MINERVA
INSURANCE

Solvency & Financial Condition Report 2022 (SFCR)

A. Executive Summary

A.1 Purpose of the report

This report represents the Solvency and Financial Condition Report (SFCR) for Minerva Insurance Company Public Limited (hereinafter ''Minerva'' or ''Company'') for the year ended 31 December 2022. The purpose of this report is to satisfy the public disclosure requirements under the European Union Directive 2009/138 (Solvency II Directive) transposed into local legislation (Law on Insurance and Reinsurance Services and Other Related Issues Law of 2016 to 2022) including the EU Delegated Regulation 2015/35 supplementing the above Directive.

The report presents different aspects of Minerva's solvency and financial condition. In particular it sets out Minerva's business and performance, system of governance, risk profile, valuation methods used in preparation of its Balance Sheet on a Solvency II basis and overview of its capital management and contains both qualitative and quantitative information.

The Report should be read in conjunction with quantitative reporting templates presented in Annex I of this report.

A.2 Business and Performance

Minerva Insurance Company Public Limited was founded and began its operations in 1970. Minerva is a composite insurer operating in Cyprus.

The Company is licenced under article 19 of the Insurance and Reinsurance Services and Other Related Issues Law of 2016 to 2022 to underwrite accident and health, motor (including third party liability), marine and transit risks, fire and other property damage and general liability insurance business.

The Company underwrites a wide range of General Insurance Products (non-life). Its portfolio comprises of 80,55% motor products and 19,45% non-motor products.

During the year ended 2022 the Company increased its Gross Written Premium (GWP) to €17,6 million (2021: €16,9 million) representing an increase of 4.16% compared to last year. The Company has generated loss of €303 thousand compared to €425 thousand loss in 2021.

The Company maintains a solid capital position. At the reference date, the Solvency Capital Requirement amounted to €7,482 million and the eligible own funds available to cover this requirement amounted to €11,527 million. Hence, the ratio of eligible own funds to SCR at the reference date amounted to 154,07% and the Solvency II surplus amounted to €4,045 million.

The Business performance of the Company is further analysed in section B of this report.

A.3 System of Governance

Minerva's Board recognises the importance of strong corporate governance and has the responsibility of ensuring its long-term sustainability. The three lines of defence model is in place and the Board of Directors, which bears the ultimate responsibility for ensuring that corporate governance arrangements within the Company are sufficient and adequate, monitors and oversees specific areas of the business through its various committees. The governance structure sets out clear accountabilities and responsibilities across all the functions of the Company and in particular the key functions.

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

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

Additionally, Minerva in anticipation of the regulatory requirements has formalised its written policies and procedures and improved its overall risk management and internal control system based on the nature, complexity and size of the Company.

The System of governance of the Company is further analysed in section C of this report.

A.4 Risk Profile

The risk profile of Minerva is predominately driven by non-life underwriting risk, market risk and counterparty default risk.

The primary basis used by Minerva to quantify the risks is the Solvency Capital Requirement (SCR) which is calculated as Solvency II Own Funds at risk.

The following table shows Minerva’s diversified SCR by most significant components as at 31 December:

SCR by risk type	2022 - €’000	2021 - €’000
Non-life underwriting risk	4,155	4,722
Market risk	3,793	3,426
Counterparty risk	1,120	927
Life and health risk	314	355
Operational risk	525	484
Diversification	(2,425)	(2,373)
Loss absorbing capacity of deferred taxes	-	(75)
Solvency Capital Requirement (SCR)	**7,482**	**7,466**

The Risk profile of the Company is further analysed in section D of this report.

A.5 Valuation for Solvency Purposes

The valuation of the assets and liabilities of the Solvency II Balance Sheet is carried out by the Valuation Policy and Reserving Policy endorsed by the Company’s Board of Directors.

The Company prepares its financial statements in accordance with the International Financial Reporting Standards (IFRS’s) as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

As at the valuation date the total value of Company's assets amounted to €40,567m on an IFRS basis and €36,263m on a Solvency II basis. The difference in the value of assets between the two bases is fully explained by the exclusion of "Intangible Assets" and "Deferred Acquisition Costs" and the revaluation of the "Reinsurance Recoverable".

As at the valuation date the IFRS liabilities amounted to €30,934m. This compares to €24,736m of Company's Solvency II technical provisions calculated as at the same valuation date. The difference is primarily due to the way Solvency II accounts for the premium reserves which are different from the way IFRS measures them.

The €1,894 difference is accounted as follows:

Own Funds Reconciliation	**€'000**
Equity (IFRS Financial Statements)	**9,633**
Deferred Acquisition costs	(3,236)
Intangible Assets	(58)
Reinsurance Recoverable	273
Future Premiums	(1,281)
Technical provisions	5,870
Lease Liability	12
Subordinated Liabilities	314
Own Funds (Solvency II)	**11,527**

The valuation for solvency purposes of the Company is further analysed in section E of this report.

A.6 Capital Management

At 31 December 2022, the Own Funds of the Company amounted to 11,527m.

The coverage ratio of the Company is 154,07% as at the valuation date and is analysed as follows:

Own Funds	€'000
Ordinary share capital	3,281
Share premium account related to ordinary share capital	1,610
Reconciliation reserve	6,219
Other own fund items approved by the supervisory authority	417
Total Basic Own Funds	**11,527**

The following table shows the SCR split by risk modules as at 31 December:

Solvency Capital Requirement	2022 - €'000	2021 - €'000
Market risk	3,793	3,426
Counterparty default risk	1,120	927
Life Underwriting risks	179	233
Health underwriting risk	135	122
Non-Life underwriting risk	4,155	4,722
Sum of risk components	**9,382**	**9,430**
Diversification effects	(2,425)	(2,373)
Diversified risk	**6,957**	**7,057**
Intangible asset risk	-	-
Basic SCR	6,957	7,057
Operational risk	525	484
Adjustments	-	(75)
SCR	**7,482**	**7,466**

Under Solvency II all insurance entities must satisfy at any point in time the requirements of having sufficient available capital to meet the Minimum Capital Requirement (MCR) to retain its licence to sell insurance business in Cyprus.

The Company was compliant with the MCR thought-out the year under review.

As at the valuation date, the MCR of the Company was determined to be €4,000m which means that the Company needs to have at least €4,000m of available capital (own funds) to retain its licence to sell insurance business in Cyprus. Given its available capital is at a level of €11,527m, the Company can cover its minimum capital requirement by approximately 2,88 times.

The Capital management of the Company is further analysed in section F of this report.

A.7 Material changes during 2022

1. In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 4 was replaced from IFRS 17 Insurance Contracts.

The Company will apply IFRS 17 for the first time on 1 January 2023. The standard will bring significant changes to the accounting for insurance and reinsurance contracts and is expected to have a material impact on the Group's financial statements in the period of initial application.

