responsibility: We joined forces with Authorities and Institutions addressing a number of serious issues such as Health and Safety at workplace, Road Safety and Fire Safety. We were also the health sponsor of the Limassol Marathon and name sponsor of the Cyprus Rally.

Going forward we continue focusing on the development and growth of our business while:

- Providing an excellent and innovative service to our customers
- Maximising our shareholders' return and strengthening our capital position
- Remaining a responsible employer and a socially responsible company
- Complying with all relevant laws and regulations.

A.2. Underwriting Performance

In 2016, we reached an Underwriting Profit of €13.453k with the main contributors being the Motor, Property and Liability Business.



UNDERWRITING PERFORMANCE

Actual 2016 In Thousands €	**ALL CLASSES**	**MOTOR**	**FIRE/DAMAGE TO PROPERTY**	**LIABILITY**	**OTHER**
Total Gross Written Premium (incl. policy fees)	51.750	23.966	18.254	6.934	2.596
Net Earned Premium after Policy Fees	35.307	22.188	7.228	4.399	1.492
Outgoes	(21.854)	(16.953)	(1.640)	(2.704)	(556)
Underwriting Profit	**13.453**	**5.235**	**5.588**	**1.695**	**935**

Actual 2015 In Thousands €	**ALL CLASSES**	**MOTOR**	**FIRE/DAMAGE TO PROPERTY**	**LIABILITY**	**OTHER**
Total Gross Written Premium (incl. policy fees)	51.486	23.769	18.844	6.356	2.517
Net Earned Premium after Policy Fees	35.121	22.653	6.569	4.440	1.458
Outgoes	(21.649)	(17.641)	(705)	(2.700)	(604)
Underwriting Profit	**12.509**	**4.628**	**5.300**	**1.751**	**830**

The main risk mitigation technique related to our Underwriting activities is the Reinsurance of the business. We follow a conservative reinsurance programme which consists of reinsurance contracts (proportional excess of loss and property catastrophe coverage) and optional reinsurance contracts. Our reinsurers are rated at least with A- and our reinsurance programme objective is to reduce the Company's exposure within acceptable limits.

A.3. Investment Performance

The Company's assets are managed through:

- Direct holding in bonds, equities, properties and other direct investments
- Holdings of units in mutual funds for bonds, equities, properties and other indirect investments

We do not hold investments in securitization.

The income and expenses arising from total Investible assets by asset class for the year ended 31 December 2016 and a comparison with the previous year are shown in the tables below.

In general, most asset categories performed better in 2016 versus their performance in 2015.Our investment return was 3.55%.

Gains and losses recognized directly in equity

The gain recognised directly in equity was €1.933k as presented in the table below by asset classes.

Asset Class In Thousands €	AFS
Equity – In-house *	1.300
Bonds - In-house	511
Mutual Funds Bonds	122
Total	**1.933**

* change due to impairment

Asset Class In Thousands €	Unrealised Gain/ Loss	Realised Gain/ Loss	Dividend/ Interest/ Rent	Total 31/12/2016	Total 31/12/2015
Equity - In-house	45	0	0	**45**	**(791)**
Bonds - In-house	501	(151)	840	**1.189**	**120**
Bond Funds	128	(4)	193	**316**	**(5)**
Money Market Funds	(6)	(3)	0	**(9)**	**0**
Cash	0	0	363	**363**	**628**
Property	512	0	0	**512**	**0**
Structured Product	11	0	12	**23**	**1**
Loans	0	0	227	**227**	**230**
Total	**1.191**	**(159)**	**1.635**	**2.666**	**184**

Risk Mitigation

The Company follows its approved by the Board of Directors Tactical Asset Allocation (TAA) determining the optimum asset allocation in each of the asset classes that the Company invests in. Our aim is Solvency II optimisation, reduction of concentration risk; while at the same time allowing the required liquidity in order to fulfil our operational requirements.

We continuously monitor the performance of investments against set benchmarks as well as associated investment risks.

B. System of Governance

B.1. General Information on the System of Governance

We operate clear and effective organisational arrangements, while ensuring the continuity and regularity of our operations. Well-defined and consistent lines of responsibility and oversight are maintained. We use the three lines of defence model. The First Line of Defence owns the risk and is responsible for identifying, recording, reporting, managing the risks and ensuring that the right controls and assessments are in place to mitigate these risks. The Second Line of Defence sets the policy and guidelines for managing the risks and provides advice, guidance and challenge to the First Line of Defence on effective risk management. The Third Line of Defence is Internal Audit which independently ensures we are managing risk effectively.

Our BoD is kept informed on all material risk-related matters and exposures. Our Risk & Reserving Committee is an advisory Committee to our BoD.

Board of Directors and BoD Committees

The Board of Directors (BoD) is the ultimate authority for the management of the Company and it maintains responsibility for prudent management. The role of the BoD is to define the strategic plan, organise and direct the affairs of CNP Asfalistiki in a manner that seeks to protect its policyholders' interests and maximise the value of the Company for the benefit of its shareholders, while complying with regulatory requirements and relevant governance standards.
The BoD bears the ultimate responsibility for the compliance of the Company with its legal and regulatory obligations at a national or EU level.

BoD meetings are taking place when needed but at least four times per annum and a quorum must be achieved to form decisions. In 2016, the BoD convened 7 times.

The Company has a strong, experienced and diverse BoD. The members of the BoD remained fit and proper according to the Solvency II requirements.

In 2016, the Company welcomed to its Board Andreas Paralikis (18 October), Konstantinos Katsaros (18 October), and Dinos Costa (24 November) in the role of Independent Non-Executive Directors and farewelled Rodoulla Hadjikyriacou and Doros Ktorides by thanking them for their valuable role during their tenure.

	Board of Directors	
Chairperson	Non-Executive	Xavier Larnaudie - Eiffel
Vice-Chairperson	Independent Non-Executive	Andreas Paralikis
Member	Independent Non-Executive	Takis Klerides
Member	Independent Non-Executive	Konstantinos Katsaros
Member	Independent Non-Executive	Dinos Costa
Member	Non-Executive	Jean-Christophe Merer
Member	Non-Executive	Brigitte Molkhou
Managing Director / CEO	Executive	Takis Phidia

Audit Committee

The Audit Committee assists the BoD in meeting its responsibilities in ensuring an effective system of internal control and compliance for the Company. The Committee also assists the BoD for meeting its external financial reporting obligations, including its obligations under applicable laws, and regulations and is directly responsible on behalf of the BoD for the selection, oversight and remuneration of the external auditor.

The Committee convenes with such frequency as it may consider appropriate but in any event not less than two times a year. In 2016, the Audit Committee convened 3 times.

The Audit Committee arrangements were revised during the year.

Remuneration Committee

The Remuneration Committee has primary responsibility to review and approve or make recommendations to the BoD of the Company regarding remuneration of executives and ensure compliance of the Company's remuneration policy and practices with applicable laws and governance regulations.

The Committee convenes with such frequency as circumstances dictate, but in any event not less than once a year. In 2016, the Remuneration Committee convened 2 times.

The Remuneration Committee arrangements were revised in the year.

	Audit Committee	
Chairperson	Independent Non -Executive	Takis Klerides
Member	Non-Executive	Xavier Larnaudie - Eiffel
Member	Non-Executive	Jean-Christophe Merer
Member	Independent Non-Executive	Andreas Paralikis
Member	Independent Non -Executive	Dinos Costa

	Remuneration Committee	
Chairperson	Independent Non -Executive	Takis Klerides
Member	Non-Executive	Brigitte Molkhou
Member	Independent Non-Executive	Konstantinos Katsaros

Remuneration Disclosure

Remuneration is governed by Collective Agreements with the employees' union ETYK.
The Company's Remuneration Policy is reviewed and maintained by the Remuneration Committee and is approved by the Board of Directors. The Remuneration Committee is responsible for the implementation of the Remuneration Policy.

The Company's Remuneration Committee defines the remuneration practices applicable to all employees and executives of the Company and gives guidance for the negotiation at the renewal stage of the collective agreement.

With regard to the members of the Board of Directors, the Remuneration and Nominations Committee which is authorised by the BoD of CNP Cyprus Insurance Holdings Ltd has primary responsibility to review and make recommendations regarding the remuneration of the Managing Director and Members of the Board of Directors.

The remuneration of the Directors is approved by the shareholders at the Annual General Meeting.

Management

The Company's Management has the responsibility for the consistent implementation of the BoD approved strategy through setting appropriate policies for all functions and the development and embedding of the mechanisms and procedures for internal control.

The Company's Management consists of the individuals in positions that effectively run the Company.

The Company's Managing Director is Takis Phidia and the General Manager is Andreas C. Stylianou.

B.2. Fit and Proper Requirements

We have set standards and a Policy for the fitness and propriety. The purpose of our Fit & Proper Policy is to set out the corporate governance and oversight arrangements to ensure the sound and prudent management of the business as well as ensure that the persons who effectively run the Company or hold key functions at all times fulfil the following requirements:

- Their professional qualifications, knowledge and experience are adequate to enable sound and prudent Management (fit)
- They are of good repute and integrity (proper)

The covered individuals are required to comply with the requirements and behaviours set by the Supervisory Authority and our Code of Standards under the Fit and Proper Policy.

We also ensure that the collective knowledge, competence and experience of our BoD members, includes:

- Market knowledge
- Business strategy and business model
- System of governance
- Financial and actuarial analysis
- Regulatory framework and requirements

B.3. Risk Management System including ORSA

Risk Management

The Company has a Risk Management Function (RMF) and a dedicated Risk Officer in charge of developing and implementing the policies as well as the risk awareness culture within the Company. The RMF also provides important insights in relation to current and future risks.

Our appointed Chief Risk Officer is Athena Shipilli-Tsingi.

Our Risk Management framework is in accordance with Part II, Chapter IV, Section 2 (Governance System) articles 45 and 46 of the Law 38(I) 2016 and articles 44 and 45 of the Solvency 2 Directive. We have enhanced our Risk Management Framework ensuring that all risks are effectively managed and measured against a set level of risk tolerance following an Enterprise Risk Management methodology.

The Company's policies for the key areas of risk were revised and approved by the BoD in the year.
We adopt the following guiding principles as a formal Policy for the management of risk:

- Our governance structure and risk management framework aim to create and promote a strong risk culture that is embedded in all aspects of our activities.
- Our BoD is responsible for overseeing senior management, for establishing sound business practices and strategic planning as well as for setting our risk appetite and risk tolerance at a level which is commensurate with its sound operation and the strategic goals. In setting our risk appetite and risk tolerance level, we take all relevant risks into account. Our BoD has the ultimate responsibility for the effective management of risk.
- The level of risks that we are willing to take is constrained by regulation and supervision. Risk appetite and risk tolerance depend not only on intrinsic risk aversion, but also on the current financial situation and our strategic direction.
- We implement a consistent risk culture and establish sound risk governance supported by an appropriate communication policy, all of which are adapted to our size, complexity and our risk profile.
- We are aware of our responsibilities relating to the identification and reporting of relevant risks.
- We have an established, and independent from risk taking activities Risk Management Function in order to ensure effective risk management.
- We ensure that the responsibilities for the measurement, monitoring and control of risks are clearly defined and sufficiently independent from any risk-taking activity. Our

internal control systems are structured in a way that guarantee the clear segregation of duties and the avoidance of conflicts of interest with respect to the taking up, approval, monitoring and control of risks.
- In consideration of our current and future needs, we develop risk measurement systems and tools with the purpose of capturing all expected and unexpected losses, for each type of risk, under both normal and stressed market conditions.
- We apply high standards of transparency for the performance of our operations and communicate all the information we consider necessary and in line with our Reporting & Disclosure Policy to the interested and affected parties.
- We analyse new products, markets, and businesses carefully and we make sure that we possess adequate internal tools and expertise to understand and monitor the risks associated with them
- The governance of risk is documented and updated as appropriate.
- All outsourcing activities are in accordance with our Outsourcing Manual and the risks arising from such activities are managed in accordance with its defined risk appetite and policies.

Risk Management Framework

Risk is inherent in our business activities. We aim through appropriate risk management, to achieve our business and financial strategy by considering internal as well as external constraints without exceeding set risk tolerances. We use an enterprise-wide risk management framework across all risk types which is underpinned by the Company's risk culture.

Our Risk Management Framework is an embedded part of our business and fully interacts with the strategic planning and the capital management process and is the guiding framework for the implementation of the ORSA process.

CNP Asfalistiki's Risk Management Framework is based on four key elements:

- Governance
- Risk Quantification and Aggregation
- Risk Control and Optimisation
- Risk Monitoring and Reporting

Our Risk & Reserving Committee plays a fundamental role in the management of risk. The Committee is chaired by the Company's Managing Director and members are the Company's General Manager, CRO, CFO, Actuarial Function Holder/Group Actuary, the Legal Representative of the Greek Branch and two members that are independent to the Company. The Committee assists with the formulation of the overall risk strategies and polices for managing significant business risks, and is responsible for designing and implementing a Risk Management Framework. In addition, the Committee ensures that the overall system of internal control operates effectively, it monitors and reviews risk exposures, it reviews and challenges actuarial reserves and it advises the BoD on the approval of reserves.

Risk Appetite

Risk Appetite is a key component for our management of risk. It describes the aggregate level and risk types that we are able and willing to accept in pursuing its medium to long term business objectives. Within the Company, risk appetite is managed and articulated through the Risk Appetite Statement, which is approved by the Board of Directors on the advice of the Risk & Reserving Committee.

The risk appetite is integrated within other risk management tools such as the ORSA and stress testing to ensure consistency in risk management. We aim to achieve an adequate balance between capital requirements and resources. The capital planning cycle is integrated within strategic planning.

We face a broad range of risks reflecting our responsibilities as the leader in the general insurance business in Cyprus. These risks include those resulting from our responsibilities in the areas of offering insurance products to the public as well as from our day-to-day operational activities. The risks arising from the Company's responsibilities can be significant. These risks are prudently managed through detailed processes that emphasise the importance of integrity, intelligent inquiry, maintaining high quality staff, and public accountability.

