CNP ASFALISTIKI LTD
SOLVENCY AND FINANCIAL CONDITION REPORT
31 December 2017

CONTENTS

Independent Auditor's Report

To the Members of CNP Asfalistiki Limited

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

Our 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 2017:

- 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 2017 is prepared, in all material respects, in accordance with the Insurance and Reinsurance Services and other Related Issues Law of 2016, the Commission Delegated Regulation (EU) 2015/35, the Commission Delegated Regulation (EU) 2016/467, the relevant EU Commission's Implementing Regulations and the relevant Orders of the Superintendent of Insurance (collectively "the Framework").

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

PricewaterhouseCoopers Ltd, PwC Central, 43 Demostheni Severi Avenue, CY-1080 Nicosia
P O Box 21612, CY-1591 Nicosia, Cyprus
T: +357 - 22 555 000, F:+357 - 22 555 001, www.pwc.com.cy

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.

- Evaluate the overall presentation, structure and content of the Solvency and Financial Condition Report, including the disclosures, and whether the Solvency and Financial Condition Report represents the underlying transactions and events in a manner that achieves a true and fair view.

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 Limited
Certified Public Accountants and Registered Auditors

Nicosia, 3 May 2018

About this Report

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

This Report is based upon the financial position of CNP Asfalistiki as at 31 December 2017 and it contains both quantitative and qualitative information in accordance with the Orders of the Superintendent of Insurance (Supervisor) 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 Supervisor April 2017. The Auditors' Report is presented on page 2 and it forms an integral part of the SFCR.

The Insurance Companies Control Service (Supervisor), under its supervisory assessment, may require the amendment or revision of the report or the publication of additional information or the undertaking of other actions by the Company.

This Report was approved by the Company's Board of Directors (BoD) on 03 May 2018 and is in accordance with its Reporting and Disclosure Policy.

The Company's appointed auditor for the year ended 31 December 2017 was PricewaterhouseCoopers Limited (PwC).

About Solvency II Pillar 3

The Solvency II (SII) 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 is directly regulated and supervised on a solo basis by the Supervisor at the Cyprus Ministry of Finance, P.O. Box 23364 1682 Nicosia Cyprus. We also report to the 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.

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

The Company publishes 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 2017, CNP Asfalistiki continued to improve its product mix and strengthen its agency network. The Company's Underwriting Profit reached €13.281k with the main contributors being the motor, property and liability business.

The Solvency II Capital Requirement (SCR) ratio positively ascended to 206% as at 31 December 2017 and the Minimum Capital Requirement (MCR) ratio reached 513%.

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

The recognition and acknowledgement the Company enjoys in the Cyprus market as the leader general insurer is a result of the professionalism, zeal and knowledge of its 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. The Company offers 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.

CNP Asfalistiki continued its corporate and social responsibility programme in 2017 working closely with Authorities and Institutions.

Key figures - 31 December 2017

- **€88 million Investments under management**
- **€51 million Turnover**
- **€19 million Total Claims paid**
- **206% SII Capital base**

Corporate Governance

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

The Company fully response to the regulatory framework (SII) and complies with the provisions of Law 38(I) 2016.

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 78,41% of the Basic Solvency Capital Requirement (BSCR) before diversification. Given the variety of its products, the Company 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 2017, it has revisited its normal and stress scenarios.

In 2017, CNP Asfalistiki has successfully submitted to the Supervisor the Quantitative Reporting Templates (QRTs).

Valuation of Assets and Liabilities

The valuation of the assets and liabilities of the SII Statement of Financial Position is carried out by a Valuation Policy and Reserving Policy endorsed by the Company's BoD.

The Company prepares its financial statements in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) 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 Statement of Financial Position or disclosed in the notes to the financial statements. For its SII Statement of Financial Position, the Company uses the fair value of assets and liabilities as calculated for IFRS accounting purposes, insofar as this value complies with SII asset and liability valuation principles. This ensures that a reliable SII Statement of Financial Position 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.

The Company is consistent in applying the valuation techniques unless it considers that an alternative method would result in a more appropriate measurement. Such change in methodology is reported for transparency purposes.

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.

The Company's SII technical reserves amounted to €73.901k at 31 December 2017.

Capital Management

At 31 December 2017, the Own Funds (OF) of the Company under IFRS amounted to €46.650k and under the SII (eligible for SCR coverage) amounted to €43.742k. 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 €421k that is classified as Tier 3 resulting from a tax base (temporary) difference.

The total SCR of the Company as at the end of 2017 came up to €21.268k with a total MCR at €8.452k.

A. Business and Performance

A.1. Business

As the leading general insurer in Cyprus having the largest market share, CNP Asfalistiki continues to become stronger offering maximum value insurance to its customers, associates and employees. CNP Asfalistiki's enduring relationship of trust with its customers is achieved via its customer oriented philosophy, its professionalism and the knowledge as well as specialisation of its 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 fourth largest insurance company in Brazil. It was founded 160 years ago and worldwide has 38 million insureds under personal risk and protection policies and 14 million savings and pension policyholders. In 2017, the Group reported premium income of €32.1 billion and its net average technical reserves were €310,1 billion. 80% of CNP Assurance's financial assets are managed according to environmental, social and corporate governance.

CNP Asfalistiki's 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. CNP Asfalistiki operates offices in Nicosia, Limassol, Larnaca, Paphos and Paralimni and in Greece through the branch established in Athens.

2017 Highlights

Insurance legislation: CNP Asfalistiki is compliant with 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 regulated 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 (SII).

Increase in share capital: In the year, the Company issued share capital by issuing 1000 additional shares of €1,71 each, which have been issued at a premium of €9.998,29 each. The total amount of issue was €10.000.000.

Solvency II: The Company's governance arrangements, policies, procedures, practices and standards are aligned in accordance with the key SII requirements. CNP Asfalistiki also achieved to further improve its SII position with a SII capital coverage ratio coming up to 206% as at 31 December 2017 vs 161% at the end of 2016.

Risk Management: The Company implements a robust business strategy and manages its risk profile to reflect its objective maintaining financial strength and reducing capital volatility.

Distribution channels and Customer Service: CNP Asfalistiki channelled its products through its strong network of insurance intermediaries and its direct selling points. To better serve its customers the Company offers a modern web portal, INSUPASS as well as a Mobile Application offering direct 24/7 updates and reliable communication with customers and associates.

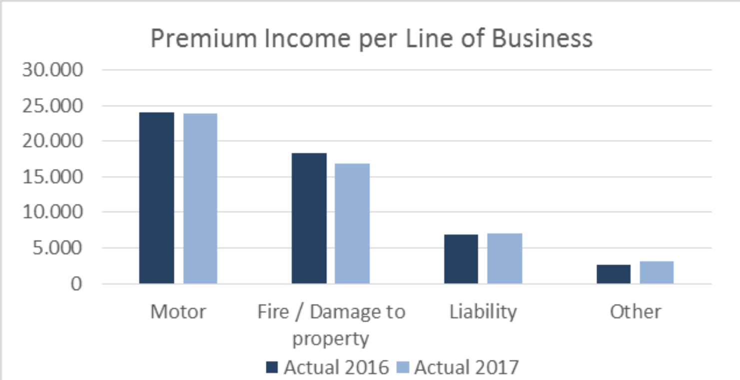
Social Responsibility: CNP Asfalistiki joins forces with Authorities and Institutions addressing a number of serious issues such as Health and Safety at workplace, Road Safety and Fire Safety. The Company was also the health sponsor of the 2017 Limassol Marathon and name sponsor of the Cyprus Rally.

Going forward, CNP Asfalistiki continues focusing on the development and growth of its business while:

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

A.2. Underwriting Performance

In 2017, CNP Asfalistiki reached an Underwriting Profit of €13.281k with the main contributors being the Motor, Property and Liability Business.



UNDERWRITING PERFORMANCE Actual 2017 In Thousands €	ALL CLASSES	MOTOR	FIRE/DAMAGE TO PROPERTY	LIABILITY	OTHER
Total Gross Written Premium (incl. policy fees)	50.888	23.874	16.795	7.105	3.113
Net Earned Premium after Policy and AA Fees	35.959	22.158	7.665	4.565	1.571
Outgoes	-22.678	-16.960	-1.637	-3.428	-653
Underwriting Profit	**13.281**	**5.198**	**6.028**	**1.137**	**918**
Admin Expenses & Other Income	-7.844	-3.705	-2.951	-794	-395
Profit from operating activities	**5.437**	**1.493**	**3.077**	**343**	**523**

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 and AA 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**
Admin Expenses & Other Income	-7.330	-3.266	-2.948	-725	-391
Profit from operating activities	**6.123**	**1.969**	**2.640**	**970**	**544**

The main risk mitigation technique related to the Company's Underwriting activities is the Reinsurance of the business. CNP Asfalistiki follows a conservative reinsurance programme which consists of reinsurance contracts (proportional excess of loss and property catastrophe coverage) and optional reinsurance contracts. The Company's reinsurers are rated at least with A- and its 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 investment

The Company does not hold investments in securitization.

The income and expenses arising from total Investible assets by asset class for the year ended 31 December 2017 and a comparison with the previous year are shown in the tables below.

Overall, the investment return was 2,04% (2016: 3,55%).

Gains and losses recognized directly in equity

The gain recognised directly in equity was €361k (2016: €1.933k) as presented in the table below by asset classes.