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts.

Contracts issued by the Company will be classified as insurance contracts when the Company accepts significant insurance risk from a policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. In making this assessment, the Company will consider all its substantive rights and obligations, whether they arise from contract, law or regulation.

The Company shall use judgment to assess whether a contract transfers significant insurance risk, by assessing if an insured event could cause the Company to pay to the policyholder additional amounts that are significant in any single scenario with commercial substance. The Company issues contracts under which it accepts significant insurance risk from its policyholders, which will be classified as insurance contracts. The Company does not expect significant changes on the classification of contracts to insurance or investment contracts arising from the application of these requirements.

In addition to issuing insurance contracts, the Company holds reinsurance contracts to mitigate certain risk exposures. A reinsurance contract is an insurance contract issued by a reinsurer to compensate the Company for claims arising from one or more insurance contracts issued by the Company. Reinsurance policies held by the Company are still considered to transfer significant insurance risk if they transfer substantially all of the insurance risk associated with the reinsured portions of the underlying insurance policies to the reinsurer. The Company does not expect any impact on the classification of the reinsurance contracts held arising from the application of these requirements.

IFRS 17 introduces a measurement model based on the estimates of the present value of future cash flows that are expected to arise as the Group fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin (CSM).

The Premium Allocation Approach (PAA) is an optional simplified measurement model in IFRS 17 that is available to insurance policies that meet the eligibility criteria.

The Group expects that it will apply the Premium Allocation Approach to all contracts in the non-life segment because the following criteria are expected to be met at inception.

- ***Insurance contracts and loss-occurring reinsurance contracts:*** The coverage period of each contract in the group is one year or less.

- ***Risk-attaching reinsurance contracts:*** The Group reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies described above.

For the life segment the Group will measure a group of contracts as the total of (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM.

The Group's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario will be discounted and weighted by the estimated probability of that outcome to derive an expected present value.

All cash flows will be discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity characteristics of the contracts. Cash flows that vary based on the returns on any underlying items will be adjusted for the effect of that variability using risk-neutral measurement techniques and discounted using the risk-free rates as adjusted for illiquidity.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation that the Group would require for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The contractual service margin (CSM) of a group of contracts represents the unearned profit that the Group will recognize as it provides services under those contracts.

Estimated impact of the adoption of IFRS 17

The Group has assessed the estimated impact that the initial application of IFRS 17 will have on its financial statements. Based on assessments undertaken to date, the total adjustment (after tax) to the balance of the Group's total equity is estimated to be between €38.000 increase and €313.000 increase as at 1 January 2022, as summed below:

Estimated increase / (reduction) in the Group's total equity	Confidence level 80%	Confidence level 70%
1 January 2022	**€**	**€**
Adjustment due to adoption of IFRS 17		
Non-life contracts	(999,000)	(740,000)
Life contracts	1,082,000	1,097,000
Deferred tax impacts	(45,000)	(44,000)
Estimated impact of adoption of IFRS 17, after tax	**38,000**	**313,000**

The assessment above is preliminary because not all of the transition work has been finalised. The actual impact of adopting IFRS 17 on 1 January 2022 may change because:

- the Group is continuing to refine the new accounting processes and internal controls required for applying IFRS 17,
- the new systems and associated controls in place have not been operational for a more extended period,
- the Group has not finalised the testing and assessment of controls over its new IT systems and changes to its governance framework; and
- the new accounting policies, assumptions, judgements and estimation techniques employed are subject to change until the Group finalises its first financial statements that include the date of initial application.

A more detailed analysis on the full methodology as adopted by the Company is described in the financial statements for the year ended 2022.

2. Following discussions with various reinsurance companies considering alternative reinsurance structure options the Company decided that the most appropriate reinsurance structure for its motor business is a Motor QS and an Excess of Loss treaty which will reduce the volatility of the retained losses of the Motor segment as well as strengthen its solvency position.

A.8 Annex I

Annex I, shows the quantitative templates submitted to the local Regulator on behalf of the Company for the valuation date. The following templates are reproduced in this Annex:

Code	Template Name
S.02.01.02	Balance Sheet
S.05.01.02	Premiums, claims and expenses by line of business
S.05.02.01	Premiums, claims and expenses by country
S.12.01.02	Life and Health SLT Technical Provisions
S.17.01.02	Non-Life Technical Provisions
S.19.01.21	Non-Life insurance claims
S.23.01.01	Own Funds
S.25.01.21	Solvency Capital Requirement – for undertakings on Standard Formula
S.28.02.01	Minimum Capital Requirement – both life or non-life insurance activity

B. Business Performance

This section of the report describes Minerva's business structure, key operations, and financial performance over the reporting period.

B.1 Business

B.1.1 Name and legal form of undertaking

Minerva Insurance Company Public Limited (hereafter the "Company") was incorporated in Cyprus on 29 October 1970 as a private limited liability company and on 20 November 1997 was converted into a public company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. In December 1997 the Company made a public issue of new shares and was listed in the Cyprus Stock Exchange with company Registration Number HE3282.

Its registered office is at 165 Athalassas Avenue, Anna Maria Court, 2024, Strovolos, Cyprus.

The principal activity of the Company is the transaction of general insurance business. All the Company's business is conducted in Cyprus.

B.1.2 Supervisory authority

The Superintendent of Insurance is the competent authority for the supervision of the insurance sector in the Republic of Cyprus and exercises all the powers granted by the Law on Insurance and Reinsurance Services and Other Related Business of 2016 to 2022 and by the relevant Regulations, for the purpose of protecting the policyholders and the insurance beneficiaries. The supervisor contact details are:

Insurance Companies Control Service

Address: P.O. Box 23364, 1682 Nicosia, Cyprus
Telephone Number: (+357) 22602990
Fax Number: (+357) 22302938
E-mail: insurance@mof.gov.cy

B.1.3 External Auditors

The Company's appointed auditor for the year ended 31 December 2022 was Ernst & Young Cyprus Ltd with the following contact details:

Address: 6 Stasinou Avenue Jean Nouvel Tower, Nicosia, Cyprus
P.O.Box 21656,
Telephone Number: (+357) 22209999
Fax Number: (+357) 22209996

The information in this Report has been subject to external audit according to the Orders of the Superintendent of Insurance. The Auditor's Report is presented in Appendix B.

B.1.4 Shareholders

The shareholders of the Company that had directly or indirectly significant participation (over 5%) in the Company's share capital presented below:

	31/12/2022	31/03/2023
Marios Koutsokoumnis	50,794%	50,794%
Legal estate of Costakis Koutsokoumnis	21,913%	21,913%
Kyprianos K. Koutsokoumnis	8,128%	8,128%

B.1.5 Material lines of business and geographical areas

Motor insurance

The Company writes motor insurance in Cyprus. This consists of both property and liability benefits, and therefore, includes both shorter and longer tail coverage. The payments that are made quickly indemnify the policyholder against the value of loss on motor physical damage claims and property damage (liability) claims, at the time the incident occurs, subject to any limits or excesses. The payments that take longer to finalise, and are more difficult to estimate, relate to bodily injury claims. These indemnities cover the motor vehicle against compensation payable to third parties for death or personal injury.