In terms of operational issues, we have a low appetite for risk. The Company makes resources available to control operational risks to acceptable levels. We recognise that it is not possible or necessarily desirable to eliminate some of the risks inherent in our activities and the acceptance of some risk is often necessary to foster innovation within business practices.

Our established leading position in the non-life insurance market in Cyprus, allows us to take a conservative approach to risks. As a result we are selective about the products we offer and our investment decisions. Our over-riding approach to risk is to safeguard the interests of its policyholders and shareholders.

We identify and manage the risks on an ongoing basis. As part of this, we follow a risk strategy that is designed to ensure its continuity as a going concern, protecting earnings, maintaining sound balance sheet and solvency ratios (overall protecting its financial soundness) as well as protecting its identity and reputation.

The Company's objectives when managing capital are:

- The compliance with capital requirements imposed by the Insurance Companies Control Service
- To safeguard the Company's ability as a going concern so that is provides returns for shareholders and benefits to other stakeholders
- To provide an adequate return to shareholders by pricing insurance and investment contracts commensurately with the level of risk

Risk exposures

Our risk measurement and reporting systems are designed to help ensure that risks are comprehensively captured with all the attributes necessary to support well-founded decisions and that information is delivered in a timely manner for those risks to be successfully managed and mitigated.

We invest significant resources in IT systems and processes in order to maintain and improve its risk management capabilities.

The Risk Management Function manages a number of analytics supporting the rating and scoring models for different risk types.

Our Board of Directors has the overall responsibility for the assumption, monitoring and management of risks. The below risks form part of the Company's Risk Register Inventory and are identified, assessed and managed.

1. Investment (Market) Risk
1. Counterparty Default (Credit) Risk
2. Non-life Underwriting Risk
3. Health Underwriting Risk
4. Operational Risk
5. Business (Strategic) Risk
6. Liquidity Risk
7. Asset – Liability Risk
8. Reputational Risk
9. Any other Risk the Company identifies to be exposed to

The Company's risk categories are further broken into sub-categories of risks that are precise, specific and mutually exclusive. These sub-categories are used for identifying and assessing existing and emerging risk exposures as part of the risk management process and are registered in our risk register. The aggregation of risk exposures into the above categories creates the risk profile of the Company.

ORSA Process

The Own Risk and Solvency Assessment (ORSA) forms a core component of our risk management system and comprises of all the procedures and measures adopted by the Company, with the purpose of ensuring the following:

- Appropriate identification and measurement of risks
- An appropriate level of internal capital (the capital that is considered adequate for the coverage of the risks inherent in the business model and actives of a company, for Pillar 1 and 2 purposes. This level of capital is determined by the Company by the application of internal risk assessment methodologies) in relation to the Company's risk profile
- The application and further development of suitable risk management and internal control systems

In December 2016, the Company has submitted its ORSA Report to the Insurance Companies Control Service. The ORSA Report explained in detail how the Company has implemented and embedded the ORSA within its business, describing its risk profile and the degree of risk appetite that the Company is willing to endure as well as the capital that it considers as adequate to be held against the risks that it is exposed to.

B.4. Internal Control System

For us the Internal Control System is the aggregate of control mechanisms and procedures which covers every single activity and contributes towards the efficient and sound operation. Our Internal Control System comprises of every preventative or corrective control and more specifically aims at achieving the following objectives:

- The consistent application of the operational strategy, through the efficient utilization of all available resources
- The identification and management of every possible risk which is assumed and the safeguarding of the Company's assets
- Ensuring the completeness and reliability of data and information which are necessary for the correct and up-to-date determination of the Company's financial position and the production of reliable financial statements
- Compliance with the legal framework which governs the Company's operations, including internal rules and codes of ethics
- Prevention and avoidance of any operations which could endanger the reputation and interests of the Company, its shareholders and its counterparties.

Our Internal Control System is effected in multiple levels within the Company across our three lines of defence organisational arrangements.

The Board of Directors has the final responsibility for the design, implementation / application and maintenance of the Internal Control System.

In 2016, we have initiated projects to review the key processes that fall into the Internal Control System with the intent to improve and further strengthen the controls with special emphasis in the automation of controls.

The Internal Audit Function assessed the appropriateness, efficiency and effectiveness of the Company's internal control environment and reported observations and recommendations to the Audit Committee.

Compliance

The Company has established and maintained a permanent and effective Compliance function.

The appointed Chief Compliance Officer is Polys Michaelides.

Our Compliance Function, in accordance to Part II, Chapter IV, Section 2 (Governance System) articles 47 of Law 38(I) 2016 and Article 46 of the Solvency 2 Directive decodes new and proposed (financial services / insurance) compliance – related rules from legislative or regulatory bodies, which are relevant to business, into internal standards, procedures, and guidelines. The Compliance Function is independent of risk taking functions and reports to the Company's Managing Director. The Chief Compliance Officer also has a direct reporting line to the BoD via the Audit Committee of the BoD in order to ensure its operational independence and safeguard its ability to escalate important issues.

The main responsibility of the Compliance Function is the establishment and application of suitable procedures for the purpose of achieving a timely and on-going compliance of the Company with the existing legal and regulatory framework. The activities and responsibilities of the Function are governed by the Compliance Charter and Manual, which are approved by the BoD and reviewed annually.

The key role of the Compliance Function is to proactively:

- Identify, assess and monitor the compliance risks faced by the Company
- Assist, support and advise line management in fulfilling its compliance responsibilities

In performing its above role, our Compliance Function has the objective to enable the Company to demonstrate to the regulatory authorities' compliance with applicable regulations and thus to:

- Protect the good reputation of the Company
- Avoid disciplinary action by the regulators
- Avoid civil action by customers
- Avoid criminal sanctions

Compliance risk areas within the scope of the Compliance Function are recognised by the Company as:

- Customer Acceptance / Sanctions
- Privacy and Data Protection
- New Products and Services
- Customer Complaints and all complaints against the Company, employees and associates
- Marketing and Sales Practices
- Conflicts of Interest
- Confidentiality
- Outsourcing Services
- On-line presence and corporate communication
- Internal and External Codes of Conduct
- Regulatory Relationships
- Protection of Competition
- Insurance Legislation
- Corporate Governance
- Anti-bribery and Corruption
- Regulatory framework
- Internal and external Fraud
- Any other risk deemed applicable

The Company's policies for the key areas of compliance (Code of Conduct, Conflict of Interest, Confidentiality, On-line Presence, Outsourcing Compliance, New Products and Marketing, Fit and Proper) were revised and approved by the BoD in the year. The approved by the Audit Committee risk-based Compliance Plan was implemented with results being reported to the Audit Committee of the BoD. The implementation of the Plan did not reveal significant findings.

B.5. Internal Audit

Our Internal Audit Function (IAF) is currently outsourced to Deloitte Ltd. The appointed Internal Auditor is Panicos Papamichael, Partner at Deloitte Ltd.

In accordance to Section 2 (Governance System) article 48 of Law 38(I) 2016 and Article 47 of the Solvency 2 Directive, the IAF remained independent and autonomous and provided an independent assessment of the risk framework and internal control processes.

To ensure the organisational independence of the Internal Audit Function, the Internal Auditor reports significant findings and any other matters to the Audit Committee of the Board of Directors. The Audit Committee is responsible for Internal Audit as part of its internal control structure, and was ultimately responsible for the direction and approval of the scope of work performed by the internal audit team in 2016.

The Company's Internal Audit policy and principles are outlined in the Internal Audit Charter and the Internal Audit Policy which are approved by the Audit Committee of the BoD and reviewed at least annually for their adequacy. The Company's Charter and Policy were approved by the BoD in the year.

The Internal Audit Function takes a risk-based approach in deciding its priorities. The steps in the Internal Audit Methodology are the below:

- Understand the Company's business, industry, processes, locations, and specific business objectives
- Develop a customized risk framework and conduct risk assessment through interviews, surveys, workshops or some combination thereof
- Draw up a risk-based annual audit plan for the Company and formalize an agreed plan with the Company's Managing Director
- Submit and present the risk assessment results and risk-based audit plan to the Audit Committee for review and approval
- Implement the approved by the Company's Audit Committee risk-based audit plan
- Report to the Management and the Audit Committee on identified deficiencies in control measures and of recommendations for improvement
- Submit to the Audit Committee an annual / periodic report regarding the audit activity and the (progress of) implementation of internal and external audit recommendations
- Inform the Audit Committee periodically about the latest developments and best practices in the field of internal auditing.

B.6. Actuarial Function

The Actuarial Function of the Company is responsible for coordinating all actuarial activities in accordance to Section 2 (Governance System) article 49 of Law 38(I) 2016 and Article 48 of the Solvency 2 Directive.

Our appointed Actuarial Function Holder is Ioanna Panti.

The Company's actuarial policy was approved by the BoD. The Actuarial Function in the reporting year:

- Coordinated the calculation of Technical Provisions for Solvency II purposes and mathematical reserves under current regime.
- Ensured the appropriateness of the methodologies and the underlying models used as well as the assumptions made in the calculation of Technical Provisions for Solvency II purposes and mathematical reserves under current regime. Existing models were used since they were considered adequate by the Actuarial Function.
  In addition, all assumptions regarding expenses, loss ratios, development of claims and lapses have been updated using past experience and actuarial judgement. A variation analysis on the Best Estimate (BE) has also been performed.
- Assessed the sufficiency and quality of the data used in the calculations. Particularly, the reliability, completeness and accuracy of the data used for this reporting period have been confirmed through the Data Quality process.
- Compared actual claim payments made over the current reporting year against last year's corresponding (BE) projections.
- Expressed an opinion on the overall underwriting policy.
- Expressed an opinion on the adequacy of the reinsurance arrangements.
- Contributed for and monitored the preparation of QRTs under Pillar 3.
- Contributed to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements and to the ORSA. The Senior Management has been informed on each quarter's Solvency II results, assumptions, and any other topics as agreed through the relevant Company's policies.

Our Board of Directors was kept informed on all actuarial matters and exposures.

B.7. Outsourcing

The Company has in place an Outsourcing Manual setting out the Outsourcing Policy and procedures ensuring the on-going compliance with the requirements of the Solvency II Directive with respect to the effective control and management of risks associated with the outsourced services.

The main objectives of the Manual are:

- To ensure that a consistent approach is taken to all decisions regarding the possibility of outsourcing any activities or functions
- To give adequate consideration to the risks involved
- To establish a framework for the management of outsourced services, ensuring that appropriate controls are exercised

The BoD approves any amendments to the Policy Manual and all critical or important outsourcing activities or functions. The key determinant to define a critical or important outsourcing arrangement is whether a function or activity is fundamental to the Company's ability to carry out its core business and the impact it has on the Company.

The Company outsources externally the key functions / activities of Internal Audit, Information Security, IT Infrastructure, Storage and Archives, Road Assistance and Accident Care, Underwriting and Claims Authorities delegated to Issuing Agents, Custody Services and Fund Management.

The Company remains fully responsible for all outsourced functions and activities. The Company has included in its risk management systems and controls a process for monitoring and reviewing the quality of the service provided

C. Risk Profile

We conduct an annual ORSA to determine a forward looking assessment of the Company's capital requirements given the Company's business strategy, risk profile, risk appetite and capital plan. As part of the CNP Asfalistiki ORSA, a range of stress tests are applied to the Company's base capital plan. The ORSA is approved by the Board of Directors, which has the ultimate responsibility for the effective management of risk and approval of the Company's risk appetite.

The ORSA is reviewed by the Insurance Companies Control Service in Cyprus as part of its supervisory review and evaluation process which occurs periodically.

Pillar 2 considers, in addition to the minimum regulatory capital requirements for Pillar 1 risks, any supplementary requirements for those risks as well as any requirements for risk categories not captured by Pillar 1. The risk categories to be covered under Pillar 2 depend on the specific circumstances of an insurance company and the nature and scale of its business.

We are exposed to Pillar 1 risks which are explicitly assessed through Pillar 1; market, counterparty default, non-life underwriting, health underwriting and operational risk calculated by the standard formula as well as risks not fully covered by Pillar 1 such as strategic, business, liquidity, legal and compliance and reputational. The type of risks to which we are exposed have not changed significantly over the year.

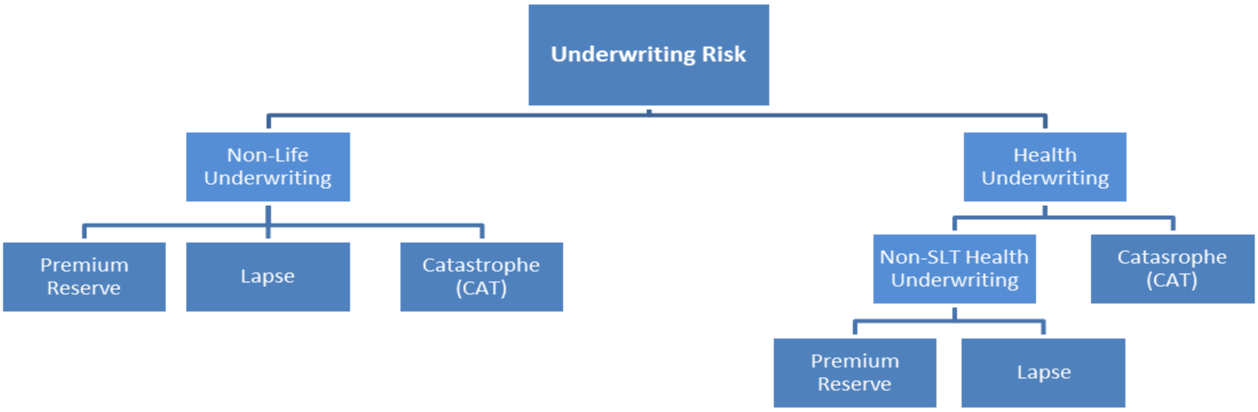
The Risk Management Function has an ongoing project in place to identify at all times the Company wide risks for the purposes of its risk register. All the risks that the Company is exposed to or could be exposed to in the future are documented, categorised and assessed based on the severity of adverse impact that they could have on the Company if they were to be crystallized. The result of this assessment is the profiling of risks in different categories of severity.