Asset Class In Thousands €	AFS 2017
Equity – In-house	-23
Bonds - In-house	289
Mutual Funds Bonds	95
Total	**361**

Asset Class In Thousands €	Unrealised Gain/ Loss	Realised Gain/ Loss	Dividend/ Interest/ Rent	Total 31/12/2017	Total 31/12/2016
Equity In-house	-23	0	0	-23	45
Bonds In-house	289	2	721	1.011	1.189
Bond Funds	115	0	167	281	316
Money Market Funds	-26	0	0	-26	-9
Cash	0	0	225	225	363
Property	25	0	129	154	512
Structured Product	-7	0	12	5	23
Loans	0	0	219	219	227
Total	**372**	**2**	**1.473**	**1.847**	**2.666**

Risk Mitigation

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

CNP Asfalistiki continuously monitors 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

CNP Asfalistiki operates clear and effective organisational arrangements, while ensuring the continuity and regularity of its operations. Well-defined and consistent lines of responsibility and oversight are maintained. The Company 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 the Company is managing risk effectively.

The Company's BoD and Audit and Risk Committee are kept informed on all material risk related matters and exposures. The Remuneration Committee is also kept informed on all material risk related matters under its mandate.

Board of Directors and BoD Committees

The 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 2017, the BoD convened 6 times.

The Company has a strong, experienced and diverse BoD. The members of the BoD remained fit and proper according to the SII requirements and there was no change in membership within the year.

	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	Constantinos Costa
Member	Non-Executive	Jean-Christophe Merer (resigned on 17/02/2018) Nicolas Legrand (appointed on 07/03/2018)
Member	Non-Executive	Brigitte Molkhou
Managing Director / CEO	Executive	Takis Phidia
Secretary		Polys Michaelides

Audit and Risk Committee

In September 2017, the BoD revised the terms of reference of the previously established Audit Committee and has delegated additional responsibilities to the Committee related to risk management and actuarial. The Committee is now established as Audit and Risk Committee of the BoD. The Audit and Risk 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 2017, the Audit Committee convened three times prior the establishment of the Audit and Risk Committee, which convened one time.

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 2017, the Remuneration Committee convened 7 times.

The Remuneration Committee arrangements were revised in the year.

	Audit and Risk Committee	
Chairperson	Independent Non -Executive	Takis Klerides
Member	Non-Executive	Xavier Larnaudie - Eiffel
Member	Non-Executive	Jean-Christophe Merer (resigned on17/02/2018 Nicolas Legrand appointed on 07/03/2018)
Member	Independent Non-Executive	Andreas Paralikis
Member	Independent Non -Executive	Constantinos Costa
Secretary		Athena Shipilli Tsingi

Remuneration Committee		
Chairperson	Independent Non -Executive	Takis Klerides
Member	Non-Executive	Brigitte Molkhou
Member	Independent Non-Executive	Konstantinos Katsaros
Secretary		Sophie Arribehaute (resigned on 18/10/2017) Sylvain Rauzier (appointed on 18/10/2017)

Remuneration Disclosure

Remuneration is governed by Collective Agreements with the employees' union ETYK. The Company's Collective Agreement with the Union was renewed in 2017.

The Company's Remuneration Policy is reviewed and maintained by the Remuneration Committee and is approved by the BoD. 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 BoD, the Remuneration and Nominations Committee which is authorised by the BoD of CNP CIH has primary responsibility to review and make recommendations regarding the remuneration of the Managing Director and Members of the BoD.

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 Mr. Takis Phidia and the General Manager is Mr. Andreas C. Stylianou.

The Company's Management team is presented below:

Name	Position
Takis Phidia	Managing Director
Andreas C. Stylianou	General Manager
Polys Michaelides	General Manager Group Business Development, Corporate Affairs & Chief Compliance Officer
Christos Frantzis	Chief Financial Officer
Athena Shipilli - Tsingi	Chief Risk Officer
Ioanna Panti	Chief Actuarial Officer
Eleni Psyllidou	Manager Human Resources
Charalambos Poyiadjis	Investment Manager
Vasiliki Michael	Financial Controller
Argyris Argyrou	Manager Claims & Reinsurance
Mary Kontou	Manager Customer Service
Kety Tapanidou	Manager Information Technology
Athos Charalambous	Manager Regional Offices & Risk Survey
Tonia Papadopoulou-Parpa	Manager Reinsurance
Charis Pastides	Manager Sales & Business Support
Michalis Kazis	Manager Underwriting

B.2. Fit and Proper Requirements

CNP Asfalistiki sets standards and a Policy for the fitness and propriety. The purpose of the Company's 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 to ensure that the persons who effectively run the Company or hold key functions fulfil at all times 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 the Code of Standards under the Fit and Proper Policy.

CNP Asfalistiki also ensures that the collective knowledge, competence and experience of its 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 Chief Risk Officer (CRO) 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.

The appointed CRO and RMF Holder is Mrs. Athena Shipilli-Tsingi.

The 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. The Company's Risk Management Framework ensures that all risks are effectively managed and measured against a set level of risk tolerance following an Enterprise Risk Management methodology.

The Risk Management is independent of risk taking functions and Function reports to the Company's Managing Director. The CRO also has a direct reporting line to the BoD via the Audit and Risk Committee of the BoD.

The Company's policies for the key areas of risk were revised and approved by the BoD in the year.

CNP Asfalistiki adopts the following guiding principles as a formal Policy for the management of risk:

- The governance structure and risk management framework aim to create and promote a strong risk culture that is embedded in all aspects of its activities.
- The BoD is responsible for overseeing senior management, for establishing sound business practices and strategic planning as well as for setting the risk appetite and risk tolerance at a level which is commensurate with its sound operation and the strategic goals. In setting its risk appetite and risk tolerance level, CNP Asfalistiki takes all relevant risks into account. The BoD has the ultimate responsibility for the effective management of risk.
- The level of risks that the Company is 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 the strategic direction.
- The Company implements a consistent risk management culture and establishes sound risk governance supported by an appropriate communication policy, all of which are adapted to the its size, complexity and the risk profile.
- The Company is aware of its responsibilities relating to the identification and reporting of relevant risks.
- CNP Asfalistiki has an established, and independent from risk taking activities RMF in order to ensure effective risk management.
- The responsibilities for the measurement, monitoring and control of risks are clearly defined and sufficiently independent from any risk-taking activity. The 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 the current and future needs, CNP Asfalistiki develops 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.
- The Company applies high standards of transparency for the performance of its operations and communicates all the information in line with its Reporting & Disclosure Policy to the interested and affected parties.
- CNP Asfalistiki analyses new products, markets, and businesses carefully and makes sure that it possesses 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 the Company's 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 the Company's business activities. The Company aims through appropriate risk management, to achieve its business and financial strategy by considering internal as well as external constraints without exceeding set risk tolerances. CNP Asfalistiki uses an enterprise-wide risk management framework across all risk types which is underpinned by its risk culture.

The Company's Risk Management Framework is an embedded part of the business and fully interacts with the strategic planning and the capital management process and is the guiding framework for the implementation of the Own Risk Solvency Assessment (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

The 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, General Manager – Group business Development & Corporate Affairs & Chief Compliance Officer, CRO, Chief Financial Officer, and the Chief Actuarial Officer (CAO). 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 monitors and reviews risk exposures, it reviews and challenges actuarial reserves and it advises the Audit and Risk Committee of the BoD on the approval of reserves.

Risk Appetite

Risk Appetite is a key component for the management of risk. It describes the aggregate level and risk types that the Company is 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 BoD on the advice of the Audit and Risk Committee.

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

CNP Asfalistiki faces a broad range of risks reflecting its responsibilities as the leader in the general insurance business in Cyprus. These risks include those resulting from responsibilities in the areas of offering insurance products to the public as well as from the 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, the Company has a low appetite for risk. The Company makes resources available to control operational risks to acceptable levels. It is recognised that it is not possible or necessarily desirable to eliminate some of the risks inherent in the activities and acceptance of some risk is often necessary to foster innovation within business practices.

The Company's established leading position in the non-life insurance market in Cyprus, allows to take a conservative approach to risks. As a result, the Company is selective about its products offerings and its investment decisions. CNP Asfalistiki's over-riding approach to risk is to safeguard the interests of its policyholders and shareholders.

The Company identifies and manages the risks on an ongoing basis. As part of this, it follows a risk strategy that is designed to ensure its continuity as a going concern, protecting earnings, maintaining sound Statement of Financial Position 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 Supervisor
- To safeguard the Company's ability as a going concern so that it provides returns for shareholders and benefits to other stakeholders
- To provide an adequate return to shareholders by pricing insurance contracts commensurately with the level of risk

Risk exposures

The Company's 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.

CNP Asfalistiki invests significant resources in IT systems and processes in order to maintain and improve its risk management capabilities.

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

The Company's BoD 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
2. Counterparty Default (Credit) Risk
3. Non-life Underwriting Risk
4. Health Underwriting Risk
5. Operational Risk
6. Business (Strategic) Risk
7. Liquidity Risk
8. Asset – Liability Risk
9. Reputational Risk
10. 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 the risk register. The aggregation of risk exposures into the above categories creates the risk profile of the Company.

ORSA Process

The ORSA forms a core component of the Company's risk management system and comprises of all the procedures and measures adopted, 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 activities of the 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 2017, the Company has submitted its ORSA Report to the Supervisor. 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 CNP Asfalistiki 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. The 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

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

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

In 2017, the Company has strengthened its Internal Control System via implementing numerous projects with a focus on the improvement of controls as well as it has established an independent Permanent Internal Control Function, in the 2nd organisational line of defence.

The Internal Audit Function (IAF), in the 3rd organisational line of defence assessed the appropriateness, efficiency and effectiveness of the Company's internal control environment and reported observations and recommendations to the Audit and Risk Committee.

Compliance

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

The appointed Chief Compliance Officer and Compliance Function Holder is Mr. Polys Michaelides.

CNP Asfalistiki's Compliance Function, in accordance to Part II, Chapter IV, Section 2 (Governance System) article 47 of Law 38(I) 2016 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 and Risk Committee of the BoD.

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, the 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 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
- Whistleblowing
- 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, Whistleblowing) 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 and Risk Committee. The implementation of the Plan did not reveal significant findings.