Liability (Professional Indemnity, Employers Liability, Public Liability, Engineering)

The Company writes liability insurance in Cyprus. Under these contracts, compensation is paid for injury suffered by individuals, including employees or members of the public. The main liability exposures are in relation to bodily injuries.

Fire insurance and other damage on property

The Company writes insurance against fire and other damage on property in Cyprus. Property insurance indemnifies, subject to any limits or excesses, the policyholder against the loss or damage to their own material property.

Accident and health insurance

Personal Accident products pay benefits of fixed amount in the event of an accident or cover the medical expenses due to accident. Medical insurances offered on an individual basis (either stand alone or as supplementary benefits to life policies) provide only inpatient cover while group medical policies provide both inpatient and outpatient cover. Generally, medical insurances indemnify the insured person fully or partially for the cost of medical treatment due to either accident or illness.

Yacht, Marine and Cargo

The company writes very few of the above insurance risks covering the loss or damage of ships, yachts, cargo, terminals, and any transport or cargo by which property is transferred, acquired, or held between the points of origin and final destination.

Life Business

The Company ceased writing new life business as from 15th November 2012. A closed portfolio consisting of 449 in force and paid up policies is currently administered by the Company's life department of which the majority are unit linked type policies and the remaining are conventional endowment and whole life policies with and without profit participation and standalone term policies.

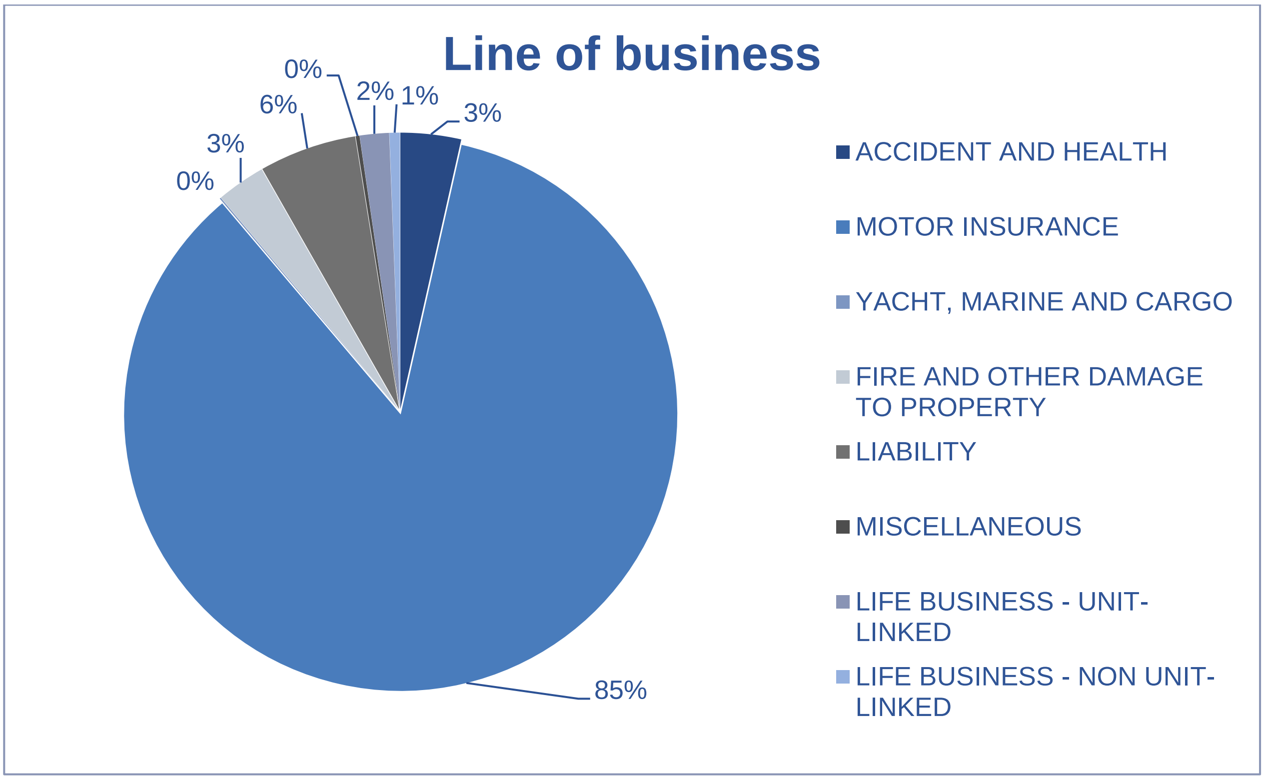
Life Business - Unit-linked insurance contracts

These are contracts without fixed benefits and consist mainly of regular unit-linked endowments and whole of life products where the primary purpose is to provide an investment return. In addition, the policyholder is also insured against death. Unit-linked contracts operate by investing the policyholders' premiums into pooled investment funds of the Company. The policyholders' share of the fund is represented by units. The benefit is payable on maturity, or death if earlier. The amount payable on death is subject to a guaranteed minimum amount. The maturity or surrender value depends on the investment performance of the underlying fund and the level of charges levied by the Group for policy administration fees, mortality and other charges. A small number of these contracts also provide a minimum guaranteed surrender value at specific dates.

Life Business – Non unit linked

In addition the Company maintains non-unit linked contracts all written before 2003. These contracts may be of pre-defined duration, or whole of life, and they accrue for specific benefits both in the case of maturity of the contract, or death whichever is earlier. The surrender value of the contract is either pre-determined or defined for each contract by the Company. A small number of these contracts participate on the profits of Life Business as defined for each contract by the Company.

The following graph shows an analysis of the line of business of the Company as at 31 December 2022 based on net premiums earned as at the reporting period:



B.1.6 Significant changes that have a material impact on the undertaking

There are no other significant changes that have a material impact on the Company other than those disclosed in the section A.7 above.

B.2 Underwriting performance

B.2.1 Non-Life Portfolio

The Company registered a growth of 4,39% (2021: 6,87%) in its GWP mainly attributed to the income from marine, aviation and transport insurance, medical insurance and general liability insurance.