SCR Coverage Ratio	**161%**
Own Funds	**31.526**
SCR	**19.632**
Adjustment for Loss Absorbing Capacity of Deferred Tax	(2.805)
SCR Operational	2.074
BSCR (after diversification)	**20.363**
Market SCR	6.439
Counterparty SCR	4.978
Health SCR	207
Non-life SCR	14.554

The Solvency II capital position of CNP Asfalistiki as at the end of December 2016 has increased to 161% compared to 144% as at the end of 2015. The capital position of the Company has remained resilient to stresses. The Company's Solvency II Pillar 1 projections indicate a further increase in the Solvency II Coverage ratio of the Company for the next five years up to and including 2021.

Our Board of Directors approves the Solvency II coverage ratio and examines the Company's profile both from regulatory and economic capital viewpoints.

C.1. Underwriting Risk



We define Underwriting risk as the risk of loss or unfavourable change of the value of the liabilities of insurances resulting from an increase of the claim rate not anticipated during the pricing or during the acceptance of the risks.

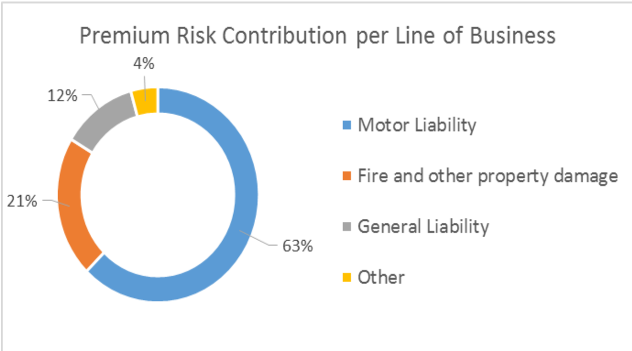
The underwriting risks quantified under Pillar 1 are Non-life and Health underwriting risks, which are the risks arising from the non-life and health insurance obligations, in relation to the perils covered as well as the processes used in the conduct of business. They include the risk resulting from uncertainty included in assumptions about exercise of policyholder options like termination options.

The Non-life and Health underwriting risk modules take account of the uncertainty in the results of undertakings related to existing insurance and reinsurance obligations as well as to the new business expected to be written over the following 12 months.

A standardised approach in line with the EIOPA specifications was followed by the Company for calculating the solvency capital requirement for non-life and health underwriting risks looking at the sub-modules shown below.

Premium Risk

Premium risk is the risk of loss resulting from fluctuations in the timing, frequency and severity of insured events. It relates to policies to be written (including renewals) during the period and to unexpired risks on existing contracts. Premium risk includes the risk that premium provisions turn out to be insufficient to compensate or need to be increased. It also included the risk resulting from the volatility of expense payments. Expense risk is implicitly included as part of the premium risk.



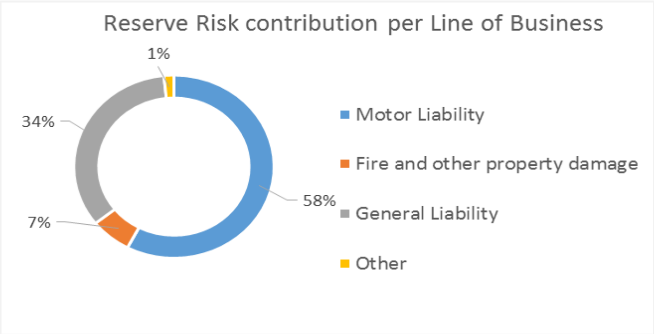
Motor forms 63% of the volume premium risk. Motor is the largest line of business, in terms of sale volumes, and therefore its significant impact on premium is expected.

Fire and Liability insurance also have a significant impact on Premium risk due to their size and nature of liabilities.

Health & Accident line of business, which is the only Line of Business of the Company's portfolio that falls under Health Volume premium Risk, forms only a relatively small part of the insurance portfolio of the Company so its Capital Requirement is considered insignificant.

Reserve Risk

Reserve risk is the risk of loss resulting from fluctuations in the timing and amount of claims settlements.



Motor forms 58% of the Volume Reserve risk and as expected it has the highest impact on Reserve Risk.

Lapse Risk

Lapse risk is the risk of loss resulting from fluctuations in the frequency of policy lapses.

The Company's policies are annually renewable and thus the lapse risk as presented in value in section 2 below is low.

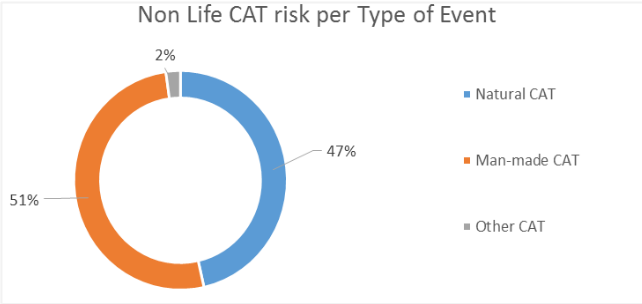
Catastrophe Risk

Catastrophe risk is the risk that a single event or series of events, of major magnitude and usually over a short period, leads to a significant deviation in actual claims from the total expected claims.

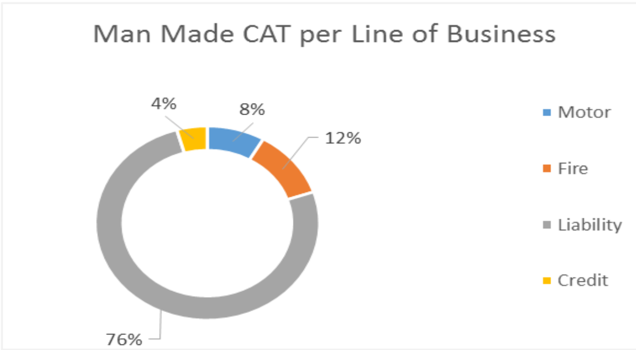
These events are broken down into natural, man-made and other catastrophe events for non-life Catastrophe (CAT) and into arena disaster, concentration scenario and pandemic scenario for health catastrophe.

The main components that form non-life CAT are the natural CAT risk and man-made CAT risk. For natural CAT risk, only earthquake risk applies to Cyprus and this is calculated according to EIOPA's technical specifications.

The only component of health CAT applicable for the Company is the Mass Accident risk (arena disaster).



Man-made CAT risk calculation has been performed according to EIOPA's technical specifications for each line of business that is applicable to the Company.



There were no material changes over the period regarding the Company's portfolio of insurance products.

Motor (including Motor Vehicle Liability and Motor Other), fire and liability are the main sources of business for the Company. Particularly these three categories, in terms of Gross Written Premiums (GWP), have a total contribution of 95% (Motor 46%, Fire 35% and Liability 14%). The remaining 5% include Marine, Credit and Miscellaneous.

The Solvency Capital Requirement per risk as described above for the years ended in 2016 and 2015 is shown below:

SCR Non-Life		
In Thousands €	**31/12/2016**	**31/12/2015**
Premium & Reserve	13.427	13.266
Lapse	812	711
CAT	3.135	2.129
Diversification	*(2.820)*	*(2.137)*
SCR Non-Life	**14.554**	**13.969**

The SCR Non-Life has increased by 4.2% mainly due to an increase of 47% in Catastrophe Risk.

SCR Health **In Thousands €**	**31/12/2016**	**31/12/2015**
Premium & Reserve	155	158
Lapse	31	27
Diversification	*(28)*	*(24)*
NSLT Health	**158**	**161**
CAT	**100**	**49**
Diversification	*(51)*	*(31)*
SCR Health	**207**	**179**

The SCR Health has increased by 15.5% mainly due to an increase in Catastrophe Risk. The increase in CAT risk is due to a correction on the total exposure used in the mass accident SCR.

Risk Mitigation

Underwriting risk is taken on in line with the Company's underwriting and pricing expertise, to provide an appropriate level of return for an acceptable level of risk.

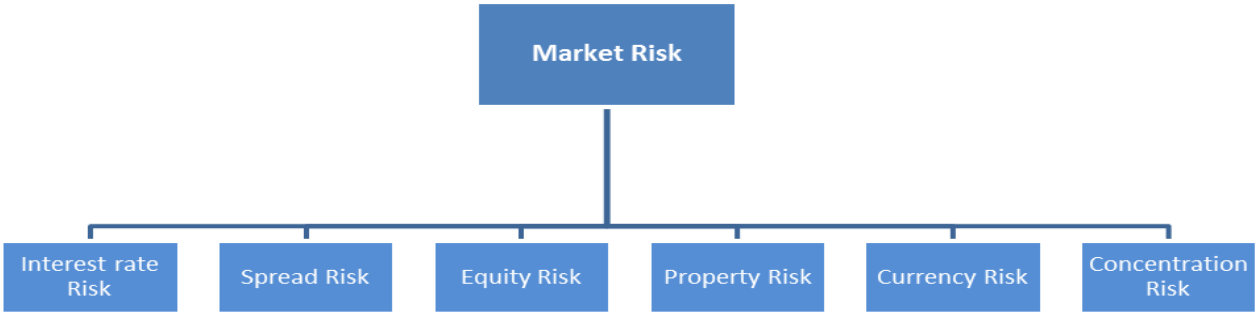
The Company's underwriting objective is to maximize earning levels and minimize volatility of earnings, while ensuring that the Company is appropriately compensated for the risks it assumes. This objective is constrained by the Company's target solvency position and the material risks that the Company is exposed to.

Underwriting discipline and a robust governance process is at the core of the Company's underwriting strategy. The risks arising from underwriting are managed, monitored, reported and controlled in accordance with the Company's overall governance arrangements, which follow the management and oversight of the Company's exposure to underwriting risk.

In the reporting period, the Company successfully completed the renewal of its reinsurance protection.

In addition to the Central scenario, the ORSA Upward scenario and the ORSA Downward scenario have been carried out and our capital adequacy remained strong.

C.2. Market Risk



We define market risk 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.

The market risks quantified under Pillar 1 refer to fluctuations that may arise in interest rates, equities, foreign exchange rates (currency) and property as well as spread and concentration risks. Concentration risk relates to all risk exposures with a loss potential which is large enough to threaten the solvency or the financial position of a Company.

These market risk factors may affect a Company's income and the value of its holdings in financial instruments.

We have followed a standardised approach in line with the EIOPA specifications for calculating the solvency capital requirement for market risk looking at the sub-modules shown below.

To monitor the exposure of the portfolio to the above risks, the Company uses the standard formula as described in the Commission Delegated Regulation (EU) 2015/35 supplementing Directive 2009/138/EC of the European Parliament and of the Council on taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

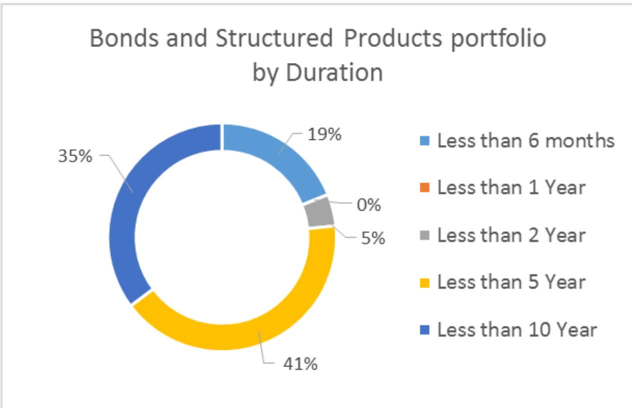
Interest Rate Risk

Interest Rate risk is the risk of a change in value caused by a deviation of the actual interest rates from the expected interest rates.

On the asset point of view, to calculate the Interest Rate risk the Company estimates the value for each security held separately before and after the shock as described in the standard formula. For individual securities the

Company adds the implied yield increase or decrease (depending on the shock) to the actual yield of the asset in order to estimate the market value of the specific asset after the shock. For interest sensitive funds, such as bond funds or money market funds, the company uses the average duration of the fund to calculate the aftershock impact.

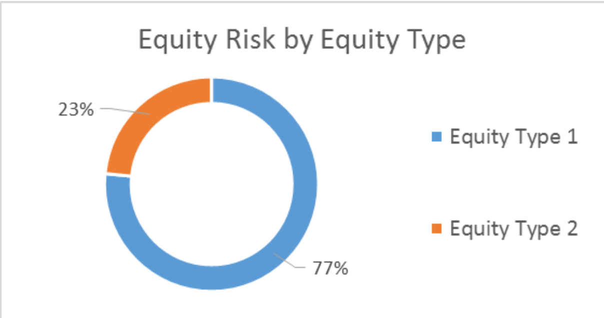
The figure below shows the bond and structured products' portfolio of the Company by duration:



Equity Risk

Equity risk is the risk of a change in value caused by deviations of the actual market values of equities and/or income from equities from their expected values.

For the Equity risk, the Company uses the standard formula which applies a 39% shock for Type 1 equities and 49% shock for Type 2 equities plus the systematic adjustment. Type 1 equities are the equities listed in regulated markets in countries which are members of the European Economic Area (EEA) or the Organisation for Economic Cooperation and Development (OECD). Type 2 equities are equities listed in stock exchanges in countries which are not member of the EEA or the OECD, equities which are not listed, commodities and other alternative investments.



Property Risk

Property risk is the risk of financial loss occurring as the result of owning a real estate investment.

For the Property Risk the Company applies a 25% shock on all assets which are exposed to property (25% decreases in price) as described in the standard formula.

Spread Risk

Spread risk is the risk of a change in value due to a deviation of the actual market price of credit risk from the expected price of credit risk.

For the Spread Risk calculation the Company uses:

- For individual bonds: the actual yield and rating
- For funds: the average duration and average rating of each fund which invests to assets which are exposed to spread risk such e.g. bonds and cash.