B.5. Internal Audit

CNP Asfalistiki’s IAF is currently outsourced to Deloitte Ltd. The appointed Internal Auditor is Mr. Panicos Papamichael, Partner at Deloitte Ltd.

In accordance to Part II, Chapter IV, Section 2 (Governance System) article 47 of Law 38(I), 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 IAF, the Internal Auditor reports significant findings and any other matters to the Audit and Risk Committee of the BoD. The Audit and Risk 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 2017.

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

The IAF 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
- Implement the approved by the Company’s Audit and Risk Committee risk-based audit plan
- To have a close collaborative relationship with the risk, actuarial, compliance and internal control departments
- Evaluate the reasonableness of management response on actions as well as quality and timeliness of management responses
- Report to the Management and the Audit and Risk Committee on identified deficiencies in control measures and of recommendations for improvement
- Submit to the Audit and Risk Committee an annual / periodic report regarding the audit activity and the progress of implementation of internal and external audit recommendations
- Inform the Audit and Risk 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 Part II, Chapter IV, Section 2 (Governance System) article 49 of the Cyprus Insurance and Reinsurance Business and other related matters Law of 2016 Law 38(I) 2016.

The appointed CAO and Actuarial Function Holder is Mrs. Ioanna Panti.

The Actuarial Function is independent of risk taking functions and reports to the Company's Managing Director. The CAO also has a direct reporting line to the BoD via the Audit and Risk Committee of the BoD.

The CAO reports directly to the Managing Director of CNP Asfalistiki to maintain independence and has a reporting line to the Audit and Risk Committee of the Bod.

The Actuarial Function responsibilities in the reporting year included:

- Coordination of the calculation of Technical Provisions for SII purposes and mathematical reserves under current IFRS regime.
- Ensuring the appropriateness of the methodologies and the underlying models used as well as the assumptions made in the calculation of Technical Provisions for SII 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 cancellations have been updated using past experience and actuarial judgement. A variation analysis on the Best Estimate (BE) has also been performed.
- Assessing 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.
- Comparing actual claim payments made over the current reporting year against last year's corresponding BE projections.
- Expressing an opinion on the overall underwriting policy.
- Expressing an opinion on the adequacy of the reinsurance arrangements.
- Contributing for and monitored the preparation of QRTs under Pillar 3.
- Contributing 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 SII results, assumptions, and any other topics as agreed through the relevant Company's policies

The BoD was kept informed on all actuarial matters and exposures. The Company's Actuarial Policy and Report were approved by the BoD.

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 (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

CNP Asfalistiki conducts 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 BoD, 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 Supervisor 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.

CNP Asfalistiki is exposed to the Pillar 1 risks: 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 the Company is exposed have not changed significantly over the year.

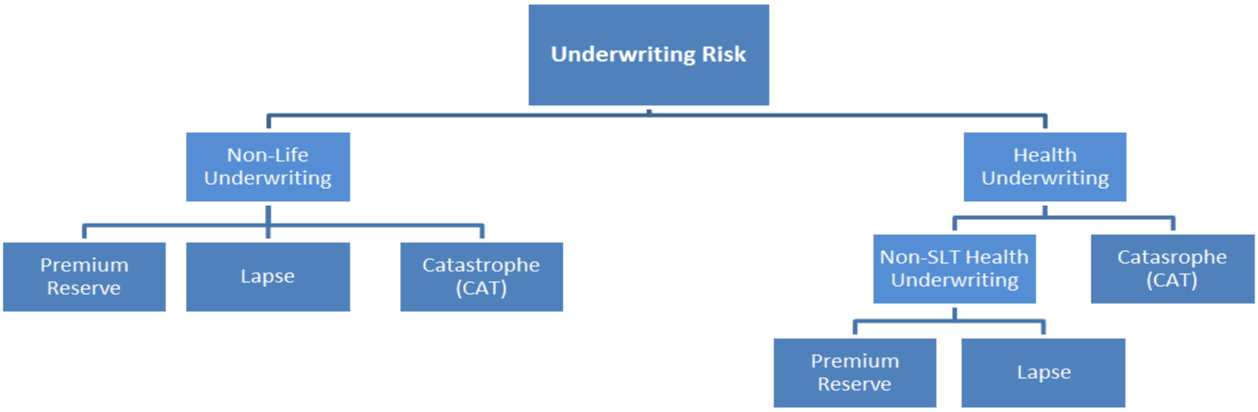
The RMF has an ongoing project in place to identify at all times the Company wide risks for the purposes of its risk register. All the risks that the Company is exposed to or could be exposed to in the future are documented, categorised and assessed based on the severity of adverse impact that they could 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	**206%**
Own Funds	**43.742**
SCR	**21.268**
Adjustment for Loss Absorbing Capacity of Deferred Tax	-3.038
SCR Operational	2.133
BSCR (after diversification)	**22.173**
Market SCR	6.603
Counterparty SCR	5.929
Health SCR	214
Non-life SCR	15.713

The SII capital position of CNP Asfalistiki as at the end of December 2017 has increased to 206% compared to 161% as at the end of 2016. The capital position of the Company has remained resilient to stresses. The Company's SII Pillar 1 projections indicate a further increase in the SII Coverage ratio of the Company for the next five years up to and including 2022.

Our BoD approves the SII coverage ratio and examines the Company's profile both from regulatory and economic capital viewpoints.

C.1. Underwriting Risk



CNP Asfalistiki defines 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.

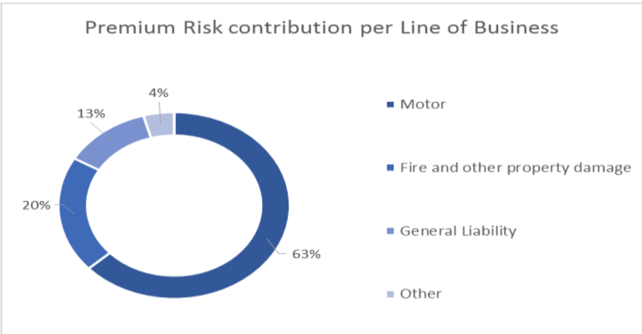
The underwriting risks quantified under Pillar 1 are Non-life and Health underwriting risks, which are the risks arising from the non-life and health insurance obligations, in relation to the perils covered as well as the processes used in the conduct of business. They include the risk resulting from 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 European Insurance and Occupational Pensions Authority's (EIOPA) specifications was followed by the Company for calculating the SCR 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.



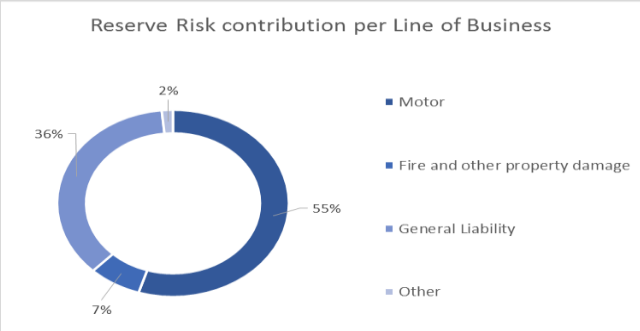
Motor forms 63% of the volume premium risk. Motor is the largest line of business, in terms of sale volumes, and therefore its significant impact on premium is expected.

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 55% 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 cancellation risk is presented in the lapse risk section where policies are cancelled through the inforce period of the policies. As presented below, the value is low.

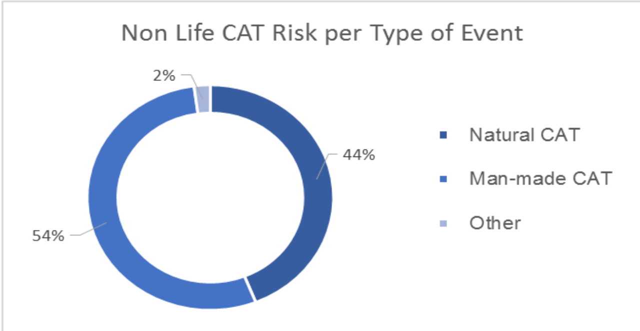
Catastrophe Risk

Catastrophe (CAT) 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.

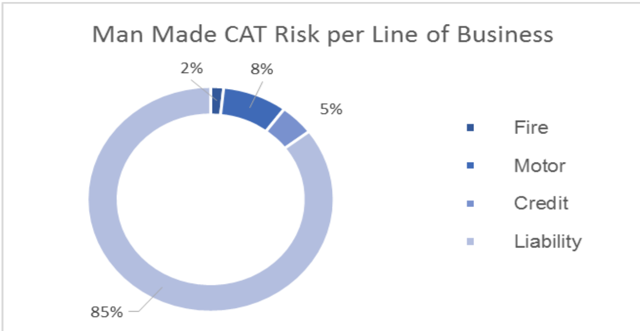
These events are broken down into natural, man-made and other catastrophe events for non-life CAT and into arena disaster, concentration scenario and pandemic scenario for health CAT.

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.



Changes over the Reporting Period

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, have a total contribution of 94% (Motor 47%, Fire 33% and Liability 14%). The remaining 6% include Marine, Credit and Miscellaneous.

The SCR per risk as described above for the years ended in 2017 and 2016 is shown below:

	SCR Non-Life	
In Thousands €	**31/12/2017**	**31/12/2016**
Premium & Reserve	14.524	13.427
Lapse	1.213	812
CAT	3.271	3.135
Diversification	*-3.296*	*-2.820*
SCR Non-Life	**15.713**	**14.554**

The SCR Non-Life has increased by 8% mainly due to an increase of 8% in Premium & Reserve Risk.

In Thousands €	SCR Health 31/12/2017	31/12/2016
Premium & Reserve	157	155
Lapse	35	31
Diversification	*-31*	*-28*
NSLT Health	**161**	**158**
CAT	**107**	**100**
Diversification	*-54*	*-51*
SCR Health	**214**	**207**

The SCR Health has increased by 3%. This increase corresponds to an amount of €7K, and arises from minor increases in each risk components of SCR Health.