Gross Written Premium €	2022	2021	%change
Medical expense insurance	664,000	555,064	19,63%
Income protection insurance	63,424	86,335	-26,54%
Motor vehicle liability insurance	11,694,003	11,618,459	0,65%
Other motor insurance	1,977,727	1,754,800	12,70%
Marine, aviation and transport insurance	34,307	25,671	33,64%
Fire and other damage to property insurance	1,452,718	1,291,396	12,49%
General liability insurance	1,343,839	1,184,856	13,42%
Miscellaneous financial loss	101,633	86,367	17,67%
Total	**17,331,651**	**16,602,948**	**4,39%**

The incurred claims of the Company, in 2022, increased by 41,07%, compared to last year, mainly attributed to increase in the technical reserves of motor vehicle liability insurance and fire and other damage to property insurance.

Incurred Claims €	2022	2021	%change
Medical expense insurance	246,857	98,538	150,52%
Income protection insurance	18,331	28,987	-36,76%
Motor vehicle liability insurance	8,673,696	6,460,920	34,25%
Other motor insurance	227,994	420,503	-45.78%
Fire and other damage to property insurance	975,595	152,063	541,57%
General liability insurance	415,406	320,631	29,56%
Miscellaneous financial loss	16,811	14,178	18,57%
Total	**10,574,690**	**7,495,820**	**41,07%**

The Company forecasts its results over its business planning horizon as part of its Own Risk and Solvency Assessment. According to our forecasts, we expect to maintain the same levels of growth and profitability to be enhanced further.

B.2.2 Life Portfolio

The Company registered a reduction of 7,01% in its GWP mainly attributed to the runoff nature of the business. The life portfolio incurred gain of €51,355 for the year ended 31 December 2022 (2021: gain €189,008).

B.2.3 Underwriting performance over the business planning horizon

The anticipated growth of business volumes by product line are as follows:

Gross Written Premium €	2023	2024
Medical expense insurance	667,320	670,656
Income protection insurance	64,058	64,698
Workers' compensation insurance	-	-
Motor vehicle liability insurance	11,810,941	11,869,995
Other motor insurance	1,997,504	2,007,491
Marine, aviation and transport insurance	34,993	35,692
Fire and other damage to property insurance	1,496,300	1,541,189
General liability insurance	1,357,277	1,370,849
Credit and suretyship insurance	-	-
Legal expenses insurance	-	-
Assistance	-	-
Miscellaneous financial loss	102,649	103,675
Total	**17,531,042**	**17,664,245**

Overall the projected portfolio of Minerva is expected to remain profitable over the business planning horizon. Availability of reinsurance remains critical for the Company to maintain its competitiveness as well as its risk taking capacity.

B.3 Investment Performance

The composition of the Company's investment portfolio (excluding Unit Linked) as at 31 December was as follows:

Asset type	2022	2021
	€	€
Property, plant and equipment	12,911,688	12,132,763
Holdings in related undertakings	2,469,268	2,403,537
Equities	482,945	82,157
Bonds	237,104	-
Deposits other than cash equivalents	212,937	823,134
Cash and cash equivalents	509,448	956,807

A graph shows the above analysis is presented in section D.2 below.

B.3.1 Income and expenses arising from investments by asset class

An analysis of the Company's income and expenses arising from investments by assets class is analysed below:

Type	2022	2021
	€	€
Property, plant and equipment held for own use	82,488	93,296
(Loss)/gain on equities/other shares - listed	(170,814)	39,658
Gain on FV change of investment properties	287,082	134,976
Other investments	46,698	48,014
Dividend income	21,521	6,184

Income arising comprises of dividends, interest, rental income and gains/ (losses) on fair value changes on investments.

B.3.2 Any gains and losses recognised directly in equity

During the year the following items have been recognised directly in the Other Comprehensive Income:

Type	2022	2021
	€	€
Profit on revaluation of property	100,269	195,499
FV adjustment on investment in subsidiaries	65,730	16,514
(Loss)/profit on revaluation of available for sale investments	(267,149)	25,273
Deferred tax on revaluation of property	12,533	(24,383)

B.3.3 Investment Projections

When compiling projections, no market movements are factored. Dividends are projected to remain stable year on year based on the most recent data available and interest on debt securities reflects actual coupons receivable. Rental income projections are based on contracts in force.

B.4 Performance of other activities

There have been no other significant activities undertaken by the Company other than its insurance and related activities.

B.5 Any other material information

There is no other material information regarding the business and performance of the Company which has not already been disclosed in the sections above.

C. System of Governance

This section sets out information in relation to Minerva's system of governance. It provides a description of Minerva's key functions as defined by Solvency II regulations (Risk Management, Compliance, Internal Audit, and Actuarial functions).

This section also describes the internal control system which utilised the Three Lines of Defence model.

C.1 General information on the system of governance

The Company is committed to implement a sound governance framework through which the main objectives are set and obtained. The Board of Directors has the ultimate responsibility to ensure that the management of the business is based on the following principles:

- Transparent organisational structure
- Strategic objectives and corporate values communicated throughout the Company
- Clear lines of responsibility and accountability throughout the Company
- Board of Directors members and Senior Management are qualified for their positions, have a clear understanding of their role in corporate governance and are able to exercise sound independent judgment about the affairs of the Company and that Fit and Proper requirements are met
- There is appropriate oversight of the Company's activities through the three lines of defence model
- Effective utilisation of the work conducted by internal and external auditors, as well as other control functions, given their critical contribution to sound corporate governance
- Compensation policies and practices are consistent with the Company's ethical values, objectives, strategy and control environment

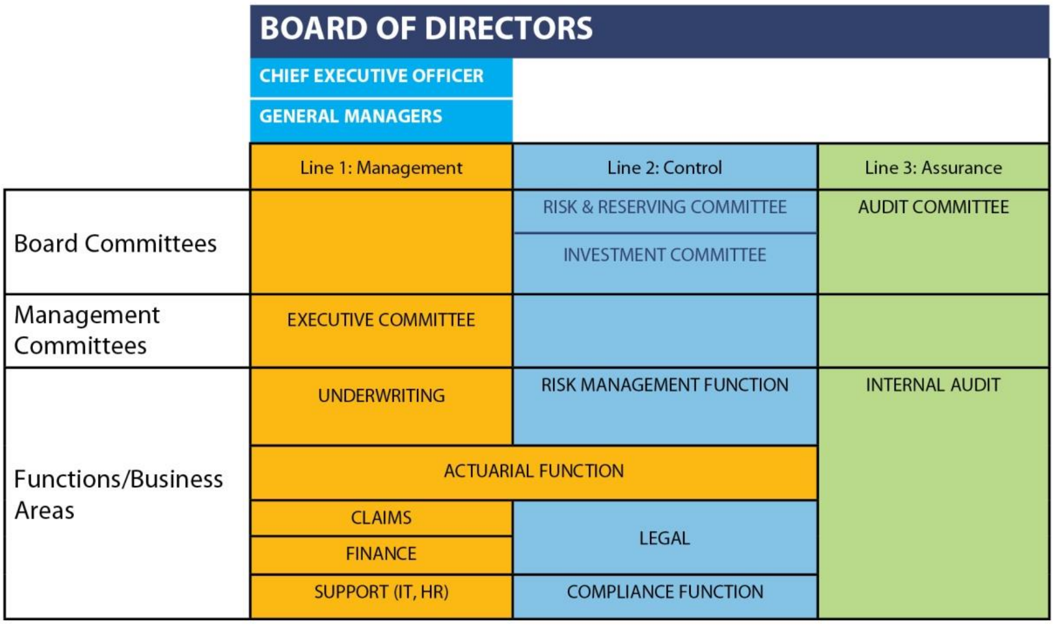
The Corporate Governance framework for the Company is based on the 'three lines of defence model' which supports the implementation of a robust internal control system and is aligned with the ''four eye principle'' that the Company is required to comply.