The table below illustrates the credit rating of the bond and structured products portfolio of the Company:

Credit Rating	AA+ - AA-	A+ - A-	BBB+ - BBB-	BB+ - BB-	B+ - B	B- or Lower / Unrated
Exposure %	10%	56%	10%	22%	1%	0%

Currency Risk

Currency risk is the risk of a change in value caused by the fact that actual foreign currency exchange rates differ from those expected.

For the Currency risk the Company applies a 25% shock on all assets which are exposed to currency risk (the larger impact of a 25% appreciation or depreciation of the foreign currency against the local currency) as described in the standard formula.

Concentration Risk

Concentration risk is the risk of exposure to increased losses associated with inadequately diversified portfolios of assets and/or obligations.

For the Concentration risk the Company uses the standard formula to calculate the risk that arises from concentrated exposure to a single issuer.

The Company kept its portfolio diversified in order to avoid high concentration to a single issuer.

Changes over the reporting period

The Company is inherently exposed to be adversely impacted by the low interest rate environment which is anticipated to continue for an extended period of time.

In the year 2016 the impairment in the value of an equity holding in the Cyprus Stock exchange adversely affected the Company's profitability.

Unexpected risks exposures are currently covered by own funds.

The total exposure per risk as described above for the years ended in 2016 and 2015 is shown below:

	Exposure	
In Thousands €	**31/12/2016**	**31/12/2015**
Interest Risk	69.259	68.289
Spread Risk	69.259	68.837
Equity Risk Type 1	1.284	1.240
Equity Risk Type 2	426	0
Property Risk	2.630	0
Currency Risk	1.029	0
Concentration Risk	73.173	70.076

As shown above the Company has increased exposure to Property risk and Currency risk. This was done in order to gain the required exposure to those asset classes and further diversify its portfolio in line with the TAA approved by the BoD for 2016

The Solvency Capital Requirement per risk as described above for the years ended in 2016 and 2015 is shown below:

	SCR Market	
In Thousands €	**31/12/2016**	**31/12/2015**
Interest Rate risk	1.052	561
Equity risk	601	569
Property risk	658	0
Spread risk	4.008	5.153
Currency risk	22	9
Concentration risk	4.072	6.893
Diversification	*(3.974)*	*(4.332)*
Market SCR	**6.439**	**8.853**

The SCR Market Risk has decreased by 27.3% mainly due to the following reasons:

- Spread Risk: Decreased due to the increase in the average rating of the portfolio. This was achieved by reducing exposure in Cyprus (Fixed Deposits) and the overall increase in the average rating of the funds the Company invests in.
- Concentration Risk: Decrease mainly due to improved diversification and decrease to exposure in Cyprus.

Risk Mitigation

Our objective for the investments is to adequately fund the Company's technical reserves and solvency margin as well as to contribute to the growth of surplus for the benefit of the shareholders. For this reason, different investment targets are set for the technical reserves and the surplus portfolio. Exposure limits are set as a percentage of the total market value of each portfolio. Our investments are diversified into multiple asset classes.

Risks arising from investments are monitored and controlled through the use of risk limits and via robust governance.

We use our Tactical Asset Allocation to match assets and liabilities in the best possible way allowing for the different objectives (return vs risk) and controlling the market SCRs.

Monitoring Investment risk exposures is a joint responsibility between our three lines of defence in the Investment risk management framework, consisting of prudent and regular review of risk metrics and exposures. All risk monitoring is undertaken in the context of the overarching limit structure, and any limit breaches are quickly and promptly escalated to the required parties.

The BoD bears ultimate responsibility for setting the investment risk strategy and appetite and for the management of the investment risk. Our Investment Committee is the BoD's delegated authority to develop and oversee the implementation of the Company's investment strategy, policies and procedures as well as for ensuring the investment decisions are made in a prudent manner and are within the BoD's risk appetite. The Committee provides challenge on investment decisions and on the risks associated with them.

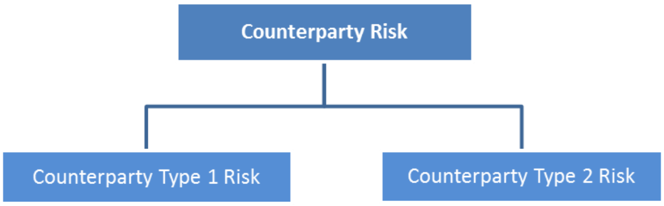
In addition to the Central scenario, the ORSA Upward scenario and the ORSA Downward scenario have been carried out and our capital adequacy remained strong.

C.3. Counterparty Default Risk/Credit Risk

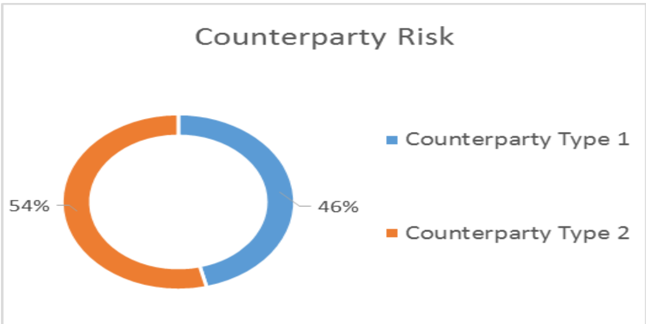
The Counterparty Default Risk is the risk to incur a possible loss due to unexpected default or deterioration in the credit standing of the counterparties and debtors of insurance and reinsurance undertakings over the following 12 months.

This type of risk can reduce the amount of future cash inflows from financial assets on hand at the reporting date.

We follow a standardised approach in line with the EIOPA specifications for calculating the solvency capital requirement for counterparty default risk.



The figure below shows the split of SCR Counterparty between the 2 types:



Type 1 exposures consist of the following:

- Risk-mitigation contracts
- Cash at bank
- Deposits with ceding undertakings, where the number of single name exposures does not exceed 15
- Commitments received by an insurance or reinsurance undertaking which have been called up but are unpaid, where the number of single name exposures does not exceed 15
- Legally binding commitments which the undertaking has provided or arranged and which may create payment obligations depending on the credit standing or default on a counterparty

Type 2 exposures consist of all credit exposures which are not covered in the spread risk sub-module and which are not type 1 exposures, including the following:

- Receivables from intermediaries
- Policyholder debtors
- Mortgage loans
- Deposits with ceding undertakings where the number of single name exposures exceeds 15
- Commitments received by an insurance or reinsurance undertaking which have been called up but are unpaid where the number of single name exposures exceeds 15

The risk arising from uncollected debtor balances and delays in payments is closely monitored by the Company. The financial crisis in Cyprus and the operating environment of the Company inherently increased this risk exposure for the Company. The debtor overdue balances and debtor credit period presented an increase over 2013 - 2015 but showed a significant decrease in 2016.

Our Counterparty Risk has decreased by 15.8% over the reporting period. The total exposure per risk as described above for the years ended in 2016 and 2015 is shown below:

	SCR Counterparty	
In Thousands €	**31/12/2016**	**31/12/2015**
Counterparty Type 1	2.451	2.945
Counterparty Type 2	2.869	3.376
Diversification	*(341)*	*(407)*
Counterparty SCR	**4.978**	**5.914**

Counterparty Type 1 has significantly decreased mainly due to reduced exposure to assets that fall under this category, diversification and reduced Reinsurance recoverable due to reduction in the claims reserve.

Counterparty Type 2 has decreased due to the aforementioned reduction in debtors' exposure. The risk arising from uncollected debtor balances and delays in payments, mainly due from agents and direct customers, is closely monitored by the Company via strict procedures. The current financial crisis in Cyprus and the operating environment of the Company inherently increase this risk for the Company. The debtor overdue balances and debtor credit period presents an increase over the last three years. The Company is inherently unable to predict all developments which could have impact on this risk; however it takes the necessary measures to contain the risk at acceptable levels.

Risk Mitigation

The Company has policies to limit the counterparty default risk by reviewing the credit standing of its reinsurers as well as the level of deposits in reputable financial institutions with good credit standing.
Cash exposures are diversified in order to ensure that the counterparty risk remains at acceptable low levels.

Any unrated exposures comprise of cash and bank deposits with Cyprus cooperative and banking institutions that are assessed by the Investment Committee to be of adequate credit quality and no credit losses are anticipated from these placements.

Receivables are individually assessed on an ongoing basis for impairment and where deemed necessary a provision is recognised in the Company's financial statements.

A provision for impairment of trade receivables is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the present value of estimated future cash flows, discounted at the original effective interest rate.

The Company's Board of Directors is being informed on counterparty exposures and specific actions are followed up.

In addition to the Central scenario, the ORSA Upward scenario and the ORSA Downward scenario have been carried out and our capital adequacy remained strong.

C.4. Liquidity Risk

We define Liquidity Risk as the risk of not being able to make payments as they become due because there are insufficient assets in cash form or that can easily be turned into cash at no excessive cost.

This risk may arise when the Company is unable to realise investments and other assets in due time to meet its obligations as well as from significant asset / liability mismatches in relation to duration, currency, nature and timing.

Liquidity Policy and Monitoring Procedures

We ensure that we maintain sufficient liquid financial resources to meet its obligations as they fall due through. There is a liquidity risk appetite which requires that sufficient resources be maintained for the Company to manage its day to day operations in the short, medium and long term as well as sufficient buffer of liquid assets for covering sudden liquidity demands that may arise.

In accordance with the Company's risk appetite, the Company maintains a pool of liquid assets in bonds, cash and mutual funds that represents a predefined percentage of our total assets that is used to meet short term liquidity demands as well as a buffer for unexpected cash demands.

We perform Asset Liability Matching to monitor this risk and specific thresholds and stresses are performed. The duration of the Company's liabilities is considered in the Investment decisions.

The Company's liquid assets are regularly reviewed at the Company's Assets and Liabilities Committee (ALCO).

An ALM dashboard for normal and stressed market conditions is prepared in line with the Company's Asset Liability Matching (ALM) Policy and presented to the Risk & Reserving Committee.

On the asset side the Company's liquidity risk remained low as the Company's portfolio included high traded equities and bonds as well as mutual funds with fund managers offering daily liquidity and cash.

In the unlikely event of liquidation the majority of the Company's portfolio may be fully liquidated within one week.

C.5. Operational Risk

We define operational risk as the risk of loss arising from inadequate or failed internal processes, or from people and systems, or from external events.
It includes legal and compliance risk, which can be defined as the risk of loss arising from non-compliance with laws and regulations, contracts, established practices or codes of conduct, but excludes strategic and reputational risks.

We continuously operate, validate and enhance its key operational controls arising from inadequate or ineffective internal processes, people and systems or from external events.

The regulatory environment is fast changing and imposes significant demands on the resources of the Company. In the year 2016, the implementation of Solvency II entailed challenges on and changes of the Company's operations.

In terms of operational issues, we have a low appetite for risk. We make resources available to control operational risks to acceptable levels and maintain an operational policy.

Internal Fraud
The Company has no appetite for any fraud or corruption perpetrated by its employees. The Company takes all allegations of suspected fraud or corruption very seriously and responds fully and fairly as set out in the Code of Conduct.

External Fraud
The Company has no appetite for any fraud or corruption perpetrated by people outside the Company. The Company takes all allegations of suspected fraud or corruption very seriously and responds fully and fairly as set out in the Code of Conduct.

Security of Property and Persons
The Company strives to provide a highly-secure environment for its people and assets by ensuring its physical security measures meet high standards. The Company has a very low appetite for the failure of physical security measures
Work Health & Safety – The Company aims to create a safe working environment for all its employees. It has a very low appetite for practices or behaviours that lead to staff being harmed while at work.

Products, Contracts and Customer Relationship
The Company has a low appetite for losses arising from an unintentional or negligent failure to meet a professional obligation to clients (including fiduciary and suitability requirements); as well as low appetite for losses linked to the nature or design of a product.

Project Management
The Company has a low appetite for losses arising from failed management of projects either performed by internal resources or from external vendors / service providers.

IT Dysfunctions
Information Technology (IT) risks cover both daily operations and on-going enhancements to the Company's IT systems. These include:

- Processing – Prolonged outage of core systems: The Company has a low appetite for risks to the availability of systems which support its critical business functions thus maximum recovery times have been identified and agreed with each business area.
- Security – external or internal attacks on core systems or networks: The Company has a very low appetite for threats to Company assets arising from external or internal malicious attacks. To address this risk, the Company aims for strong internal control processes and the development of robust technology solutions. The Company has enhanced its information security organizational arrangements.
- On-going Development: The implementation of new technologies creates new opportunities, but also new risks. The Company has a low appetite for IT system-related incidents which are generated by poor change management practices.

Execution, Delivery and process management
The Company is committed to ensuring that its information is authentic, appropriately classified, properly conserved and managed in accordance with legislative and business requirements. It has a very low appetite for the compromise of processes governing the use of information, its management and publication. The Company has no appetite for the deliberate misuse of its information.

Human Resources management
Calibre of People: The Company relies and high quality employees to perform its functions. It aims to create an environment where employees are empowered to the full extent of their abilities. The appetite for losses to the value of the Company's collective competencies, knowledge and skills is low.

Conduct of People: The Company expects employees to conduct themselves with a high degree of integrity, to strive for excellence in the work they perform and the outcomes they achieve, and to promote the clients interest. The appetite for behaviours which do not meet these standards is low. The Company takes very seriously any breaches of its Code of Conduct.

Legal & Compliance
The Company is committed to a high level of compliance with relevant legislation, regulation, industry codes and standards as well as internal policies and sound corporate governance principles. Identified breaches of compliance will be remedied as soon as practicable. The Company has no appetite for deliberate or purposeful violations of legislative or regulatory requirements.

We follow a standardised approach in line with the EIOPA specifications for calculating the solvency capital requirement for operational risk as presented in the below table. This approach takes into consideration the earned premiums as well as the technical provisions of the Company which does not necessarily capture the full definition of the operational risk as stated above.