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.

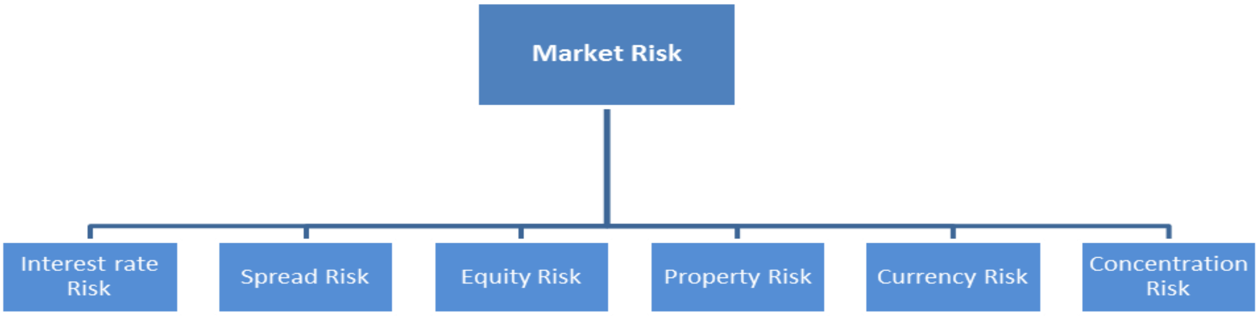
The Company's underwriting objective is to maximize earning levels and minimize volatility of earnings, while ensuring that the Company is appropriately compensated for the risks it assumes. This objective is constrained by the Company's target solvency position and the material risks that the Company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

C.2. Market Risk



Market risk is 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.

The Company has followed a standardised approach in line with the EIOPA specifications for calculating the SCR 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 (SII).

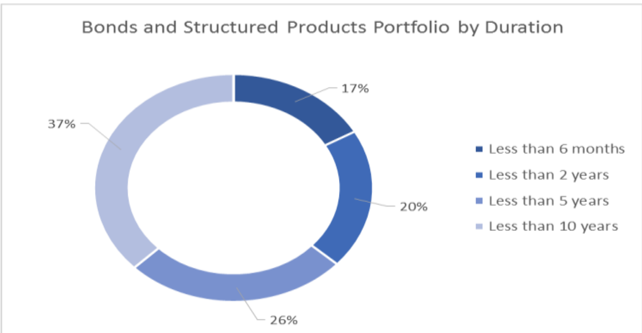
Interest Rate Risk

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.

On the liability point of view, liabilities are recalculated using the shocked yield curves under each scenario.

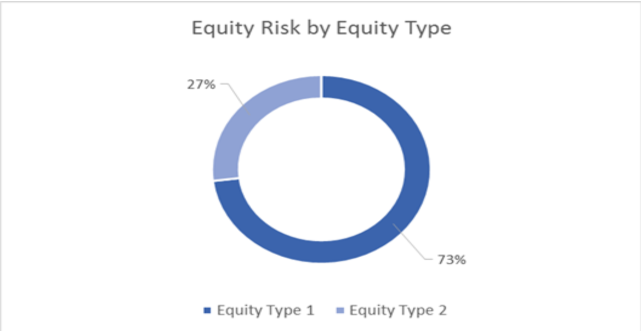
The figure below shows the bond and structured products' portfolio of the Company by duration:



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 members 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 as 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+ or Lower / Unrated
Exposure %	7%	37%	32%	20%	4%

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's exposure to Market risk increased respectively through the acquisition of new assets and more specifically fixed income securities affecting Interest, Spread and Concentration exposure the most.

The total exposure per risk as described above for the years ended in 2017 and 2016 is shown below:

In Thousands €	Exposure 31/12/2017	31/12/2016
Interest Risk	74.930	69.259
Spread Risk	79.498	69.259
Equity Risk Type 1	1.178	1.284
Equity Risk Type 2	435	426
Property Risk	2.655	2.630
Currency Risk	825	1.029
Concentration Risk	83.331	73.173

The SCR per risk as described above for the years ended in 2017 and 2016 is shown below:

In Thousands €	SCR Market 31/12/2017	31/12/2016
Interest Rate risk	986	1.052
Equity risk	610	601
Property risk	664	658
Spread risk	4.294	4.008
Currency risk	17	22
Concentration risk	3.992	4.072
Diversification	*-3.960*	*-3.974*
Market SCR	**6.603**	**6.439**

The SCR Market Risk has increased by 3% mainly due to the increase in Spread Risk as a consequence of increased exposure in floating rate notes (as part of the allocation of the increased capital). The increase in Spread Risk is partly offset by a small decrease in Interest Rate Risk and Concentration Risk due to diversification of the credit quality of the Company's holdings.

Risk Mitigation

CNP Asfalistiki's 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. The 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.

The Company uses its TAA 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 CNP Asfalistiki's 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. The 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.

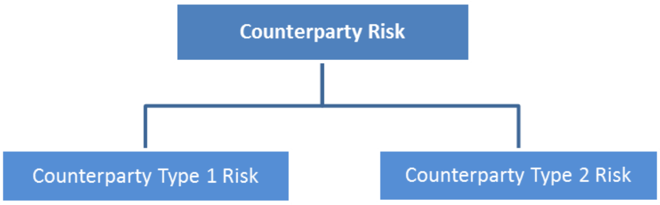
In addition to the Central scenario, the ORSA Upward scenario, the ORSA Downward scenario and additional Company specific scenarios have been carried out and the capital adequacy remained strong.

C.3. Counterparty Default Risk/Credit Risk

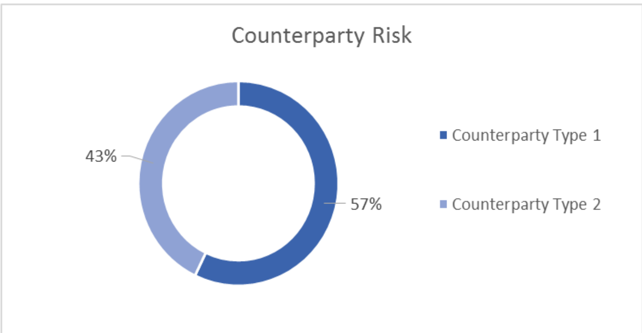
The Counterparty Default Risk is the risk to incur a possible loss due to unexpected default or deterioration in the credit standing of the counterparties and debtors of insurance and reinsurance undertakings over the following 12 months.

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

CNP Asfalistiki follows a standardised approach in line with the EIOPA specifications for calculating the SCR 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 total exposure per risk as described above for the years ended in 2017 and 2016 is shown below:

	SCR Counterparty	
In Thousands €	**31/12/2017**	**31/12/2016**
Counterparty Type 1	3.617	2.451
Counterparty Type 2	2.713	2.869
Diversification	*-400*	*-341*
Counterparty SCR	**5.929**	**4.978**

The Counterparty Risk has increased by 19% over the reporting period.

Counterparty Type 1 has increased due to increased exposure in assets that fall under this category. Counterparty Type 2 has decreased due to lower uncollected debtor balances resulting from the new credit policy in line with the new regulatory Regime.

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 BoD is being informed on counterparty exposures and specific actions are followed up.

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

C.4. Liquidity Risk

CNP Asfalistiki defines 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

The Company ensures that it maintains 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 its total assets that is used to meet short term liquidity demands as well as a buffer for unexpected cash demands.

The Company performs Asset Liability Matching (ALM) 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 Asset and Liability Management Committee (ALCO) and quarterly at the Risk and Reserving Committee.

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

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

CNP Asfalistiki defines 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.

The Company continuously operates, validates and enhances 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 terms of operational issues, the Company has a low appetite for risk. Resources are made 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. CNP Asfalistiki 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. CNP Asfalistiki 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. CNP Asfalistiki 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 in 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 are remedied as soon as practicable. The Company has no appetite for deliberate or purposeful violations of legislative or regulatory requirements.

CNP Asfalistiki follows a standardised approach in line with the EIOPA specifications for calculating the SCR 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 €	**31/12/2017**	**31/12/2016**
Operational SCR (after Diversification)	**2.133**	**2.074**

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

The Company 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.

The Company examines all market conditions to which the 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.

The Company's 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 IFRS. 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 Statement of Financial Position or disclosed in the notes to the financial statements.

For its SII Statement of Financial Position, the Company uses the fair value of assets and liabilities as calculated for IFRS accounting purposes, insofar as this value complies with SII asset and liability valuation principles.

This ensures that a reliable SII Statement of Financial Position 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 SII 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) 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

SII requires 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 SII 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 SII Statement of Financial Position.

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 €3.214k (2016: €3.178k) whereas in SII Statement of Financial Position they are valued at nil value, based on the SII valuation principles (EIOPA Guidelines).

Intangible Assets

The IFRS Net Book value for Intangible Assets is €416k (2016: €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 SII 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 SII Statement of Financial Position the Company recognised an amount of €421k (2016: €380k) Deferred Tax Asset coming from the tax base (temporary) differences created by the differences in the valuation of assets under SII 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 SII principles.

Insurance & intermediaries receivables

Insurance & intermediaries receivables are amounts due from agents and direct customers (e.g. 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 €16.823k being the net result of €22.297k receivable balances minus a provision for impairment of receivables of €5.474k.

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 Statement of Comprehensive Income. 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 Statement of Comprehensive Income.

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

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

Reinsurance receivables

The IFRS value of reinsurance receivables is €3.391k (2016: €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 Statement of Comprehensive Income.

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

Receivables (trade, not insurance)

The IFRS value of Receivables is €6.077k (2016: €7.030k) and mainly comprises an intercompany Loan with a Group Company, Deposit to Cyprus Hire Pool and Receivables from Tax Authorities. The fair value of the Receivables under SII does not differ from IFRS ones.