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 that the Company manages the risk effectively.

The "Three Lines of Defence Model" is presented in the diagram below:



C.1.1 The Board of Directors (BoD)

The BoD which is the ultimate supervisory body of the Company is responsible for leading and controlling the Company, devising strategies and plans for their implementation and reviewing and evaluating the Company's performance against such strategies and plans.

The BoD organises and directs the affairs of the Company in a manner that seeks to protect its policyholders' funds, maximize the value of the Company for the benefit of its shareholders, while complying with regulatory requirements and relevant governance standards.

The BoD is responsible for setting the appropriate "tone at the top" by providing appropriate organisational values, ethics and priorities and by establishing and embedding an organisational culture that supports the effective operation of the system of governance.

Furthermore, the members of the BoD act as advisers and counsellors to the CEO and Senior Management and oversee the Senior Management's performance.

The Directors are responsible for the general governance of the Company, its proper administration and management and for the general supervision of its affairs.

C.1.1.1 Election and Appointment of Board Members

The Directors are appointed by election at the annual general meeting of the Company.

The Board of Directors consists of three executive directors (including the Chairman) and six non-executive directors.

The current members of the Board of Directors of the Company are presented below:

Marios Koutsokoumnis – Executive Chairman / CEO

Michael Mylonas – Executive Director

Danis Kliriotis – Executive Director

Constantinos Malekos – Non Executive Director

Andreas Shiakas – Non Executive Director

Marios Hartsiotis – Non Executive Director

Christoforos Antoniades – Non Executive Director

Panikos N. Tsiailis – Non Executive Director

Andreas Philippou – Non Executive Director

All members of the Board remained fit and proper according to the Solvency II requirements.

- Mr. Marios Koutsokoumnis is a graduate of the English University of Economics, ACII and Chartered Insurer of the Chartered Insurance Institute in London. He was a General Manager of the General Business of Minerva Insurance Company Public Limited from 1983 to 16 December 1999 on which he left the Company. On 14th of March 2018 was appointed as Executive Chairman and Chief Executive Officer of the Company.

- Mr. Michael Mylonas holds BA in Economics and BSc in International Business of American Universities. Currently, holds the position of General Manager in the Insurance and Development Services Department of Minerva Insurance Company Public Ltd.

- Mr. Danis Kliriotis studied in the United Kingdom. He is a Fellow Certified Chartered Accountant (FCCA). He worked at KPMG Audit Firm for the period from January 1991 until December 1996. Today he holds the position of General Manager in the field of Administration and Financial Services of the Company and he is the Chief Financial Officer (CFO) of the Company. Mr. Kliriotis is a member the Board of Directors and the Audit Committee of Cyprus Forest Industries Public Ltd. He is a member of the Association of Certified Public Accountants of Cyprus (ICPAC) where he is a member in the committee of Financial Directors. The period 2019-2022 he was President of the Corporate Social Responsibility committee of ICPAC and previously member of other committees. He is also Mentor of the relevant ICPAC mentor program. Additionally, he is a member of various reflective committees of Cyprus Organization for Standardization.

- Mr. Constantinos Malekos studied Economics at the London School of Economics with specialization in actuarial science. He is founder and CEO of NewLife Insurance Consultants as well as Epos Insurance Agents from 1994 until today. He worked from 1983 to 1994 in Universal Life Insurance Company initially as Insurance Group Manager and subsequently as Sales Manager. He is the founder and CEO of NewLife

Insurance Consultants and Epos Insurance Agents from 1994 until today. He was a director at Fred TV and non-executive director at Hotforex-HF Markets (Europe) Ltd.

- Mr. Andreas Shiakas studied Economics and Business at Higher School of Athens. He is a Certified Public Accountant (Member of the Association of Chartered Certified Accountants), Certified Internal Auditor, (CIA- Member of the Institute of Internal Auditors of the United States), Certified Government Financial Manager (CGFM) and holds a Master's Degree in Human Resources. He was a Director of Apserou Shiaka & Co Ltd from 2009 until 20218. He served as Director of the Audit Office of Co-operative Bank from 2000 to 2009. He also served as Senior Auditor at the Audit Office of the Republic of Cyprus since from 1985 to 2000. He previously worked as an auditor in accounting firms in London and Athens, while from 2018 until today, he provides through the company "ASC Training Ltd" consulting services and professional seminars in auditing firms all over Cyprus.

- Mr. Marios Hartsiotis graduated from the Acropolis A' High School. He studied law at National and Kapodistrian University of Athens and accomplishes his internship in 1987 at the Office of the Attorney General of the Republic. In 1990 he founded his own law firm in Limassol. He has been extensively involved in insurance law and served as a legal advisor to various insurance companies including the Motor Insurers' Fund of Cyprus and the Cyprus Hire and Rejected Risks Pool. He is a registered Referee at the Cyprus Refereeing and Mediation Centre and as an insolvency practitioner.

- Mr. Christoforos Antoniades was born in Nicosia and he is a businessman and has a significant knowledge and experience in financial sector. He holds a BA (econ) diploma from Manchester University and he is a member of the Institute of Chartered Accountants in England and Wales. He is licensed investment consultant and he also holds the Advanced Certificate from the Cyprus Securities and Exchange Commission. He worked for KPMG (Manchester and Nicosia Offices), for Cyprus Development Bank (Investment Banking Division) and as Director in CRL and the Group of Egnatia Financial Services Limited as director of capital management from 2005-2007. He is currently executive director in the Argus group of companies offering a full range of investment services to institutional and private investors for international and local markets. Mr. Antoniades holds position in various boards of companies and investment funds and is also member of the Board of Directors of CIFA (Cyprus Investment Funds Association).

- Mr. Panikos N. Tsiailis studied in England and has degree in Business Studies. He is a member of the Institute of Certified Public Accountants of Cyprus (ICPAC) and Fellow member of the Chartered Association of Certified Accountants (FCCA). He worked for Deloitte Haskins and Sells in England. In January 1979 he was employed in Cyprus by Coopers & Lybrand (later PwC). He became a partner in 1986. He was the head of tax and legal department up to few months before his retirement in March 2013. At the same time he was a member of the Executive Board and the Board of Directors of PwC. He was a member of the board of directors of ICPAC for twelve years, two of which as a chairman. He was for many years collaborator of the Ministry of Finance in relation to tax matters, in the negotiations for the European Union and the conclusion of bilateral international agreements on taxes related issues. Since March 2013 offers consulting services to companies and individuals.