SCR Operational		
In Thousands €	**31/12/2016**	**31/12/2015**
Operational SCR	**2.074**	**2.198**

We take appropriate and timely steps to prevent and mitigate undue operational risk and financial loss due to weaknesses in processes, people and systems.

We aim to continuously improve further the operational risk framework and all loss events are promptly captured for appropriate action to be taken and promote internal learning.

C.6. Other Material Risks

Business Risk

Business risk arises because capital is risk sensitive and may vary as business cycles and conditions fluctuate over time.

We examine all market conditions to which our business is exposed and we continuously identify the key sources of risks.

Reputational Risk

Reputational risk could arise from an adverse perception of the image of a company on the part of customers, counterparties, shareholders, media speculation and negative publicity, supervisory authorities and any other stakeholders.

This risk is not ignored by the Company and at an early stage it seeks to identify prevent, manage and constraint any threat to its brand or reputation.

Strategic Risk

The strategic risk could occur as a result of adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment. This risk could impose material threats on the Company's current and prospective earnings.

Our BoD is promptly informed on all risk exposures that may arise and where needed action is taken.

D. Valuation for Solvency Purposes

Valuation Principles

The Company prepares its financial statements under the IFRSs. Accordingly, fair value is already calculated for many of its assets and liabilities (particularly financial instruments) and is then included either directly in the IFRS balance sheet or disclosed in the notes to the financial statements.

For its Solvency II balance sheet, the Company uses the fair value of assets and liabilities as calculated for IFRS accounting purposes, insofar as this value complies with Solvency II asset and liability valuation principles.

This ensures that a reliable Solvency II balance sheet is produced as part of an orderly, well-managed process. It also ensures consistency with the IFRS financial statements.

In substance there are no differences with regards to the base, methods and key assumptions used by the Company for the valuation of the assets and liabilities for solvency purposes under Solvency II and those used for their valuation in financial statements except where specifically mentioned below.

There are instances where, the value of certain items may be estimated using simplified approaches (e.g. cost price or cost) when those items do not represent significant exposure or when the difference with fair value as calculated under IFRS is not material. Company is consistent in applying alternative valuation techniques unless the change in method would result in a more appropriate measurement.

Criteria for Active market Identification

Solvency II prefers entities to use values obtained from transactions carried out on active markets wherever possible.

If no active market transactions are available, a significant element of judgement will need to be used in the valuation as regards the choice of valuation methods as well as the assumptions, inputs and data to be used. Such an approach must be part of a well-managed process in order to achieve unbiased valuations.

To assess whether a market is active for Solvency II asset and liability valuation purposes, the Company uses the same criteria as in its IFRS accounting process.

For valuations and fair value measurements under IFRS 13- Fair Value Measurement, prices obtained from transactions carried out on an active market should be used where possible. For financial instruments in particular, the Company uses the fair value hierarchy set out in IFRS 13. Instruments classified in Level 1 in the notes to the IFRS financial statements are considered as having been obtained on an active market when preparing the Solvency II balance sheet.

General principles and rules for classifying items according to the IFRS 13 fair value hierarchy are summarised in the notes to the IFRS financial statements.

D.1. Assets

Specific Rules for asset valuation and gap between Financial Statements

Deferred Acquisition Costs

The IFRS value for Deferred Acquisition Costs is €3.178k whereas in Solvency II Balance Sheet they are valued at nil value, based on the Solvency II valuation principles (EIOPA Guidelines).

Intangible Assets

The IFRS Net Book value for Intangible Assets is €358k and relates to the costs that are directly associated with identifiable and unique computer software products owned by the Company that are expected to generate economic benefits, minus any accumulated amortisation and any accumulated impairment losses. The Company also recognises an intangible arisen from the purchase of insurance portfolio which has Nil Net Book Value.

For Solvency II purposes intangible assets are valued at Nil based on the SII valuation principles (EIOPA Guidelines). This is also a prudent approach followed by the Company due to the absence of any active market for these items.

Deferred Tax Assets

The Company has not recognised any Deferred tax Asset under IFRS principles.

Under Solvency II Balance Sheet the Company recognised an amount of €380k Deferred Tax Asset coming from the tax base (temporary) differences created by the differences in the valuation of assets under Solvency II compared to the valuation of such assets under IFRS. As explained above the Intangible assets and Deferred Acquisition costs are valued at Nil based on the SII valuation principles. In addition, the Technical Reserves are valued in accordance with the Solvency II principles.

Insurance & intermediaries receivables

Insurance & intermediaries receivables are amounts due from agents and direct customers (i.e. from issuance holders) and are recognised initially at fair value and subsequently measured at amortised cost, using the effective interest rate method, less provision for impairment. Total amount is €16.681k being the net result of €21.500k receivable balances minus a provision for impairment of receivables of €4.817k.

A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or delinquency in payments are considered indicators that the trade receivable should be reviewed impairment. The amount of the provision is the difference between the carrying amount and the recoverable amount. The carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in profit or loss. When an amount is uncollectible, it is written off against the allowance account for insurance receivables. Subsequent recoveries of amounts previously written off are credited in profit or loss.

The impairment of receivables policy of the Company is stated in Counterparty Default Risk above.

The value of the Insurance & intermediaries receivables under Solvency II does not differ from IFRS.

Reinsurance receivables

The IFRS value of reinsurance receivables is €1.619k.

The benefits to which the Company is entitled under reinsurance contracts held are recognised as reinsurance assets. These assets consist of short-term balances due from reinsurers, as well as longer term receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

The Company evaluates their reinsurance assets on a yearly basis for impairment. If there is objective evidence that the reinsurance asset is subject to impairment, the Company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognise the impairment loss in the profit or loss.

The value of the reinsurance receivables under Solvency II does not differ from IFRS.

Receivables (trade, not insurance)

The IFRS value of Receivables is €7.030k and mainly comprises an intercompany Loan with a Group Company, Deposit to Cyprus Hire Pool and Receivables from Tax Authorities. The value of the Receivables under SII does not differ from IFRS ones.

The Company considers that the IFRS value is not significantly different from the fair value.

Fair value may be determined on a case-by-case basis if the IFRS value is likely to differ significantly from fair value, for example due to the impact of discounting.

Investment Assets

Investment assets are valued at Fair Value for IFRS purposes. The IFRS value of the Company's total Investible Assets is €75.108k and is detailed below.

The value of the Investment Assets under Solvency II does not differ from IFRS.

Asset Class In Thousands €	Market Value
Equity - In-house	1.305
Bonds - In-house	25.312
Bond Funds	18.442
Money Market Funds	2.933
Cash	19.493
Property	2.630
Structured Products	542
Loan	4.452
Total	**75.108**

The valuation method for each security depends on several factors, i.e. listed or unlisted asset, where is the asset being listed and liquidity of the asset.

Equities
The equities held by the Company are listed in regulated markets in countries which are members of the European Economic Area (EEA) or the Organization for Economic Cooperation and Development (OECD), therefore the closing price in those markets is used for valuation purposes.

Bonds
The same valuation method applies for government bonds and corporate bonds if the asset is considered liquid. For bonds which are illiquid, the Company uses yields derived from similar securities (from the same issuer) in active markets and with the use of linear interpolation the Company estimated the price of the illiquid securities.
All funds we invest in, offer daily liquidity and the price is received by the fund manager or via Bloomberg.

Structured products
The same valuation method applies for structured products excluding one security for which the price is received by the custodian quarterly.

Properties
Properties are valued by external valuator at least annually and the valuation is based on expected future cash flows.

Loans
Loans are valued by the Company using the discount method on a monthly basis.

D.2. Technical Provisions

Methods and Assumptions

The Company's portfolio has been analysed and classified after a segmentation process into various homogeneous risk groups for the calculation of Technical Provisions, having regard to the minimum Solvency II Directive groupings.

The following risk classification has been performed:

- Motor (Solvency II classification: Motor Vehicle Liability & Other Motor Insurance)
- Liability (Solvency II classification: General Liability Insurance)
- Fire (Solvency II classification: Fire and other damage to property insurance)
- Accident & Health (Solvency II classification: Medical Expense Insurance)
- Marine (Solvency II classification: Marine, aviation and transport Insurance)
- Miscellaneous (Solvency II classification: Miscellaneous financial loss)
- Credit (Solvency II classification: Credit and suretyship Insurance)

Each line of business has been grouped and analysed by cover class description. Each category shown above is further broken down into sub-categories.
Motor business, at Gross of reinsurance level, has been grouped and analysed by breakdown code as shown above. At Net level (where breakdown level is not available) the grouping and analysis has been performed by claim size (i.e. separately for smaller and larger claims).

Categories used for reporting Motor business are as per the Solvency II official classification.

For the above risk classification, further subgroups have been created (where appropriate) varying by claim amount (i.e. separately for smaller and larger claims).

Technical Provisions

Solvency II requires undertakings to set up technical provisions which correspond to the current amount undertakings would have to pay if they were to transfer their (re)insurance obligations immediately to another undertaking. The value of technical provisions is equal to the sum of a best estimate (BE) and a risk margin.

Undertakings should segment their (re)insurance obligations into homogeneous risk groups, and as a minimum by line of business, when calculating technical provisions.

The best estimate is calculated gross, without deduction of the amounts recoverable from reinsurance contracts and special purpose vehicles (SPVs). Those amounts are calculated separately.

The actuarial and statistical methods to calculate technical provisions are proportionate to the nature, scale and complexity of the risks supported by the undertaking.

The Company does not make use of any transitional measures or volatility adjustment.

Best Estimate of Technical Provisions

For Non-Life and Health NSLT insurance obligations, Non-life techniques are used. The Best Estimate of Technical provision of liabilities is the result of the present value of expected cash flows, based on non-life actuarial best practice.
For each non-life business, the amount of best estimate is estimated as the sum of:

- Premium provisions (cash flow projections related to claim events occurring after the valuation date and during the remaining in-force period of the policies)
- Claim provisions (cash flow projections related to claim events having occurred before or at the valuations date-whether the claims arising from these events have been reported or not).

Premium Provisions

For premium provision the method used is based on an estimate of the combined ratio of the line of business in question.

In case premiums charged for a line of business are considered to be insufficient to cover the cost of claims and expenses incurred during the period of unexpired risk then an additional reserve (Unexpired Risk Reserve) is added to the Premium Provision. This year, an additional reserve of €12K was considered necessary for the small business of Credit.

Claims Provisions

This is the sum of the total discounted indicated claims reserves and the Claims Handling Expense reserve (CHE).

The derivation of the CHE provision was based on loss reserving actuarial techniques and the Company's expense analysis.

The above methodology is used for the Cyprus portfolio. However, due to materiality issues, for the Greek portfolio a simplified methodology is used where the discounted actual outstanding claims for the year are used as the claims provisions.

Best Estimate of Reinsurance Recoverable

Actuarial valuations for Gross and Net Best Estimates are performed separately, and the difference of the two is taken as the Best Estimate of Reinsurance Recoverable. Reinsurance Recoverable indicate the amounts payable by reinsurers less the amounts paid to the reinsurers.

Description of Model

In this section we describe the model used to project the amount of claims. This is produced based on claims incurred, claims paid so far as well as historical data.

A data preparation triangulation exercise takes place followed by several data checks and a number of diagnostics are investigated.

When selecting an average of the historical claim amounts and count experience, a combination of up to six years is generally (but not necessarily) used as the basis of the calculation. This is compared to the averages over different time periods before the selection of the final pattern. The selected year-to-year ratios are in most cases 'volume weighted', and so more credibility is given, other things being equal, to years with more claims. Actual selection varies between lines of business and due care is given on erratic data sets, in particular 'large' claims data sets.

Variations of loss developing, (credibility weighted) balancing and frequency/severity methods are utilised for the estimation of ultimate losses as follows:

- Loss Development Method using paid and incurred claims data
- Bornhuetter-Ferguson Method using paid and incurred claims data and earned premiums as exposure measure (two iterations are tested when incurred claims are utilised).

For the end of year (EOY) 2016 results were based mostly on balancing methods (Bornhuetter-Ferguson method).

Assumptions

Economic Assumptions

EIOPA yield curves with no volatility adjustment as at 31/12/2016 were used.

Inflation is allowed for in the CHE calculation and is determined based on actuarial judgement, the Cyprus' Consumer Price index history and the Company's actual increase in Claims management expenses from one year to the next.

Liabilities Assumptions

Lapse Rates

Lapse rates per class of business are determined using the actual data over the year to reflect any specific events and allow for changes affecting policyholders' behaviour.

Loss Ratios

For the loss ratios, an average of the last years of experience is used depending on the line of business adjusting for any extreme values.

Expenses

Expenses are based on actual 2016 experience broken down and allocated by line of business.

We use a combination of general allocation methods and principles.

Other main Assumptions

Tax Assumptions

No tax assumptions are taken into account when determining the Best Estimate of Technical Provisions.

Material Assumptions Changes

Changes in expenses, lapses and loss ratios of the Company for each line of business have been taken into account in the calculation of reserves to allow for 2016 actual experience. In addition, new yield curves have been used to reflect the economic conditions as at the end of December 2016.

The changes in assumptions have not materially affected the gross technical provisions except for Miscellaneous Insurance included in "Other" category where there is a significant reduction in miscellaneous insurance Best Estimate. Specifically, payments of claims and, in some cases, releases of reserves led to the reduction in Outstanding Claims Reserve which consequently reduced the Best Estimate of Miscellaneous Insurance.

Risk Margin Calculation

The risk margin is a part of technical provisions in order to ensure that the value of technical provisions is equivalent to the amount that insurance and reinsurance undertakings would be expected to require in order to take over and meet the insurance and reinsurance obligations.

The risk margin should be calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the insurance and reinsurance obligations over the lifetime thereof.