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 €88.552k (2016: €75.689k) and is detailed below.

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

Asset Class **In Thousands €**	**Market Value 31/12/2017**	**Market Value 31/12/2016**
Equity In-house	1.198	1.305
Bonds In-house	32.868	25.312
Bond Funds	18.561	18.442
Money Market Funds	5.757	2.933
Cash	22.629	20.073
Property	2.655	2.630
Structured Products	535	542
Loan	4.349	4.452
Total	**88.552**	**75.689**

The valuation method for each security depends on several factors, e.g. 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 EEA or the 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 Directive groupings.

The following risk classification has been performed:

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

Categories used for reporting Motor business are as per the SII official classification as shown in the QRTs of the Appendices.

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

Technical Provisions

SII 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 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 BE 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 nor volatility adjustment.

Best Estimate of Technical Provisions

For Non-Life and Health Non-Similar to Life Techniques (NSLT) insurance obligations, Non-life techniques are used. The BE 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 BE 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 that allows for future claims, expenses and commissions.

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.

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 BEs are performed separately, and the difference of the two is taken as the BE of Reinsurance Recoverable. Reinsurance Recoverable indicate the amounts payable by reinsurers less the amounts paid to the reinsurers.

Expected losses due to default of the counterparty have been taken into account with the BE of Reinsurance Recoverable calculation by estimating a Counterparty Default Adjustment.

Description of Model

In this section the model used to project the amount of claims is described. 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 and, (credibility weighted) balancing 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) 2017 results were based mostly on balancing methods (Bornhuetter-Ferguson method).

Assumptions

Economic Assumptions

The Euro risk free rate curves with no volatility adjustment as at 31/12/2017 were used for discounting.

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

Loss Development Factors and Loss ratios

Loss Development factors and loss ratios were based on the Company's history.

Cancellation Rates

Cancellation 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.

Expenses

Expenses are based on actual 2017 experience broken down and allocated by line of business.

A combination of general allocation methods and principles is used.
Other main Assumptions

Tax Assumptions

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

Material Assumptions Changes

Changes in expenses, cancellation rates and loss ratios of the Company for each line of business have been taken into account in the calculation of reserves to allow for 2017 actual experience. In addition, new yield curves have been used to reflect the economic conditions as at the end of December 2017.

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 OF 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 SCR 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 EIOPA technical specifications. A simplification using the overall 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 BEs 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 Statement of Financial Position 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.
- Incurred But Not Reported (IBNR) Reserve:
  IBNR Reserve comprises of Pure IBNR and Incurred But Not Enough Reported (IBNeR).
  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.
- CHE as explained above.
- Unexpired Risk Reserve (if any):
  It is the reserve held in excess of the UPR, to allow for any expectation that the UPR 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 SII Technical Provisions are:

- The IFRS Reserves take into account the Pure Outstanding Claims together with the CHE and the undiscounted (rounded figure of) IBNR. However, the corresponding value under SII is calculated by assuming the future 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 BE Claim Provision.
- The SII BE Premium Provision is only a part of the IFRS UPR for expected claims, commissions, administration expenses and cancellations. The SII result is then discounted using the assumed risk free interest rate.
- The IFRS Reserves do not take into account a Risk Margin.

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

In Thousands €	Gross IFRS Reserve	Gross SII Technical Provisions	Gross IFRS Reserve	Gross SII Technical Provisions
	31/12/2017		31/12/2016	
Motor	37.455	36.456	37.316	37.831
Fire and other property damage	17.488	13.552	17.253	12.827
General Liability	19.774	20.558	18.253	17.818
Other	3.880	3.336	3.690	3.239
TOTAL	**78.597**	**73.901**	**76.512**	**71.715**

The total Gross IFRS Reserves are 6% higher than the SII Technical Provisions due to different methodology allowing for the discounting of reserves under SII whereas no discounting under IFRS. IFRS Technical Provisions are higher than SII Technical Provisions due to more prudent basis used under IFRS calculation.

The most important difference is due to the calculation of BE Premium Provision which is calculated as a percentage of UPR, while the corresponding IFRS Reserve is the whole amount of UPR.

Main Results

Technical Provisions

Technical provisions of liabilities are defined as the sum of BE of Liabilities and Risk margin.

The values of the Technical Provisions of liabilities (Gross of Reinsurance) as at the EOY 2017 are presented above.

Motor insurance, including motor vehicle liability and other motor, is 49% 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 28% and 19% contribution to the total Technical Provisions respectively.

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

Gross Best Estimate

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

The values of the BE (Gross of Reinsurance) as at the EOY 2017 are presented below based on SII lines of business.

In Thousands €	Gross BE Premium Provision	Gross BE Claims Provision	Gross BE
Motor	9.464	25.398	**34.862**
Fire and other property damage	3.870	9.325	**13.195**
General Liability	3.011	16.747	**19.758**
Other	702	2.573	**3.275**
TOTAL	**17.047**	**54.041**	**71.088**

As expected, Motor insurance, including both Motor vehicle liability and Other motor, has the largest contribution to BE with 49% of the total BE.

General liability insurance and Fire and other damage to property insurance follow with 28% and 19% contribution to the total BE respectively.

Risk Margin

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

The values of the Risk Margin as at the EOY 2017 are presented below based on SII lines of business.

In Thousands €	Risk Margin	
	31/12/2017	**31/12/2016**
Motor	1.594	1.493
Fire and other property damage	357	328
General Liability	800	694
Other	61	59
TOTAL	**2.813**	**2.574**

Motor insurance, including both Motor vehicle liability and Other Motor, has the largest contribution to the Risk Margin with 57% of the total Risk Margin.

General liability insurance and Fire and other damage to property insurance follow with 28% and 13% contribution to the total Risk Margin respectively.

Risk Margin as at 31 December 2017 has increased by 9% compared to Risk Margin as at 31/12/2016.

Reinsurance Recoverable

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

The values of the Reinsurance Recoverable as at the EOY 2017 and 2016 are presented below:

Reinsurance Recoverable BE		
In Thousands €	**31/12/2017**	**31/12/2016**
Motor	2.779	3.796
Fire and other property damage	7.543	7.015
General Liability	2.298	1.892
Other	2.133	2.056
TOTAL	**14.753**	**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 BE of liabilities. Similarly, these categories form the larger part of Reinsurance Recoverable BE. 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 SII Statement of Financial Position.

Reinsurance Payables

The IFRS value of reinsurance payables is €5.806k (2016 €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 SII does not differ from IFRS.

Payables (trade, not insurance)

The IFRS value of Payables is €2.931k (2016: €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 SII 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 CIH which is owned 50,1% by CNP Assurance S.A. and 49,9% by BoC.

The excess of Capital over Liabilities (OF) of the Company under IFRS amounts to €46.650k (2016: €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.
- In the year, the Company issued share capital by issuing 1000 additional shares of €1.71 each, which have been issued at a premium of €9.998.29 each. The total amount of issue was €10.000.000.
- Retained earnings which is the cumulative net income not distributed to its shareholders as dividend.
- Other Reserves, not distributable as dividends.

The Excess of assets over liabilities under SII amounts to €43.742k (2016: €31.525k). 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 created, affecting the Deferred Tax amount due to adjustments

The capital management plan (management of OF) 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 CAO performs the SII 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 BoD. 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 OF over the planning period. These projections are calculated based on the projected Statement of Financial Position structure of the Company, reasonable assumptions, parameters, correlations or levels of confidence decided by the Managing Director, the General Manager, Actuarial, Finance and RM functions.

Projected capital requirements are compared with OF so that the Company is able to observe whether the forecasted available OF 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 OF 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.

The procedure described above is continuously monitored and relevant parties within the Company are regularly informed about the outcome of the various calculations performed at each step of the procedure.

Information is also provided to the RMF to quantify and assess the risks that the Company faces.

Structure, Amount and Quality of Own Funds

Basic Own Funds

The OF of the Company under IFRS amount to €46.650k (2016: €34.138k) and under the SII amounts to €43.742k (2016: €31.525k). As explained in the introduction, the basis of consolidation for financial accounting purposes differs from that used for SII purposes.

The table below illustrates the split of Basic OF under IFRS and SII as at the end of the year ended 31 December 2017 compared to the year ended 31 December 2016.

	2017		**2016**	
***In* Thousands €**	**SII Statement of Financial Position Value**	**IFRS Statement of Financial Position Value**	**SII Statement of Financial Position Value**	**IFRS Statement of Financial Position Value**
Ordinary Share Capital	13.692	13.692	13.690	13.690
Additional paid-in capital	21.988	21.988	11.990	11.990
Fair Value Reserves	-	756	-	395
Retained Earnings	-	10.214	-	8.063
Deferred Tax Asset	421	-	380	-
Reconciliation reserve	7.641	-	5.466	-
Total Basic Own Funds	**43.742**	**46.650**	**31.525**	**34.138**

Adjustments linked to tiering

The Company recognised an amount of €421k (2016: €380k) Deferred Tax Asset coming from the tax base (temporary) differences created by the differences in the valuation of assets under SII compared to the valuation of such assets under IFRS. In accordance with SII guidelines this asset is listed as Tier 3.

SII OF as at 31/12/2017 and 31/12/2016

The table below illustrates separate for each tier information about the OF at the year-ended 31 December 2017 compared to the year-ended 31 December 2016 together with the eligible amounts of OF to cover SCR and MCR.