- Mr. Andreas Philippou is a Fellow Chartered Accountant member of the Institute of Chartered Accountants in England and Wales. He began his studies in the United Kingdom and he has obtained BSc (Honors) in Hotel and Institutional Management and then Master in International Business Administration in collaboration with a French university. As a professional accountant, Mr. Andreas Philippou, has an international career experience in the United Kingdom, Cyprus, Ukraine and Middle East. He has been a partner in major international auditing firms for the last 11 years and we was the leader on audits of large multinationals and other prestigious organizations. Upon his return in Cyprus, has established the auditing firm Philippou Auditors Ltd in which he holds the position of Chief Executive Officer, in November 2020. He is a member of Association of Certified Public Accountants of Cyprus.

C.1.1.2 Board Meetings

The BoD shall meet formally at least four times per annum in the context of its regular duties in the annual business cycle. Additional meetings may also be held upon such need as identified by the senior management or by members of the BoD or its Committees.

C.1.1.3 Board Committees

For its more effective operation the BoD established the following Committees with oversight responsibility over key functions. The ultimate responsibility and approval of relevant issues remains with the BoD.

Committee	Brief Terms of Reference	Composition
Audit Committee	Ensures the operation of an effective system of internal controls and compliance to ensure its external financial reporting obligations are met, including its obligations under applicable laws and regulations within the Company and oversees the selection and remuneration of external auditor	1. Panikos N. Tsiailis (Chairman) 2. Constantinos Malekos 3. Andreas Philippou
Investment Committee	Reviews and challenges the investment policy of the Company and its implementation in the business	1. Christoforos Antoniades (Chairman) 2. Marios Koutsokoumnis 3. Danis Kliriotis 4. Michael Mylonas
Risk and Reserving Committee	Ongoing risk control and challenge of the business with regards to risk taking against the BoD risk appetite and adequacy of reserving.	1. Andreas Shiakas (Chairman) 2. Constantinos Malekos 3. Marios Koutsokoumnis 4. Danis Kliriotis 5. Michael Mylonas

C.1.2 Organisational Structure

The Organisational structure and reporting lines of the Company are designed to:

- Enable delegation of responsibilities and clear accountabilities and responsibilities
- Facilitate prompt transfer of information to appropriate staff as needed
- Prevent conflicts of interest
- Ensure the prudent and effective management of the Company

As previously mentioned the Company's ultimate supervisory body is the BoD.

The Senior Management, through the CEO has the day to day responsibility for the implementation of the Company's approved strategy and reports to the BoD. Reporting to the BoD is both structured, through planned meetings and regular reporting and ad hoc as required. The operation and responsibilities of senior management are outlined in this Report.

The Business Functions of the Company have the responsibility for the implementation of the BoD's strategy in their business functions. They report directly to the CEO with regards to their day-to-day duties.

In order to minimize the probability of a potential conflict of interest and preserve their operational independence, the key control functions have additional direct reporting lines to the BoD or Board Committees. These additional reporting lines are implemented in order to ensure that these functions have the ability to escalate important issues directly to the BoD. Consequently, the Risk, Compliance and Actuarial Functions have a reporting line to the Risk and Reserving Committee.

The Organisational structure of the Company is presented in Appendix A.

C.1.3 Key Functions

In accordance with the Solvency II framework the Key Functions recognised by the BoD are the following:

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

Details of the duties of these functions are shown in subsequent sections.

Each key function reports directly to the Board without any restrictions and the Board is ultimately responsible for reviewing the performance of the key functions and considering any recommendations made by these functions.

The Board is also responsible for ensuring that all key functions are operationally independent, which implies that each function should be free from any undue influence, control or constraint from any other key function or the Board itself.

The positions of each function in the "Three Lines of Defence Model" are also clearly shown in the diagram in the previous section.

C.1.4 Material changes in the system of governance over the reporting period

There were no material changes in the system of governance during the reporting period.

C.1.5 Remuneration policy and practices for the BoD and employees

The Company's remuneration is in line with the market norms in order to enable the Company attract competent and experienced resources and ensure that any resources that it engages do not take excessive risks that could be detrimental to the Company. Also, remuneration policies and practices are structured in such a way so as to be linked with the business strategy and objectives and to avoid potential incentives for unauthorised risk taking.

In general, the remuneration of all employees is based on an assessment of the individual's performance against objectives.

The Company, considers both financial and non-financial variables for the assessment of the performance of its Senior Management, BoD and key function holders some of which are the following:

- The overall strategy of the Company
- The Code of Ethics of the Company
- The Compliance policy and compliance plan of the Company
- Financial performance of the organization in relation to market conditions, competition and the Company's own strategy
- Non-financial targets relating to the contribution to the performance of the Company or function.
- Non-financial factors relating to skills, personal development, compliance with the Company's internal rules and procedures, compliance with the code of ethics and standards of professional conduct under the Fit and Proper requirements.

Additionally, the remuneration of personnel responsible for activities that involve significant risk, should be aligned with the achievement of the objectives of their responsibilities.

The remuneration of BoD members during 2022 was €715,776 (2020:€ 717,875) in aggregate.

C.1.6 Information about material transactions during the reporting period

There were no material transactions during the reporting period.

C.2 Fit and proper requirements

Insurance and reinsurance undertakings shall ensure that all persons who effectively run the undertaking or hold other key functions at all times fulfil fit and proper requirements. Prior to the appointment of any member of the BoD and member of senior management of Key Function the Company carries out an evaluation of the fitness and propriety of that individual. Furthermore, such appointments are subject to approval by the Superintended of Insurance.

The function delegated with the responsibility for the Fit and Proper test is the Compliance Function. The Compliance Function also bears the responsibility for monitoring the fitness and propriety of individuals on an ongoing basis.

The fit and proper test criteria satisfy at a minimum the relevant regulatory requirements as well as additional criteria laid down by the Company.

The Fitness test assesses the individual's professional and technical competence through a consideration of:

- previous experience, knowledge and professional qualifications and whether these are adequate to enable sound and prudent management of the Company;
- proof of due skill, care, diligence and compliance with the relevant standards of the area/sector he/she has worked in;

The Propriety test assesses honesty, integrity, reputation and financial soundness of the individual by considering their:

- reputation, including an enquiry as to whether there have been any criminal or financial antecedents or past experience with regulatory authorities which may cast doubt on the ability of that person to adequately discharge his/her duties in line with applicable rules, regulations and guidelines.