In order to calculate the Risk Margin, the calculations of the projected Solvency Capital requirement of the Company in each point in time is required. Due to the complexity of the Risk Margin definition and calculation, a simplified method is used based on European Insurance and Occupational Pensions Authority' s (EIOPA) technical specifications. A simplification using the overall Solvency Capital Requirement (SCR) for each future year (level 3 of the hierarchy as defined in the relevant technical specifications) is used.

For this simplification, the SCR of the year and the projected best estimates of liabilities for each future year are used in the Risk Margin calculation.

Gap with Financial Statements

The IFRS reserves of the Company are made up by:

- Unearned Premium Reserve (UPR):
  It is the amount set aside from premiums written before the Balance Sheet date to cover claims expected to incur after that date. The amount is obtained directly from the Company's system.

- Pure Outstanding claims:
  It is the amount of outstanding claims as obtained from the Company's system.

- IBNR Reserve:
  IBNR Reserve comprises of Pure IBNR (Incurred But Not Reported) reserve and IBNeR (Incurred But Not Enough Reported).
  Pure IBNR Reserve is a reserve to provide for claims in respect of claim events that have occurred before the accounting date but still to be reported to the insurer by that date.
  IBNeR Reserve reflects expected changes (increases and decreases) in estimated for reported claims only.

For producing IBNR reserves, a data triangulation exercise takes place as explained above.

- Claims Handling Expense reserve as explained above.

- Unexpired Risk Reserve (if any):

It is the reserve held in excess of the Unearned Premium Reserve, to allow for any expectation that the unearned premium reserve will be insufficient to cover the cost of claims and expenses incurred during the period of unexpired risk.

The main differences between IFRS Reserves vs Solvency II Technical Provisions are:

- The IFRS Reserves take into account the Pure Outstanding Claims together with the Claims Handling Expense Reserve and the undiscounted (rounded figure of) IBNR. However, the corresponding value under SII is calculated by assuming the payment pattern that these elements will follow, for each line of business (and homogeneous risk group), forming a stream of future cash flows. These future cash flows are then discounted using the assumed risk free interest rate and the result of this is the Best Estimate Claim Provision.

- The Best Estimate Premium Provision is calculated using expected combined ratio simplification. This simplification takes into account the Unearned Premium Reserve, the combined ratio (a ratio for expected claims, commissions and administration expenses) and lapse ratios as it can be seen in the formula mentioned above for each line of business. The result is then discounted using the assumed risk free interest rate. The corresponding reserve under IFRS is the total amount of UPR.

- The IFRS Reserves do not take into account a Risk Margin.

The table below shows a numerical comparison of the Solvency II Technical Provisions and IFRS Reserves due to the different methodologies and assumptions used.

In Thousands €	**Gross IFRS Reserve**	**Gross SII Technical Provisions**
Motor Liability	37.316	37.831
Fire and other property damage	17.253	12.827
General Liability	18.253	17.818
Other	3.690	3.239
TOTAL	**76.512**	**71.715**

The total Gross IFRS Reserves are 7% higher than the Solvency II Technical Provisions due to different methodology allowing for the discounting of reserves under Solvency II whereas no discounting under IFRS.

Main Results

Technical Provisions

Technical provisions of liabilities are defined as the sum of Best Estimate of Liabilities (BE) and Risk margin.

The values of the Technical Provisions of liabilities (Gross of Reinsurance) as at the end of year 2016 are presented above.

Motor insurance, including motor vehicle liability and other motor, is 53% of the total Technical Provisions. This is expected since the Motor insurance product is the largest source of business for the Company.

General liability insurance and Fire and other damage to property insurance follow with 25% and 18% contribution to the total Technical Provisions respectively.

A further split of the Gross Technical Provisions into Gross Best Estimates and Risk Margin is shown below.

Gross Best Estimate

As mentioned above, the Gross Best estimate is defined as the sum of Gross Best Estimate of Premium Provision and the Gross Best Estimate of Claims Provision.

The values of the Best Estimate (Gross of Reinsurance) as at the end of year 2016 are presented below based on SII lines of business.

In Thousands €	Gross BE Premium Provision	Gross BE Claims Provision	Gross Best Estimate
Motor Liability	10.105	26.235	36.339
Fire and other property damage	4.368	8.131	12.499
General Liability	2.237	14.887	17.124
Other	674	2.504	3.179
TOTAL	**17.384**	**51.757**	**69.141**

As expected, Motor insurance, including both Motor vehicle liability and Other motor, has the largest contribution to Best Estimate with 53% of the total Best Estimate.

General liability insurance and Fire and other damage to property insurance follow with 25% and 18% contribution to the total Best Estimate respectively.

Risk Margin

For the Risk Margin calculation the SCR of the year and the projected best estimates of liabilities for each future year are being used.

The values of the Risk Margin as at the end of year 2016 are presented below based on Solvency II lines of business.

In Thousands €	Risk Margin
Motor Liability	1.493
Fire and other property damage	328
General Liability	694
Other	59
TOTAL	**2.574**

Motor insurance, including both Motor vehicle liability and Other motor, has the largest contribution to the Risk Margin with 58% of the total Best Estimate.

General liability insurance and Fire and other damage to property insurance follow with 27% and 13% contribution to the total Technical Provisions respectively.

Reinsurance Recoverable

Reinsurance Recoverable is defined as the difference of the Gross and Net Best Estimate.

The values of the Reinsurance Recoverable as at the end of year 2016 are presented below:

Reinsurance Recoverable Best Estimate In Thousands €	2016
Motor Liability	3.796
Fire and other property damage	7.015
General Liability	1.892
Other	2.056
TOTAL	**14.759**

As already mentioned above, Motor (including both Motor vehicle liability and Other motor), General Liability and Fire insurance form the larger part of the Gross Best Estimate of liabilities. Similarly, these categories form the larger part of Reinsurance Recoverable Best Estimate. In addition to these categories, Reinsurance Recoverable of Miscellaneous financial loss insurance is also significant which appears under "Other" line of business.

D.3. Other Liabilities

Specific Rules for valuation and gap between Financial Statements

Deferred Tax Liabilities

The Company does not have any Deferred tax Liability under IFRS principles or Solvency II Balance Sheet.

Reinsurance receivables/Payables

The IFRS value of reinsurance payables is €4.452k.

The reinsurance payables are mainly premiums payable for reinsurance contracts and are recognised as expenses on an accrual basis.

The value of the reinsurance payables under Solvency II does not differ from IFRS.

Payables (trade, not insurance)

The IFRS value of Payables is €4.367k and mainly comprises accrued expenses and obligations to pay for services that have been acquired in the ordinary course of business from suppliers.

The value of Payables under Solvency II does not differ from IFRS. The Company considers that this IFRS value does not differ significantly from the economic value of the liabilities, since amounts payable are due in the short term (less than one year). The economic value of current liabilities is not therefore calculated.

The economic value of these liabilities may be determined on a case-by-case basis if the IFRS value is likely to differ significantly from the fair value, for example due to the impact of discounting.

E.Capital Management

E.1. Own Funds

Objectives, Policy and Procedures

The Company has a simple share capital structure. It is a wholly owned subsidiary of CNP Cyprus Insurance Holdings Ltd which is owned 50,1% by CNP Assurance S.A. and 49,9% by Bank of Cyprus.

The excess of Capital over Liabilities (Own funds) of the Company under IFRS amounts to €34.138k and consist of:

- Share capital and Share premium. The share capital is comprised of issued and fully paid ordinary shares. The share premium is the difference between the fair value of the consideration receivable for the issue of share and the nominal value of shares. Share premium cannot be used for dividend distribution.
- Retained earnings which is the cumulative net income not distributed to its shareholder as dividend and
- Other Reserves, not distributable as dividends (e.g. AFS reserve).

The Excess of assets over liabilities under SII amounts to €31.526k. The difference compared to IFRS figure is due to the differences in the valuation of:

- Intangible assets and
- Deferred Acquisition costs which are valued at Nil based on the SII valuation principles
- The calculation of Technical Reserves which is calculated based on SII principles and
- The tax base (temporary) differences crated affecting the Deferred Tax amount due to adjustments

The capital management plan (management of own funds) is defined as a result of the strategic planning exercise, and is part of the overall framework set by this exercise, in terms of dividend payments, capital increase, etc. It takes into account the Solvency projections from the work carried out as part of the strategic planning.

It can be adjusted upon the occurrence of a major event on markets (stress situation in equities, bonds, real estate, etc.), or affecting CNP Asfalistiki (acquisition, business disposal, other event). If the situation requires the full or partial review of the strategic planning exercise, this is revised accordingly.

Based on Company's financial projections as stated in the approved by the BoD 5 Year Business Plan, the Actuarial Function Holder performs the Solvency II calculations to ascertain whether the capital levels are adequate to enable the Company to continue as a going concern.

The Finance function is responsible for preparing the Company's Business Plan, which is then approved by the Board of Directors. The financial projections of the Company are based on the strategic plan and targets set by the Company for the planning horizon, in conjunction and taking into consideration, the external and internal environment that the Company operates in.

The budget is used as an input to the capital planning. Capital planning includes projections of internal capital requirements (Pillar 1 and 2) and Own Funds over the planning period. These projections are calculated based on the projected balance sheet structure of the Company, reasonable assumptions, parameters, correlations or levels of confidence decided by the Senior Management, Actuarial, Finance and Risk Management Functions.

Projected capital requirements are compared with Own Funds so that the Company is able to observe whether the forecasted available Own funds of the Company will be adequate to cover any future strategic actions that the Management intends to take.

Prospective changes in the Company's risk profile and how they affect its current and projected level of solvency requirements are taken into account during the capital planning process. The quality and profile of the Company's own funds over the planning period is also taken into consideration.

The capital is a tool that is used by the Company, amongst other issues, for the definition of early warning indicators, continuous contact with shareholders as well as a contingency capital plan. If the level of capital maintained is not adequate, then the Company considers increasing the capital to cover these risks or strengthen its internal processes so that the probability of incurring unexpected losses in the future is minimized. The appropriate level of additional capital or the application of any set of controls is clearly stated and justified through the use of the stress scenarios performed mathematical/statistical models or warranted expert judgment.

We monitor the procedure described above and are regularly informed about the outcome of the various calculations performed at each step of the procedure.

Information is also provided to the Risk Management Function to quantify and assess the risks that the Company faces.

Structure, Amount and Quality of Own Funds

Basic Own Funds

The Own Funds of the Company under IFRS amount to €34.138k and under the Solvency II amounts to €31.525k. As explained in the introduction, the basis of consolidation for financial accounting purposes differs from that used for Solvency II purposes.

The table below illustrates the split of Basic Own Funds under IFRS and Solvency II as at the end of the year ended 31 December 2016 compared to the year ended 31 December 2015.

	2016		**2015**	
***In* Thousands €**	**SII Balance Sheet Value**	**IFRS Balance Sheet Value**	**SII Balance Sheet Value**	**IFRS Balance Sheet Value**
Ordinary Share Capital	13.690	13.690	13.690	13.690
Additional paid-in capital	11.990	11.990	11.990	11.990
Fair Value Reserves		395		(1.539)
Retained Earnings		8.063		9.044
Deferred Tax Asset	380		0	
Reconciliation reserve	5.466		4.759	
Total Basic Own Funds	**31.525**	**34.138**	**30.439**	**33.185**

Adjustments linked to tiering

The Company recognised an amount of €380k Deferred Tax Asset coming from the tax base (temporary) differences created by the differences in the valuation of assets under Solvency II compared to the valuation of such assets under IFRS. In accordance with Solvency II guidelines this asset is listed as Tier 3.

Solvency II Own Funds as at 31/12/2016 and 31/12/2015

The table below illustrates separate for each tier information about the Own Funds at the end of the year-ended 31 December 2016 compared to the year-ended 31 December 2015 together with the eligible amounts of Own Funds to cover SCR and MCR.

The majority of the Company's Own Funds consists of Tier 1 funds. The only change, compared to last reporting period, was to include the amount of Net Deferred Tax Asset in Tier 3.

The eligibility of Own Funds is calculated according to EIOPA's Technical Specifications. As per EIOPA's instructions, Tier 3 items are excluded from the eligible Own Funds to cover the MCR and therefore the corresponding amount is slightly decreased.

	2016				2015			
In Thousands €	**Total**	**Tier 1 - unrestricted**	**Tier 2**	**Tier 3**	**Total**	**Tier 1 - unrestricted**	**Tier 2**	**Tier 3**
Ordinary Share Capital	13.690	13.690	-	-	13.690	13.690	-	-
Additional paid-in capital	11.990	11.990	-	-	11.990	11.990	-	-
Deferred Tax Asset	380	-	-	380	0	-	-	-
Reconciliation reserve	5.466	5.466	-	-	4.759	4.759	-	-
Total Basic Own Funds	31.526	31.146	-	380	30.439	30.439	-	-
Eligible own funds to meet the SCR	**31.525**	31.146	-	380	**30.439**	30.439	-	-
Eligible own funds to meet the MCR	**31.146**	31.146	-	-	**30.439**	30.439	-	-

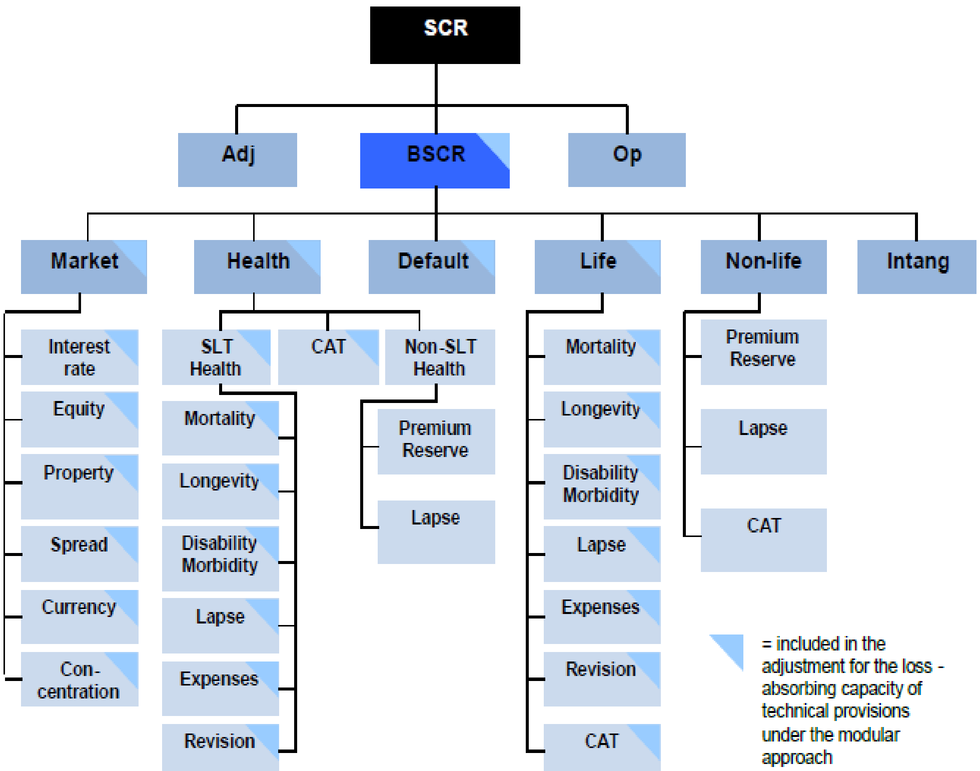
E.2. Solvency Capital Requirement and Minimum Capital Requirement

Solvency Capital Requirement valuation method

The overall Solvency II Capital Requirement is calculated using the standard formula as described in the technical specifications.