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

	2017				**2016**			
In Thousands €	**Total**	**Tier 1 - unrestricted**	**Tier 2**	**Tier 3**	**Total**	**Tier 1 - unrestricted**	**Tier 2**	**Tier 3**
Ordinary Share Capital	13.692	13.692	-	-	13.690	13.690	-	-
Additional paid-in capital	21.988	21.988	-	-	11.990	11.990	-	-
Deferred Tax Asset	421	-	-	421	380	-	-	380
Reconciliation reserve	7.641	7.641	-	-	5.466	5.466	-	-
Total Basic OF	43.742	43.321	-	421	31.525	31.146	-	380
Eligible OF to meet the SCR	**43.742**	43.321	-	421	**31.525**	31.146	-	380
Eligible OF to meet the MCR	**43.321**	43.321	-	-	**31.146**	31.146	-	-

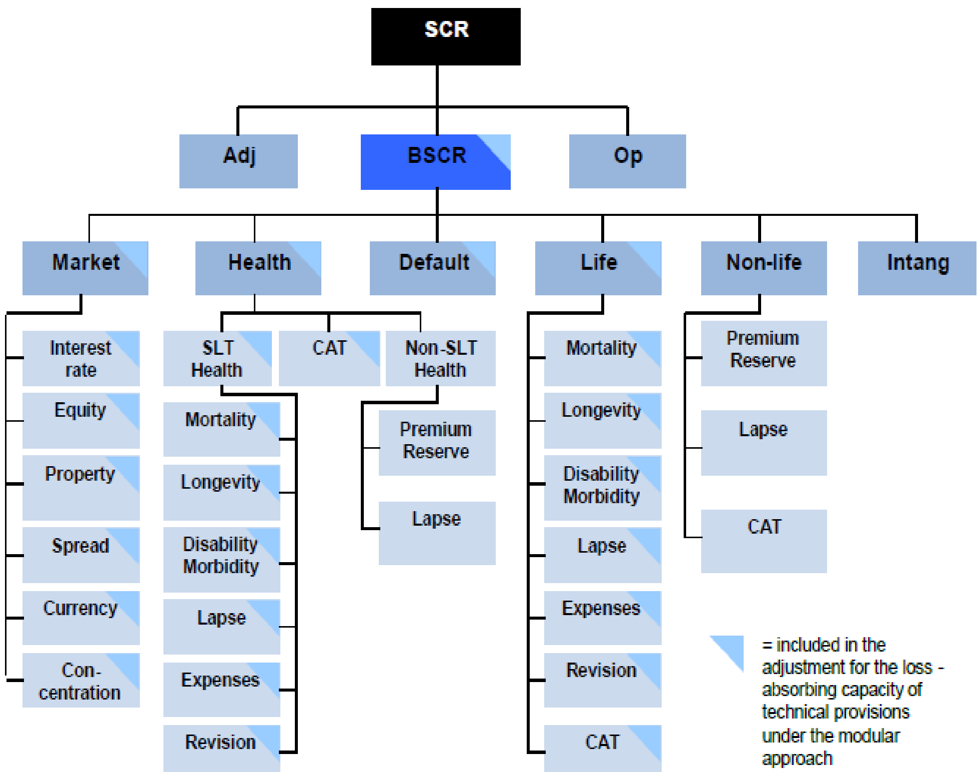
E.2. Solvency Capital Requirement and Minimum Capital Requirement

Solvency Capital Requirement valuation method

The overall SCR is calculated using the standard formula as described in the technical specifications.

The Company's SCR is composed by:

- The 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:

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

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 Undertakings for Collective Investments in Transferable Securities (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 managers 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%.

Loss Absorption of Deferred taxes

Assuming that all shocks described under the standard formula incurred at the end of 2017, the Company would have made a loss equal to the BSCR and Operational SCR (e.g. €24.306k). Due to the events assumed to be incurred in 2017, 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 2017 but in 2018-2022 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 2017.

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 2017 but future year's profits will not be further affected.

Therefore the future profits will be mainly affected by the non-life (including health) underwriting risk.

The Company estimated the impact on the Company's five year business plan following the adverse conditions implied within the Standard Formula calculation. The total estimated profit during that period was more than the amount of SCR prior to the loss absorbing adjustment of deferred tax. Therefore, the Company allows for a loss absorption at 12,5% of the SCR.

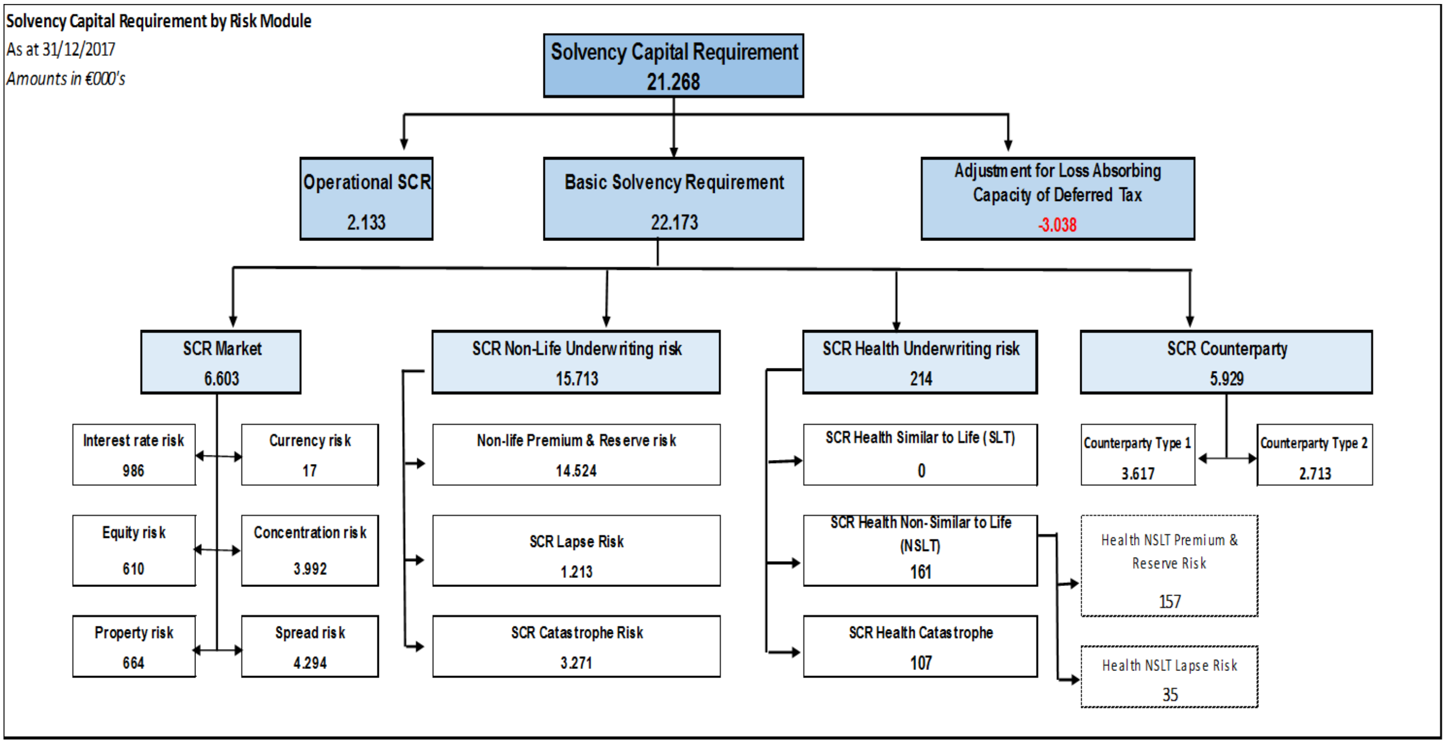
SCR and MCR as at 31/12/2017

The total SCR of the Company as at the end of 2017 was €21.268k (2016: €19.632k) with a total MCR of €8.452k (2016: €8.252k). These amounts are subject to supervisory assessment.

SCR as at 31/12/2017

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

The analysis of 2017 SCR by risk module is indicated below.



The SCR of the Company consists of the BSCR of €22.173k, the Operational SCR of €2.133k and the Loss Absorbing Capacity of Deferred Taxes of -€3.038k.

The BSCR 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 of €15.713k due to the nature of the Company's business followed by the SCR Market risk of €6.603k.

The most significant component of Non-life Underwriting risk is the Premium & Reserve risk which forms 76% (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 CAT risk contributes 17% (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 increased by 8% during the reporting period compared to previous reporting period. This increase is mainly due to an increase in SCR Non-Life Underwriting risk and SCR Counterparty risk.

Particularly, SCR Non-Life has been increased due to an increase in SCR Non-Life premium & Reserve risk and SCR Non-Life Lapse risk. The increase in Premium & Reserve risk is a consequence of an increase in BE Claims Provision (due to higher claims mainly under Fire and Liability insurance) while the increase in lapse risk is due to changes in the combined loss ratio.

In addition, SCR Counterparty risks increased mainly due to the increase in Counterparty Type 1 risk as a result in increased exposure in assets falling under this category.

In Thousands €	2017	2016	Percentage Change
Solvency Capital Requirement	21.268	19.632	8%
Adjustment for Loss Absorbing Capacity of Deferred taxes	-3.038	-2.805	8%
Basic Solvency Capital Requirement	22.173	20.363	9%
SCR Operational	2.133	2.074	3%
SCR Market	6.603	6.439	3%
SCR Non-Life	15.713	14.554	8%
SCR Health	214	207	3%
SCR Counterparty	5.929	4.978	19%

MCR as at 31/12/2017

The MCR 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 €8.452k (2016: €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 BEs of liabilities net of reinsurance recoverable and the written premium over the last 12 months per line of business are required.