The assessment is facilitated through:

- personal questionnaires
- academic and/or professional qualification certificates
- certificate of non-bankruptcy
- clear criminal record certificate
- personal resume and
- personal declaration

In particular, with regards to members of the BoD they must always have the collective knowledge of the financial and insurance market, business strategy, system of governance, financial and actuarial analysis and the regulatory framework and requirements.

The detailed criteria and documentation requirement in the context of the fit and proper test are described in the Company's governance policy which is also subject to review on an annual basis.

The fitness of employees is implemented through the recruitment process.

Furthermore, all Directors and members of staff must comply with the Company's Code of Conduct and Ethics and policies.

Persons in key Positions / Functions

The persons holding Key Function roles in the Company are as follows:

Position / Function	Name
Chief Executive Officer	Marios Koutsokoumnis
General Manager (Finance and Administration) - CFO	Danis Kliriotis
General Manager (Insurance and Development)	Michalis Mylonas
Head of Finance	Andri Hanna
Risk Management & Actuarial Function	George Skordis
Claims Manager	Nantia Tselinga
Information Technology Manager	Christos Dorotheou
Chief Information Security Officer	Kyriacos Nicolaou
Compliance Function	Elena Michaelides
Internal Audit Function	Eftychia Democratous

C.3 Risk management system including the Own Risk and Solvency Assessment

C.3.1 Description of the undertaking's risk management system

The Company has implemented an effective risk management system which is designed to ensure timely identification and assessment of existing and emerging risk exposures as well their effective management. The risk management system is comprehensively addressed in the Company’s risk management policy which provides for the risk governance, a risk appetite statement and the risk management framework.

The risk management policy comprises of sub-policies for all main categories of risk namely: Underwriting Risk, Investment and Asset Liability Risk, Credit Risk, Liquidity Risky, Concentration Risk, Operational Risk and Reinsurance. It is approved by the BoD and is reviewed at least once a year.

C.3.1.1 Risk Appetite Statement

The risk appetite statement lays down the level and nature of risks that are considered acceptable for the Company and the constraints within which it should operate in pursuing its strategy.

The Company manages its risk appetite through a set of limits. The limits are set, not such that they are likely to be fully used, but rather so that limited exceptions are reported. The aggregate risk limits and the risk category limits are to be used by the Risk Management Function (RMF) for the monitoring and reporting of overall risk exposure and by the BoD and Risk Committee for making decision on the Company’s risk profile.

Overall the Company sees itself as a low risk entity and risk tolerance limits have been set to reflect that.

The Company has a target of maintaining a solvency coverage ratio at all times in excess of 115%.

In this context, tolerance limits are set for all risk categories to ensure that on a worst-case scenario basis, risk exposures will not lead to losses threatening this target solvency ratio.

C.3.1.2 Risk Governance

The risk governance of the Company forms an integral part by defining the role of each function of the Company in the Risk Management Framework. It is organised in a way that ensures the establishment of clear responsibility boundaries, the proper segregation of duties and the avoidance of conflicts of interest at all levels.

As mentioned in previous sub-sections, the system of governance is based on the "three lines of defence model" safeguarding that risk management is embedded into the organisational structure and decision-making processes of the Company and that the risk management system is supported by appropriate internal controls and by information systems that provide relevant, accurate and reliable information.

C.3.1.3 Risk Management Processes

The risk management framework is a continuous process encompassing of the following key stages:

➢ **Risk Identification**

The identification process is facilitated by a continuous use and review of internal and external sources of information.

Quantitative risks are identified through observation of the Company's exposures through its financial records. Emerging risks are identified through external data or information.

Qualitative risks are identified through identification of events, actions or inactions (risks) that have the potential to materially impact the achievement of the objectives or the intended operation of functions and business processes. These can relate to both threats to operations or failures to take advantage of opportunities.

Stress testing, scenario analysis and sensitivity analysis are also adopted for the purposes of identifying risk exposures over the business planning horizon through the ORSA process which is described in the next section.

➢ **Risk Assessment / Measurement**

The main metric for assessing quantifiable risk exposures is the 99.5% value at risk. This is a measurement of the maximum loss occurring from predefined events with a probability of 1 in 200. Additional risk metrics are a predefined set of key risk indicators encompassing all risk areas. All risk metrics correspond to a risk tolerance limit explicitly stated within the risk appetite statement. This enables the comparison of actual risk exposures against the Company's tolerances indicating where further mitigating action is necessary.

Non-quantifiable risks are measured and ranked based on established criteria for frequency and severity. The frequency and severity associated with risks are assessed on an inherent and residual basis, having considered both the existence and effectiveness of the controls, by following a four-step process:

- Assessing the frequency of risk events and their resulting severity (inherent risk);
- Identifying the controls in place that prevent or detect the occurrence of the risk event or mitigate its severity;
- Assessing the design and performance of each control; and
- Assessing the frequency of risk events and their resulting severity, having considered the effectiveness of existing controls (residual risk).

Once identified and measured, material risks are documented in the Risk Register. Risk and control owners are assigned to each risk to ensure accountability for managing all material risks and the related controls. The Risk

Register is monitored regularly and amended where necessary to capture changes in risks facing the business or in the controls used to mitigate existing risks.

- **Risk Control and Mitigation**

The Company has a strong risk controls culture to ensure the mitigation of all risks in its risk universe. Controls are developed and used to safeguard the integrity of the Company's processes and systems.

Additionally, the RMF evaluates and adopts appropriate risk transfer methods to mitigate its exposure to the identified risks. Such methods may include purchasing reinsurance coverage, using derivatives as hedging instruments.

Unexpected risks exposures are also covered by own funds, in accordance with the Solvency II requirements.

Company's policies on risk transfer including the use of reinsurance or other instruments is documented in the Company's Reinsurance and Other Risk Mitigation Techniques Policy.

Once Company has identified and quantified its risks, it can implement a strategy for mitigating them with appropriate policies, procedures, systems, and controls. Within the established risk appetite and tolerance, the Company would retain a certain portion of risk, transfer another portion (through insurance), and then finance those risks it could not insure.

- **Risk Monitoring and Reporting**

The RMF has the responsibility to ensure that all material risk exposures are monitored on an on-going basis and that any risks that fall outside the approved risk appetite of the Company are identified and appropriately escalated to the Risk Committee.