The Company's Solvency Capital Requirement (SCR) is composed by:

- The Basic Solvency Capital requirement (BSCR)
- The Operational SCR and
- Allowing for any adjustment for the risk absorbing effect of technical provisions and deferred taxes.



Each SCR module is calculated based on the technical specifications of EIOPA.

The basic idea for the SCR calculation is to look at the values of assets and liabilities using the SII calculation methods before and after each shock. The SCR is defined as below:

$$SCR=\max\left\{\begin{bmatrix}(Market\ Value\ of\ Assets\ Central - Market\ Value\ of\ Assets\ Shock) - \\ (Best\ Estimate\ of\ Liabilities\ Central - Best\ Estimate\ of\ Liabilities\ Shock)\end{bmatrix}, 0\right\}$$

Solvency Capital Valuation Principles

Granularity of Calculations

The only simplification that the Company uses for the SCR calculations is for the calculation of Market Risk for UCITs funds.

As per the EIOPA guidelines, if the Company's exposure to Collective Investments and other investments packaged as funds exceed a certain threshold (20 % of the total value of the assets of the insurance or reinsurance undertaking), the SCR shall be calculated on the basis of each of the underlying assets of collective investment undertakings and other investments packaged as funds (look-through approach).

The Company's UCITs exposure is below the maximum threshold; therefore, no look through approach for the calculations of the SCR is performed. The Company uses the information that is given by the fund manager in order to identify the type of risk and the SCR impact. The information given may be:

- Asset Class: an equity fund is included in the equity risk and concentration while a bond fund is included in the interest, spread and concentration risk
- Average duration and average rating: the average duration and rating of an interest sensitive fund is used to calculate the interest risk and the spread risk.
- Fund Type: an equity fund that is invested in EU or OECD countries is shocked by 39% while funds which invest to other countries or hedge funds are shocked by 49%.

Assuming that all shocks described under the standard formula incurred at the end of 2016, the Company would have made a loss equal to the BSCR and Operational SCR (i.e. €22.437k). Due to the events assumed to be incurred in 2016, the next 5 years profits will be affected. Taking each element of the shocks one by one, the only shock that will eventually have a longer term impact on the Company's profit will be the non-life underwriting shock. The market shocks will affect significantly the profits for 2016 but in 2017-2021 assuming that no further shocks will incur, profits relative to normal Business Plan profits will not be significantly affected with the exception of some impact from the higher interest rates. However the significant once off change will incur during 2016.

Similarly, the catastrophic events of one year will not affect the results of future years. If the Company's counterparties default one year, new agreements will be made in the next year, the loss will incur for 2016 but future year's profits will not be further affected.

Therefore the non-life (including health) underwriting risk is the one that will impact future profits.

Isolating the premium risk from the full business, which came up to €6.650k and after allowing for diversification between health and the rest non-life business a risk of €5.792k is assumed to occur in 2016. Therefore, a loss of business equal to this amount is assumed.

Taking into account the Company's profit before tax over written premium rate of 10% in recent years, a loss of 10% of €5.792k is assumed to incur every year in the period 2017-2021 (i.e. €579k per year). The overall profit before tax under the normal 5-year Business Plan scenario was estimated at €26.251k. Therefore, the profit after the €579k loss per annum will reduce the 5 year profit to €23.355k which is above the €22.437k.

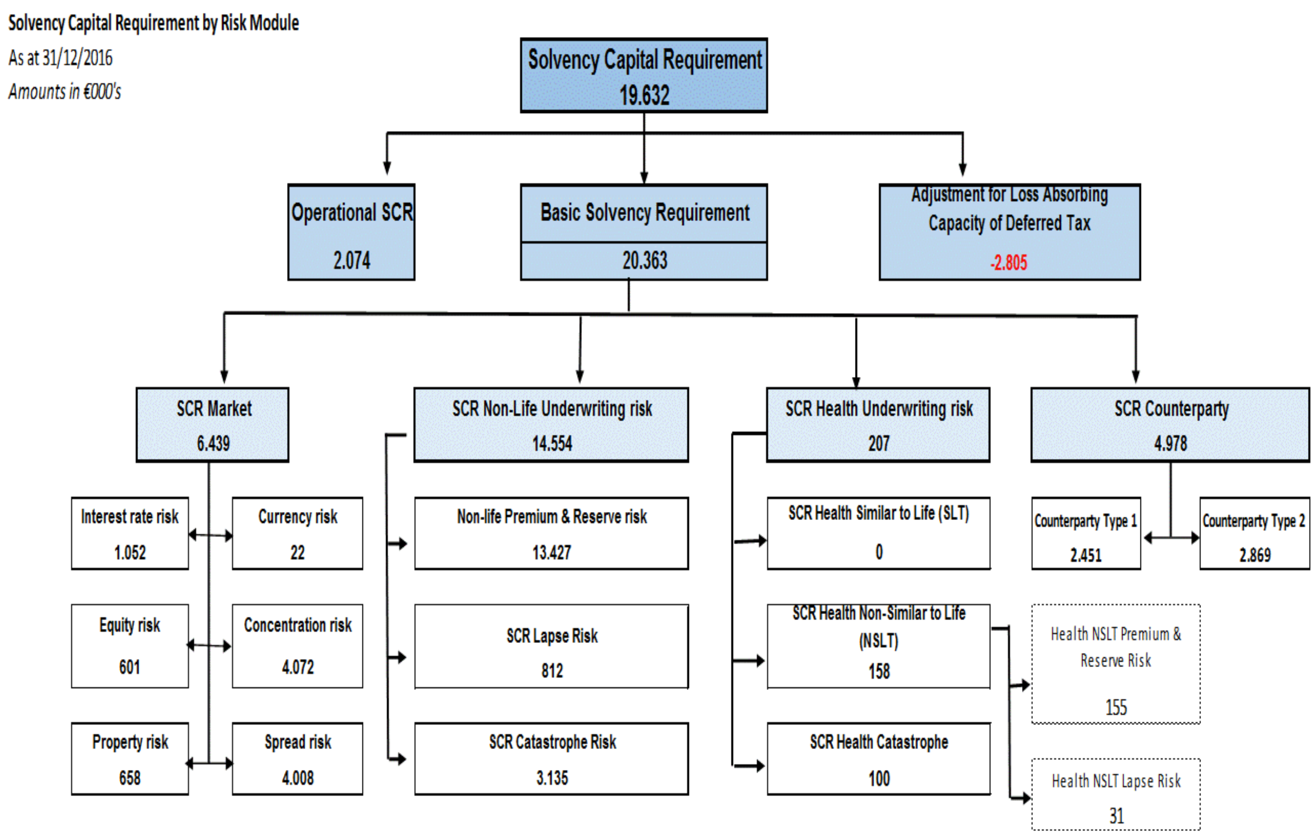
SCR and MCR as at 31/12/2016

The total Solvency Capital Requirement (SCR) of the Company as at the end of 2016 was €19.632k with a total Minimum Capital Requirement (MCR) of €8.252k. These amounts are subject to supervisory assessment.

SCR as at 31/12/2016

The SCR of the Company is calculated based on the standard formula provided by the Solvency II Guidelines.

The analysis of 2016 SCR by risk module is indicated below.



The SCR of the Company consists of the Basic Solvency Capital Requirement (BSCR) of €20.363k, the Operational SCR (€2.074k) and the Loss Absorbing Capacity of Deferred Taxes (€2.805k).

The Basic Solvency Capital Requirement is due to the combination of SCR Market, SCR Non-Life, SCR Health Underwriting risk and SCR Counterparty risk after allowing for diversification between and within those risk modules.

The main risk driver is the SCR Non-life Underwriting risk (€14.555k) due to the nature of the Company's business followed by the SCR Market risk (€6.439k).
The most significant component of Non-life Underwriting risk is the Premium & Reserve risk which forms 77% (before diversification) of this risk module. Premium & Reserve risk is of particular importance since it is the risk of loss of the premiums earned by the Company or any adverse changes in the value of the insurance liabilities of the Company. Non-life Catastrophe risk contributes 18% (before diversification) to the total Non-Life Underwriting risk. This particular risk refers to the loss related to extreme or exceptional events.

SCR has been reduced by 8% during the reporting period compared to previous reporting period. This reduction is mainly due to a decrease in SCR Market and SCR Counterparty coming mainly from strategic decisions of the Company in an effort to reduce those risks within the overall targets of the Company. Particularly, SCR market has been decreased due to a decrease in SCR Spread and SCR Concentration:

SCR Spread has been reduced due to the increase in the average rating of the portfolio. This was achieved by reducing exposure in Cyprus (fixed deposits) and the overall increase in average rating of the funds that were chosen to invest in.

- SCR Concentration has been decreased mainly due to increased diversification and due to the decreased exposure in Cyprus

In addition, SCR Counterparty reduction is mainly due to:

- Significant decrease of assets that fall under this shock and due to diversification
- The reduction in Reinsurance Best Estimate (recoverable)
- Reduction in debtors that fall under Type 2 counterparty

In Thousands €	2016	2015	Percentage Change
Solvency Capital Requirement (SCR)	19.632	21.104	7%
Adjustment for Loss Absorbing Capacity of Deferred taxes	(2.805)	(3.015)	-7%
SCR	22.437	24.119	-7%
Basic Solvency Capital Requirement (BSCR)	20.363	21.920	-7%
SCR Operational	2.074	2.198	-6%
SCR Market	6.439	8.853	-27%
SCR Non-Life	14.554	13.969	4%
SCR Health	207	179	16%
SCR Counterparty	4.978	5.914	-16%

MCR as at 31/12/2016

The Minimum Capital Requirement calculation is derived as the maximum value between the absolute value MCR and the combined MCR. The absolute MCR based on SII regulation comes up to €3.700k. As the combined MCR is higher than the absolute value, the MCR of the Company equals the combined MCR of €8.252k.

The combined MCR is derived as the lower of MCR cap (45% of SCR) and of the highest of MCR floor (25% of SCR) and MCR linear. The MCR linear is derived in terms of the non-life business. For this calculation the best estimates of liabilities net of reinsurance recoverable and the written premium over the last 12 months per line of business are required.

In Thousands €	
Linear MCR	8.252
SCR	19.632
MCR cap	8.835
MCR floor	4.908
Combined MCR	8.252
Absolute floor of the MCR	3.700
Minimum Capital Requirement	**8.252**

Appendix I - Abbreviations

The following abbreviated terms are used throughout this Report.