In Thousands €	2017
Linear MCR	8.452
SCR	21.268
MCR cap	9.571
MCR floor	5.317
Combined MCR	8.452
Absolute floor of the MCR	3.700
Minimum Capital Requirement	**8.452**

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
ALM	Asset Liability Matching
B	
BE	Best Estimate
BoC	Bank of Cyprus Public Company Ltd
BoD / Board	Board of Directors of CNP Asfalistiki Ltd
BSCR	Basic Solvency Capital Requirement
C	
CAO	Chief Actuarial Officer
CAT	Catastrophe
CHE	Claims Handling Expense
CNP Asfalistiki / Company	CNP Asfalistiki Ltd
CNP CIH	CNP Cyprus Insurance Holdings Ltd
CRO	Chief Risk Officer
D	
Directive	Solvency II Directive
E	
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
EOY	End of year
EU	European Union
G	
I	
IAF	Internal Audit Function
IBNeR	Incurred But Not enough Reported
IBNR	Incurred But Not Reported
IFRS	International Financial Reporting Standards
IT	Information Technology
M	
MCR	Minimum Capital Requirement
N	
NSLT	Non-Similar to Life Techniques
O	
OECD	Organisation for Economic Cooperation and Development
OF	Own Funds
ORSA	Own Risk Solvency Assessment
P	
PWC	PriceWaterhouse Coopers Limited
Q	
QRTs	Quantitative Reporting Templates
R	
RMF	Risk Management Function

S	
SCR	Solvency II 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
U	
UCITs	Undertakings for Collective Investments in Transferable Securities
UPR	Unearned Premium Reserve

Appendix II - QRTs

S.02.01.02
Statement of Financial Position

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	421.103
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	199.085
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	77.669.297
Property (other than for own use)	**R0080**	2.655.000
Holdings in related undertakings, including participations	**R0090**	215.000
Equities	**R0100**	1.198.201
Equities - listed	**R0110**	1.177.783
Equities - unlisted	**R0120**	20.418
Bonds	**R0130**	33.402.757
Government Bonds	**R0140**	10.473.515
Corporate Bonds	**R0150**	22.394.139
Structured notes	**R0160**	535.104
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	24.318.214
Derivatives	**R0190**	3.840
Deposits other than cash equivalents	**R0200**	15.876.285
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	0
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	0
Reinsurance recoverables from:	**R0270**	14.752.874
Non-life and health similar to non-life	**R0280**	14.752.874
Non-life excluding health	**R0290**	14.565.808
Health similar to non-life	**R0300**	187.066
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	0
Health similar to life	**R0320**	0
Life excluding health and index-linked and unit-linked	**R0330**	0
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	0
Insurance and intermediaries receivables	**R0360**	16.823.258
Reinsurance receivables	**R0370**	3.391.428
Receivables (trade, not insurance)	**R0380**	6.077.485
Own shares (held directly)	**R0390**	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	0
Cash and cash equivalents	**R0410**	6.752.742
Any other assets, not elsewhere shown	**R0420**	293.367
Total assets	**R0500**	126.380.640

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	**R0510**	73.901.220
Technical provisions – non-life (excluding health)	**R0520**	72.952.218
TP calculated as a whole	**R0530**	0
Best Estimate	**R0540**	70.177.097
Risk margin	**R0550**	2.775.121
Technical provisions - health (similar to non-life)	**R0560**	949.003
TP calculated as a whole	**R0570**	0
Best Estimate	**R0580**	911.354
Risk margin	**R0590**	37.649
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	0
Technical provisions - health (similar to life)	**R0610**	0
TP calculated as a whole	**R0620**	0
Best Estimate	**R0630**	0
Risk margin	**R0640**	0
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	0
TP calculated as a whole	**R0660**	0
Best Estimate	**R0670**	0
Risk margin	**R0680**	0
Technical provisions – index-linked and unit-linked	**R0690**	0
TP calculated as a whole	**R0700**	0
Best Estimate	**R0710**	0
Risk margin	**R0720**	0
Contingent liabilities	**R0740**	0
Provisions other than technical provisions	**R0750**	0
Pension benefit obligations	**R0760**	0
Deposits from reinsurers	**R0770**	0
Deferred tax liabilities	**R0780**	0
Derivatives	**R0790**	0
Debts owed to credit institutions	**R0800**	0
Financial liabilities other than debts owed to credit institutions	**R0810**	0
Insurance & intermediaries payables	**R0820**	0
Reinsurance payables	**R0830**	5.806.357
Payables (trade, not insurance)	**R0840**	2.930.855
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in BOF	**R0860**	0
Subordinated liabilities in BOF	**R0870**	0
Any other liabilities, not elsewhere shown	**R0880**	0
Total liabilities	**R0900**	82.638.433
Excess of assets over liabilities	**R1000**	43.742.207

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)**								
		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
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**
Premiums written										
Gross - Direct Business	**R0110**	1.576.278	0	0	17.905.629	5.968.543	642.710	16.794.853	7.105.336	41.502
Gross - Proportional reinsurance accepted	**R0120**	0	0	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0130**	-	-	-	-	-	-	-	-	-
Reinsurers' share	**R0140**	724.601	0	0	746.871	248.957	99.489	9.378.843	2.472.475	25.211
Net	**R0200**	851.677	0	0	17.158.758	5.719.586	543.221	7.416.010	4.632.861	16.291
Premiums earned										
Gross - Direct Business	**R0210**	1.347.939	0	0	17.846.596	5.948.865	649.361	17.430.993	6.916.512	41.339
Gross - Proportional reinsurance accepted	**R0220**	0	0	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0230**									
Reinsurers' share	**R0240**	499.829	0	0	738.195	246.065	99.845	9.765.794	2.351.778	25.020
Net	**R0300**	848.110	0	0	17.108.401	5.702.800	549.516	7.665.198	4.564.734	16.319
Claims incurred										
Gross - Direct Business	**R0310**	571.705	0	0	10.229.369	2.347.410	202.507	3.795.169	3.761.838	-35.400
Gross - Proportional reinsurance accepted	**R0320**	0	0	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance accepted	**R0330**	-	-	-	-	-	-	-	-	-
Reinsurers' share	**R0340**	178.053	0	0	146.869	102.233	-12.335	1.570.949	274.749	-20.849
Net	**R0400**	393.652	0	0	10.082.500	2.245.177	214.843	2.224.219	3.487.089	-14.551
Changes in other technical provisions										
Gross - Direct Business	**R0410**	0	0	0	0	0	0	0	0	0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0	0	0	0	0	0	0
Gross - Non- proportional reinsurance accepted	**R0430**									
Reinsurers' share	**R0440**	0	0	0	0	0	0	0	0	0
Net	**R0500**	0	0	0	0	0	0	0	0	0
Expenses incurred	**R0550**	384.794	0	0	7.592.545	2.530.848	141.137	2.624.476	1.111.701	2.346
Other expenses	**R1200**									
Total expenses	**R1300**									

		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
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**	0	0	852.602					50.887.453
Gross - Proportional reinsurance accepted	**R0120**	0	0	0					0
Gross - Non-proportional reinsurance accepted	**R0130**				0	0	0	0	0
Reinsurers' share	**R0140**	0	0	699.346	0	0	0	0	14.395.794
Net	**R0200**	0	0	153.256	0	0	0	0	36.491.659
Premiums earned									
Gross - Direct Business	**R0210**	0	0	897.530					51.079.135
Gross - Proportional reinsurance accepted	**R0220**	0	0	0					0
Gross - Non-proportional reinsurance accepted	**R0230**				0	0	0	0	0
Reinsurers' share	**R0240**	0	0	741.111	0	0	0	0	14.467.637
Net	**R0300**	0	0	156.420	0	0	0	0	36.611.498
Claims incurred									
Gross - Direct Business	**R0310**	0	0	283.276					21.155.874
Gross - Proportional reinsurance accepted	**R0320**	0	0	0					0
Gross - Non-proportional reinsurance accepted	**R0330**				0	0	0	0	0
Reinsurers' share	**R0340**	0	0	247.716	0	0	0	0	2.487.384
Net	**R0400**	0	0	35.560	0	0	0	0	18.668.490
Changes in other technical provisions									
Gross - Direct Business	**R0410**	0	0	0					0
Gross - Proportional reinsurance accepted	**R0420**	0	0	0					0
Gross - Non- proportional reinsurance accepted	**R0430**				0	0	0	0	0
Reinsurers' share	**R0440**	0	0	0	0	0	0	0	0
Net	**R0500**	0	0	0	0	0	0	0	0
Expenses incurred	**R0550**	0	0	-63.885	0	0	0	0	14.323.962
Other expenses	**R1200**								628.765
Total expenses	**R1300**								14.952.727

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	50.887.453						50.887.453
Gross - Proportional reinsurance accepted	R0120	0						0
Gross - Non-proportional reinsurance accepted	R0130	0						0
Reinsurers' share	R0140	14.395.794						14.395.794
Net	R0200	36.491.659						36.491.659
Premiums earned								
Gross - Direct Business	R0210	51.079.135						51.079.135
Gross - Proportional reinsurance accepted	R0220	0						0
Gross - Non-proportional reinsurance accepted	R0230	0						0
Reinsurers' share	R0240	14.467.637						14.467.637
Net	R0300	36.611.498						36.611.498
Claims incurred								
Gross - Direct Business	R0310	21.155.874						21.155.874
Gross - Proportional reinsurance accepted	R0320	0						0
Gross - Non-proportional reinsurance accepted	R0330	0						0
Reinsurers' share	R0340	2.487.384						2.487.384
Net	R0400	18.668.490						18.668.490
Changes in other technical provisions								
Gross - Direct Business	R0410	0						0
Gross - Proportional reinsurance accepted	R0420	0						0
Gross - Non- proportional reinsurance accepted	R0430	0						0
Reinsurers' share	R0440	0						0
Net	R0500	0						0
Expenses incurred	R0550	14.323.962						14.323.962
Other expenses	R1200							628.765
Total expenses	R1300							14.952.727

S.17.01.02
Non-life Technical Provisions

		Direct business and accepted 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
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**
Technical provisions calculated as a whole	**R0010**	0	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**	0	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	**R0060**	485.092	0	0	7.177.224	2.286.377	48.082	3.870.296	3.011.014	14.565
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	79.811	0	0	-112.420	-38.109	-304	1.232.560	426.597	7.509
Net Best Estimate of Premium Provisions	**R0150**	405.281	0	0	7.289.644	2.324.487	48.385	2.637.737	2.584.417	7.056
Claims provisions										
Gross	**R0160**	426.262	0	0	24.112.109	1.285.470	252.420	9.324.508	16.746.684	113.454
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	107.255	0	0	2.669.706	260.163	15.478	6.310.265	1.871.232	62.937
Net Best Estimate of Claims Provisions	**R0250**	319.007	0	0	21.442.403	1.025.306	236.942	3.014.243	14.875.452	50.518
Total Best estimate - gross	**R0260**	911.354	0	0	31.289.333	3.571.847	300.501	13.194.804	19.757.697	128.019
Total Best estimate - net	**R0270**	724.288	0	0	28.732.047	3.349.793	285.327	5.651.980	17.459.869	57.574
Risk margin	**R0280**	37.649	0	0	1.408.508	185.867	15.615	357.320	799.804	2.689
Amount of the transitional on Technical Provisions										
Technical Provisions calculated as a whole	**R0290**	0	0	0	0	0	0	0	0	0
Best estimate	**R0300**	0	0	0	0	0	0	0	0	0
Risk margin	**R0310**	0	0	0	0	0	0	0	0	0

		Direct business and accepted 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
		C0020	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**
Technical provisions - total										
Technical provisions - total	**R0320**	949.003	0	0	32.697.841	3.757.714	316.116	13.552.124	20.557.501	130.708
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	187.066	0	0	2.557.286	222.054	15.174	7.542.825	2.297.829	70.446
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	761.937	0	0	30.140.555	3.535.660	300.942	6.009.299	18.259.672	60.262

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		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	
		C0110	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions calculated as a whole	**R0010**	0	0	0	0	0	0	0	0
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	**R0050**	0	0	0	0	0	0	0	0
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	**R0060**	0	0	154.444	0	0	0	0	17.047.094
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	0	0	112.308	0	0	0	0	1.707.951
Net Best Estimate of Premium Provisions	**R0150**	0	0	42.136	0	0	0	0	15.339.143
Claims provisions									
Gross	**R0160**	0	0	1.780.450	0	0	0	0	54.041.357
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	0	0	1.747.887	0	0	0	0	13.044.923
Net Best Estimate of Claims Provisions	**R0250**	0	0	32.564	0	0	0	0	40.996.434
Total Best estimate - gross	**R0260**	0	0	1.934.894	0	0	0	0	71.088.451
Total Best estimate - net	**R0270**	0	0	74.700	0	0	0	0	56.335.577
Risk margin	**R0280**	0	0	5.319	0	0	0	0	2.812.770
Amount of the transitional on Technical Provisions									
Technical Provisions calculated as a whole	**R0290**	0	0	0	0	0	0	0	0
Best estimate	**R0300**	0	0	0	0	0	0	0	0
Risk margin	**R0310**	0	0	0	0	0	0	0	0

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		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
		C0110	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0170**	**C0180**
Technical provisions - total									
Technical provisions - total	**R0320**	0	0	1.940.213	0	0	0	0	73.901.220
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	0	0	1.860.195	0	0	0	0	14.752.874
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	0	0	80.019	0	0	0	0	59.148.346

S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	**Z0010**	1

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

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
Prior	**R0100**											910.186
N-9	**R0160**	11.714.620	7.203.434	2.885.506	21.064.691	462.811	1.355.539	92.067	363.844	275.239	157.554	
N-8	**R0170**	14.521.096	8.302.190	1.469.372	908.736	629.529	931.634	192.154	437.650	213.294		
N-7	**R0180**	13.505.656	9.835.315	2.016.524	462.203	369.058	692.114	686.693	443.970			
N-6	**R0190**	13.459.119	7.876.576	1.303.235	3.045.502	3.911.252	531.639	640.981				
N-5	**R0200**	12.356.028	5.604.994	1.558.965	793.293	753.883	77.022					
N-4	**R0210**	9.798.317	5.671.381	1.195.921	728.264	161.922						
N-3	**R0220**	10.894.197	8.222.356	3.168.840	378.822							
N-2	**R0230**	10.414.443	4.274.023	1.011.680								
N-1	**R0240**	10.152.714	5.091.327									
N	**R0250**	9.739.728										

		In Current year	Sum of years (cumulative)
		C0170	**C0180**
	R0100	910.186	910.186
	R0160	157.554	45.575.306
	R0170	213.294	27.605.655
	R0180	443.970	28.011.533
	R0190	640.981	30.768.304
	R0200	77.022	21.144.186
	R0210	161.922	17.555.805
	R0220	378.822	22.664.215
	R0230	1.011.680	15.700.146
	R0240	5.091.327	15.244.040
	R0250	9.739.728	9.739.728
Total	**R0260**	18.826.485	234.919.102

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year										
	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											1.567.307
N-9	R0160									1.268.271	1.016.244	
N-8	R0170								2.188.442	1.727.802		
N-7	R0180							4.904.750	3.758.936			
N-6	R0190						6.566.946	5.631.420				
N-5	R0200					3.555.500	3.504.586					
N-4	R0210				3.323.842	2.044.330						
N-3	R0220			5.325.423	3.675.097							
N-2	R0230		7.507.810	6.088.961								
N-1	R0240	14.208.759	8.537.905									
N	R0250	16.496.242										

		Year end (discounted data)
		C0360
	R0100	1.573.019
	R0160	1.020.159
	R0170	1.733.151
	R0180	3.769.256
	R0190	5.643.667
	R0200	3.509.148
	R0210	2.043.963
	R0220	3.671.989
	R0230	6.071.629
	R0240	8.519.709
	R0250	16.485.667
Total	R0260	54.041.357

S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	13.691.970	13.691.970		0	
Share premium account related to ordinary share capital	R0030	21.988.030	21.988.030		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	7.641.103	7.641.103			
Subordinated liabilities	R0140	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	421.103				421.103
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	
Total basic own funds after deductions	R0290	43.742.207	43.321.103	0	0	421.103
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	43.742.207	43.321.103	0	0	421.103
Total available own funds to meet the MCR	R0510	43.321.103	43.321.103	0	0	
Total eligible own funds to meet the SCR	R0540	43.742.207	43.321.103	0	0	421.103
Total eligible own funds to meet the MCR	R0550	43.321.103	43.321.103	0	0	
SCR	R0580	21.267.785				
MCR	R0600	8.452.241				
Ratio of Eligible own funds to SCR	R0620	206%				
Ratio of Eligible own funds to MCR	R0640	513%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	43.742.207	
Own shares (held directly and indirectly)	R0710	0	
Foreseeable dividends, distributions and charges	R0720	0	
Other basic own fund items	R0730	36.101.103	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0	
Reconciliation reserve	R0760	7.641.103	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	0	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	0	
Total Expected profits included in future premiums (EPIFP)	R0790	0	

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	**R0010**	6.603.312	-	-
Counterparty default risk	**R0020**	5.929.485	-	-
Life underwriting risk	**R0030**	0	None	
Health underwriting risk	**R0040**	214.071	None	-
Non-life underwriting risk	**R0050**	15.712.628	None	-
Diversification	**R0060**	-6.286.109	-	-
Intangible asset risk	**R0070**	0	-	-
Basic Solvency Capital Requirement	**R0100**	22.173.387	-	-

Calculation of Solvency Capital Requirement		C0100
Operational risk	**R0130**	2.132.654
Loss-absorbing capacity of technical provisions	**R0140**	0
Loss-absorbing capacity of deferred taxes	**R0150**	-3.038.255
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	**R0160**	0
Solvency capital requirement excluding capital add-on	**R0200**	21.267.785
Capital add-on already set	**R0210**	0
Solvency capital requirement	**R0220**	21.267.785
Other information on SCR		-
Capital requirement for duration-based equity risk sub-module	**R0400**	0
Total amount of Notional Solvency Capital Requirement for remaining part	**R0410**	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	**R0420**	0
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	**R0430**	0
Diversification effects due to RFF nSCR aggregation for article 304	**R0440**	0

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**	8.452.241

		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**	724.288	851.677
Income protection insurance and proportional reinsurance	**R0030**	0	0
Workers' compensation insurance and proportional reinsurance	**R0040**	0	0
Motor vehicle liability insurance and proportional reinsurance	**R0050**	28.732.047	17.158.758
Other motor insurance and proportional reinsurance	**R0060**	3.349.793	5.719.586
Marine, aviation and transport insurance and proportional reinsurance	**R0070**	285.327	543.221
Fire and other damage to property insurance and proportional reinsurance	**R0080**	5.651.980	7.416.010
General liability insurance and proportional reinsurance	**R0090**	17.459.869	4.632.861
Credit and suretyship insurance and proportional reinsurance	**R0100**	57.574	16.291
Legal expenses insurance and proportional reinsurance	**R0110**	0	0
Assistance and proportional reinsurance	**R0120**	0	0
Miscellaneous financial loss insurance and proportional reinsurance	**R0130**	74.700	153.256
Non-proportional health reinsurance	**R0140**	0	0
Non-proportional casualty reinsurance	**R0150**	0	0
Non-proportional marine, aviation and transport reinsurance	**R0160**	0	0
Non-proportional property reinsurance	**R0170**	0	0

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**	8.452.241		
SCR	**R0310**	21.267.785	-	-
MCR cap	**R0320**	9.570.503		
MCR floor	**R0330**	5.316.946		
Combined MCR	**R0340**	8.452.241		
Absolute floor of the MCR	**R0350**	3.700.000		
-	-	**C0070**		
Minimum Capital Requirement	**R0400**	8.452.241		