A	
ACPR	Autorité de Contrôle Prudentiel et de Résolution
AFS	Available for Sale
ALCO	Asset and Liability Management Committee
B	
BOC	Bank of Cyprus Public Company Ltd
BoD / Board	Board of Directors of CNP Asfalistiki Ltd
BSCR	Basic Solvency Capital Requirement
C	
CAT	Catastrophe
CNP Asfalistiki / Company	CNP Asfalistiki Ltd
CNP CIH	CNP Cyprus Insurance Holdings Ltd and its subsidiaries
CRO	Chief Risk Officer
D	
Directive	Solvency II Directive
E	
EIOPA	European Insurance and Occupational Pensions Authority
EU	European Union
G	
GDP	Gross Domestic Product
I	
IAF	Internal Audit Function
IBNR	Incurred But Not Reported
IBNeR	Incurred But Not enough Reported
IFRS	International Financial Reporting Standards
IT	Information Technology
M	
MCR	Minimum Capital Requirement
N	
NSLT	Non-Similar to Life Techniques
O	
OF	Own Funds
ORSA	Own Risk Solvency Assessment
P	
PWC	PriceWaterhouse Coopers Limited
R	
RMF	Risk Management Function
S	
SCR	Solvency Capital Requirement
SFCR	Solvency and Financial Condition Report
SII	Solvency II
SPV	Special Purpose Vehicle
Supervisor	Insurance Companies Control Service/ Superintendent of Insurance
T	
TAA	Tactical Asset Allocation

Appendix II - QRTs

S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	379.535
Pension benefit surplus	**R0050**	-
Property, plant & equipment held for own use	**R0060**	190.414
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	67.325.653
Property (other than for own use)	**R0080**	2.630.000
Holdings in related undertakings, including participations	**R0090**	215.000
Equities	**R0100**	1.304.834
Equities - listed	**R0110**	1.284.416
Equities - unlisted	**R0120**	20.418
Bonds	**R0130**	25.854.190
Government Bonds	**R0140**	8.842.238
Corporate Bonds	**R0150**	16.469.548
Structured notes	**R0160**	542.404
Collateralised securities	**R0170**	-
Collective Investments Undertakings	**R0180**	21.374.699
Derivatives	**R0190**	-
Deposits other than cash equivalents	**R0200**	15.946.930
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	-
Loans and mortgages	**R0230**	-
Loans on policies	**R0240**	-
Loans and mortgages to individuals	**R0250**	-
Other loans and mortgages	**R0260**	-
Reinsurance recoverables from:	**R0270**	14.758.601
Non-life and health similar to non-life	**R0280**	14.758.601
Non-life excluding health	**R0290**	14.750.877
Health similar to non-life	**R0300**	7.724
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	-
Health similar to life	**R0320**	-
Life excluding health and index-linked and unit-linked	**R0330**	-
Life index-linked and unit-linked	**R0340**	-
Deposits to cedants	**R0350**	-
Insurance and intermediaries receivables	**R0360**	16.681.153
Reinsurance receivables	**R0370**	1.618.884
Receivables (trade, not insurance)	**R0380**	7.030.004
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**	4.125.918
Any other assets, not elsewhere shown	**R0420**	-
Total assets	**R0500**	112.110.162

Liabilities		Solvency II value C0010
Technical provisions – non-life	**R0510**	71.714.795
Technical provisions – non-life (excluding health)	**R0520**	70.955.015
Technical provisions calculated as a whole	**R0530**	-
Best Estimate	**R0540**	68.418.104
Risk margin	**R0550**	2.536.911
Technical provisions - health (similar to non-life)	**R0560**	759.780
Technical provisions calculated as a whole	**R0570**	-
Best Estimate	**R0580**	723.125
Risk margin	**R0590**	36.655
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	-
Technical provisions - health (similar to life)	**R0610**	-
Technical provisions calculated as a whole	**R0620**	-
Best Estimate	**R0630**	-
Risk margin	**R0640**	-
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	-
Technical provisions calculated as a whole	**R0660**	-
Best Estimate	**R0670**	-
Risk margin	**R0680**	-
Technical provisions – index-linked and unit-linked	**R0690**	-
Technical provisions calculated as a whole	**R0700**	-
Best Estimate	**R0710**	-
Risk margin	**R0720**	-
Contingent liabilities	**R0740**	-
Provisions other than technical provisions	**R0750**	-
Pension benefit obligations	**R0760**	-
Deposits from reinsurers	**R0770**	-
Deferred tax liabilities	**R0780**	-
Derivatives	**R0790**	50.623
Debts owed to credit institutions	**R0800**	-
Financial liabilities other than debts owed to credit institutions	**R0810**	-
Insurance & intermediaries payables	**R0820**	-
Reinsurance payables	**R0830**	4.452.027
Payables (trade, not insurance)	**R0840**	4.367.232
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**	-
Total liabilities	**R0900**	80.584.678
Excess of assets over liabilities	**R1000**	31.525.484

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**	1.021.162	-	-	19.172.860	4.793.215	602.427	18.252.777	6.933.514	40.325	-	-	932.322					51.748.603
Gross - Proportional reinsurance accepted	**R0120**	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0130**													-	-	-	-	-
Reinsurers' share	**R0140**	192.392	-	-	830.254	207.563	76.931	10.302.557	2.496.503	24.330	-	-	774.140	-	-	-	-	14.904.670
Net	**R0200**	828.771	-	-	18.342.606	4.585.652	525.496	7.950.220	4.437.011	15.995	-	-	158.182	-	-	-	-	36.843.933
Premiums earned																		
Gross - Direct Business	**R0210**	1.044.059	-	-	19.052.103	4.763.026	569.847	18.533.826	6.958.866	40.193	-	-	923.226					51.885.146
Gross - Proportional reinsurance accepted	**R0220**	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0230**													-	-	-	-	-
Reinsurers' share	**R0240**	211.573	-	-	828.003	207.001	74.223	11.305.640	2.560.195	24.264	-	-	775.555	-	-	-	-	15.986.454
Net	**R0300**	832.486	-	-	18.224.100	4.556.025	495.624	7.228.186	4.398.671	15.929	-	-	147.671	-	-	-	-	35.898.692
Claims incurred																		
Gross - Direct Business	**R0310**	416.464	-	-	9.563.012	2.390.753	17.031	4.087.397	2.481.286	85.126	-	-	-1.482.016					17.559.054
Gross - Proportional reinsurance accepted	**R0320**	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0330**													-	-	-	-	-
Reinsurers' share	**R0340**	-17.288	-	-	6.110	1.528	-6.359	2.073.422	-179.564	46.952	-	-	-1.490.248	-	-	-	-	434.553
Net	**R0400**	433.752	-	-	9.556.902	2.389.226	23.390	2.013.975	2.660.850	38.174	-	-	8.232	-	-	-	-	17.124.501
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**	405.899	-	-	8.448.555	2.112.139	140.293	2.838.964	1.213.136	148	-	-	-52.466	-	-	-	-	15.106.669
Other expenses	**R1200**																	306.400
Total expenses	**R1300**																	15.413.069

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	51.748.603						51.748.603
Gross - Proportional reinsurance accepted	R0120	-						-
Gross - Non-proportional reinsurance accep	R0130	-						-
Reinsurers' share	R0140	14.904.670						14.904.670
Net	R0200	36.843.933						36.843.933
Premiums earned								
Gross - Direct Business	R0210	51.885.146						51.885.146
Gross - Proportional reinsurance accepted	R0220	-						-
Gross - Non-proportional reinsurance accep	R0230	-						-
Reinsurers' share	R0240	15.986.454						15.986.454
Net	R0300	35.898.692						35.898.692
Claims incurred								
Gross - Direct Business	R0310	17.559.054						17.559.054
Gross - Proportional reinsurance accepted	R0320	-						-
Gross - Non-proportional reinsurance accep	R0330	-						-
Reinsurers' share	R0340	434.553						434.553
Net	R0400	17.124.501						17.124.501
Changes in other technical provisions								
Gross - Direct Business	R0410	-						-
Gross - Proportional reinsurance accepted	R0420	-						-
Gross - Non- proportional reinsurance acce	R0430	-						-
Reinsurers' share	R0440	-						-
Net	R0500	-						-
Expenses incurred	R0550	15.106.669						15.106.669
Other expenses	R1200							306.400
Total expenses	R1300	15.413.069						15.413.069

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**	391.754	-	-	8.083.682	2.020.920	53.544	4.368.040	2.236.530	18.104	-	-	211.662	-	-	-	-	17.384.237
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	1.270	-	-	- 118.657	- 29.664	74	1.454.011	151.835	3.324	-	-	167.168	-	-	-	-	1.629.360
Net Best Estimate of Premium Provisions	**R0150**	390.483	-	-	8.202.339	2.050.585	53.471	2.914.029	2.084.695	14.781	-	-	44.495	-	-	-	-	15.754.877
Claims provisions																		
Gross	**R0160**	331.372	-	-	20.987.589	5.246.897	283.138	8.130.767	14.887.430	177.296	-	-	1.712.504	-	-	-	-	51.756.992
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	6.453	-	-	3.155.399	788.850	76.252	5.561.223	1.739.678	116.373	-	-	1.685.013	-	-	-	-	13.129.241
Net Best Estimate of Claims Provisions	**R0250**	324.918	-	-	17.832.190	4.458.047	206.886	2.569.544	13.147.752	60.923	-	-	27.491	-	-	-	-	38.627.751
Total Best estimate - gross	**R0260**	723.125	-	-	29.071.271	7.267.818	336.682	12.498.807	17.123.960	195.400	-	-	1.924.166	-	-	-	-	69.141.229
Total Best estimate - net	**R0270**	715.402	-	-	26.034.529	6.508.632	260.357	5.483.573	15.232.447	75.703	-	-	71.986	-	-	-	-	54.382.629
Risk margin	**R0280**	36.655	-	-	1.194.182	298.546	13.870	328.093	693.770	3.739	-	-	4.711	-	-	-	-	2.573.566
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**	759.780	-	-	30.265.453	7.566.363	350.552	12.826.900	17.817.731	199.139	-	-	1.928.877	-	-	-	-	71.714.795
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	7.724	-	-	3.036.742	759.186	76.325	7.015.234	1.891.513	119.697	-	-	1.852.180	-	-	-	-	14.758.601
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	752.056	-	-	27.228.711	6.807.178	274.227	5.811.666	15.926.217	79.442	-	-	76.697	-	-	-	-	56.956.194

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&+			In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110			C0170	C0180
Prior	R0100													R0100	20.713	113.307.426
N-9	R0160	11.542.081	5.806.043	1.350.031	858.444	584.799	1.202.652	607.078	280.117	98.620	157.279			R0160	157.279	22.487.145
N-8	R0170	11.714.620	7.203.434	2.885.506	21.064.691	462.811	1.355.539	92.067	363.844	275.239				R0170	275.239	45.417.752
N-7	R0180	14.521.096	8.302.190	1.469.372	908.736	629.529	931.634	192.154	437.650					R0180	437.650	27.392.361
N-6	R0190	13.505.656	9.835.315	2.016.524	462.203	369.058	692.114	686.693						R0190	686.693	27.567.563
N-5	R0200	13.459.119	7.876.576	1.303.235	3.045.502	3.911.252	531.639							R0200	531.639	30.127.323
N-4	R0210	12.356.028	5.604.994	1.558.965	793.293	753.883								R0210	753.883	21.067.164
N-3	R0220	9.798.317	5.671.381	1.195.921	728.264									R0220	728.264	17.393.883
N-2	R0230	10.894.197	8.222.427	3.168.840										R0230	3.168.840	22.285.464
N-1	R0240	10.414.372	4.274.023											R0240	4.274.023	14.688.395
N	R0250	10.152.714												R0250	10.152.714	10.152.714
													Total	R0260	21.186.935	351.887.188

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+	Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300	C0360
Prior	R0100												1.034.042
N-9	R0160										1.780.809		1.787.518
N-8	R0170									1.268.271			1.273.704
N-7	R0180								2.188.442				2.196.540
N-6	R0190							4.904.749					4.920.281
N-5	R0200						6.566.945						6.584.829
N-4	R0210					3.555.500							3.562.845
N-3	R0220				3.323.842								3.327.744
N-2	R0230			5.325.423									5.330.538
N-1	R0240		7.507.810										7.508.970
N	R0250	14.208.758											14.229.981
Total	R0260												51.756.992

S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricte	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	13.690.260	13.690.260		-	
Share premium account related to ordinary share capital	R0030	11.989.740	11.989.740		-	
Initial 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	5.465.949	5.465.949			
Subordinated liabilities	R0140	-		-	-	-
An amount equal to the value of net deferred tax assets	R0160	379.535				379.535
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	R0220	-				
Deductions						
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	
Total basic own funds after deductions	R0290	31.525.484	31.145.949	-	-	379.535
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	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	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	31.525.484	31.145.949	-	-	379.535
Total available own funds to meet the MCR	R0510	31.145.949	31.145.949	-	-	
Total eligible own funds to meet the SCR	R0540	31.525.484	31.145.949	-	-	379.535
Total eligible own funds to meet the MCR	R0550	31.145.949	31.145.949	-	-	
SCR	R0580	19.632.283				
MCR	R0600	8.251.981				
Ratio of Eligible own funds to SCR	R0620	161%				
Ratio of Eligible own funds to MCR	R0640	377%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	31.525.484	
Own shares (held directly and indirectly)	R0710	-	
Foreseeable dividends, distributions and charges	R0720	-	
Other basic own fund items	R0730	26.059.535	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-	
Reconciliation reserve	R0760	5.465.949	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	-	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	-	
Total Expected profits included in future premiums (EPIFP)	R0790	-	

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	**C0090**	**C0100**
Market risk	**R0010**	6.439.094		
Counterparty default risk	**R0020**	4.978.360		
Life underwriting risk	**R0030**	-		
Health underwriting risk	**R0040**	207.209		
Non-life underwriting risk	**R0050**	14.554.180		
Diversification	**R0060**	- 5.816.184		
Intangible asset risk	**R0070**	-		
Basic Solvency Capital Requirement	**R0100**	20.362.658		

Calculation of Solvency Capital Requirement		**C0100**
Operational risk	**R0130**	2.074.237
Loss-absorbing capacity of technical provisions	**R0140**	-
Loss-absorbing capacity of deferred taxes	**R0150**	- 2.804.612
Capital requirement for business operated in accordance with Art. 4 of Directive 20	**R0160**	-
Solvency Capital Requirement excluding capital add-on	**R0200**	19.632.283
Capital add-on already set	**R0210**	-
Solvency capital requirement	**R0220**	19.632.283
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**	-

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	8.251.981

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	715.402	828.771
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	26.034.529	18.342.606
Other motor insurance and proportional reinsurance	R0060	6.508.632	4.585.652
Marine, aviation and transport insurance and proportional reinsurance	R0070	260.357	525.496
Fire and other damage to property insurance and proportional reinsuran	R0080	5.483.573	7.950.220
General liability insurance and proportional reinsurance	R0090	15.232.447	4.437.011
Credit and suretyship insurance and proportional reinsurance	R0100	75.703	15.995
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	71.986	158.182
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	

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

Overall MCR calculation

		C0070
Linear MCR	R0300	8.251.981
SCR	R0310	19.632.283
MCR cap	R0320	8.834.527
MCR floor	R0330	4.908.071
Combined MCR	R0340	8.251.981
Absolute floor of the MCR	R0350	3.700.000
		C0070
Minimum Capital Requirement	R0400	8.251.981

Appendix III – Auditors' Report

Independent Auditor's Report
To The Board of Directors of CNP Asfalistiki 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 CNP Asfalistiki Limited (the "Company"), prepared as at 31 December 2016:

- S.02.01.02 - Balance sheet
- 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

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 2016 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").

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Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the relevant QRTs of the Solvency and Financial Condition Report* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' 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.

Emphasis of Matter

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

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.

PricewaterhouseCoopers

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

6 June 2017

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