Specifically, the RMF monitors the following for each risk:

- Actual exposure vs. limit at an aggregate base
- Key Risk Indicators
- Risk data and model validation
- Appropriateness and assumptions of risk measurement methodologies
- Unusual or material events
- Early warning indicators (in the internal and external environment of the Company)
- Policy breaches

In addition, on an annual basis:

- the Risk Register is formally reviewed by the Risk Management Function and any actions deemed necessary following such review are brought to the attention of the Board; and
- the Risk Management Function runs stress and scenario tests and reports the results and suggested courses of action to the Board

C.3.2 Significant Risk Exposures

The main risk exposures as at 31 December as measured through the Solvency II standard formula are shown in the table below:

99.5% Value at risk (SCR)	2022 - €'000	2021 - €'000
Market risk	3,793	3,426
Counterparty default risk	1,120	927
Life Underwriting risks	179	233
Health underwriting risk	135	122
Non-Life underwriting risk	4,155	4,722
Intangible asset risk	-	-
Operational risk	525	484

C.3.3 Material Risks not included in the calculation of the Solvency Capital Requirement

There were no material risks other than those captured in the calculation of the SCR.

C.3.4 Prudent Person Principle

The Company manages its investments in a prudent manner and in accordance with "The Prudent Person Principle". The performance and risk profile of the investment portfolio is monitored on a quarterly basis.

C.3.5 Credit Assessments

Credit assessments are used for the Company's main counterparties through its reinsurance program and its asset portfolio. The ratings used are those of the main global rating agencies such as AM Best, Standard & Poor's, Fitch and Moody's. The ratings are obtained by the asset managers and the reinsurers themselves and are verified through ad hoc research through the internet.

The Company considers these external ratings as adequate for the purpose of the credit risk assessment of these counterparties unless information emerges which is thought to compromise their credit worthiness and has not yet been allowed for by the rating agencies.

C.3.6 Own Risk and Solvency Assessment (ORSA)

C.3.6.1 ORSA Process

In line with the Company's ORSA policy, ORSA can be defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage and report the short and long term risks the Company faces or may face and to determine the own funds necessary to ensure that the Company's overall solvency needs are met at all times. The ORSA policy is the policy which governs the ORSA process.

Strategic decisions such as the introduction of new products, utilisation of additional distribution channels etc. are assessed and evaluated in the light of their effect on the Company's risk situation and risk-bearing capacity.

The Company follows the steps below to implement its ORSA:

i. **Define the driving factors** - Such factors include the size and complexity of the Company, its importance to the sector, proportionality issues, internal governance issues and supervision perceptions about the Company and supervision expectations in relation to ORSA.

ii. **Identify and classify risks, including governance** - The Company identifies the material risks it faces at a particular point in time. This includes risks considered in the SCR formula, as well as risks not included in the standard formula such as liquidity, strategic and business risks. The assessment is done using the impact and probability of the risk occurring. The Company assigns a materiality threshold for this exercise. The risks that exceed the materiality threshold will be the ones where the Company will have to make decisions i.e. mitigate them, transfer them, stop the operation, assign more capital, etc.

iii. **Assessment and measurement of risks** - the Company collects data, quantifies and aggregates risks using different approaches such Stress Testing, Scenario Testing Sensitivity Analysis, Reverse Stress Testing. The assessment is done using predefined risk metrics. This also includes and assessment of the Solvency II standard formula and whether it adequately reflects the underlying risk profile of the Company.

iv. **Capital Allocation** - According to its risk profile, the Company determines the necessary risk capital required at that point in time.

v. **Capital planning** - The Company projects its risk profile based on its business plan and prepares a capital plan over the business planning horizon. The capital plan depends on its strategic objectives and financial projections and assumptions on future economic conditions.

vi. **Stress testing** - The Company applies stress and scenario testing to the forward-looking capital plan and develops actions that can be taken in unforeseen circumstances in the future. Stress tests complement the use of the standard formula by assessing the financial effect of events or sequence of events that lead to specific adverse scenarios. Thus, they can be used to understand the Company's vulnerability to its various risk exposures and the level of financial strain that it can withstand.

vii. **Communicate and document the results** - The Company presents the results of the process to senior management and the BoD and prepares the ORSA Report. The BoD reviews and challenges the results of the ORSA through discussions.

viii. **Confirm that the ORSA process is embedded in the decision making of the Company** - The Company confirms that the above procedure is not independent from the "business as usual' process of the Company. As a result, the RMF reports the Company's risks and stress tests and the BoD and Senior Management make decisions upon the results of these procedures. In addition, the Company shows that it considers the impact on its capital in its financial projections.

C.3.7 Governing the ORSA

The ultimate responsibility for the ORSA process lies with the BoD. The BoD defines the corporate objectives and the risk strategies of the Company which form significant inputs to the ORSA. The BoD also defines the stress testing program and also reviews, challenges and approves the ORSA Report. The BoD also sets the ORSA policy and reviews it every year.

The function which is the most responsible for carrying out the ORSA is the Risk Management Function. However, due to its very nature, the ORSA requires input from across the whole Company and hence the Risk Management Function coordinates the ORSA process in conjunction with all the other functions as risk owners.

Significant input is required from the Finance Function for the preparation of the financial projections in accordance with the Company's business plan and from the Actuarial Function in quantifying future risks and assisting with the financial modelling of forecasted solvency assessments.

C.3.8 ORSA and decision making processes

ORSA is considered as a very valuable assessment in addressing the risks inherent with the Company's strategy and the BoD confirms that it is embedded in the decision-making processes of the Company. In particular, the ORSA allows the management to take into account all the risks associated with the Company's business strategies and the required level of capital that the Company requires commit, explore alternative options and assess their impact and decide on the optimal strategy and advice to BoD accordingly.

C.3.9 Frequency of the ORSA

The Company currently intends to perform the ORSA annually. Furthermore, the assessment will be performed immediately following any significant changes to the environment that the Company operates.

These changes include, but are not limited to:

- Significant changes to the financial and political environment in which the Company operates
- Significant operational losses
- Material changes to the new business volumes
- Planned changes to the operating model of the Company
- Significant changes in the Company's risk profile

C.3.10 Solvency needs and Risk Profile

In 2022, the Company undertook a detailed risk and solvency assessment as well as a forward-looking assessment of capital requirements comprising of the years 2022-2025. These assessments encompass all material risks that the Company faces or could expect to face over its planning period.

The assessment also addressed the adequacy of the standard formula and how it relates to the underlying risk profile of the Company. The assessment provided satisfactory evidence for the adequacy of the standard formula and comfort that we can continue using this as a key risk metric. Furthermore, it provided confidence that the capital requirements address the material risk exposures and the available own funds provide a satisfactory buffer in safeguarding business continuity beyond the 99.5% confidence threshold.

Any risks not covered by capital are believed to be adequately mitigated through the control measures applied internal and no additional capital beyond the SCR was deemed necessary.

The following table summarises the financial and solvency projections over the business planning horizon. The BoD confirms that it has adequate capital availability for implementing its strategy.

Capital Adequacy €'000	Y/E 2022	Y/E 2023	Y/E 2024	Y/E 2025
Solvency Capital Requirement - SCR	7,482	7,485	7,549	7,628
Minimum Capital Requirement - MCR	4,000	4,000	4,000	4,000
Eligible own funds	11,527	11,757	11,898	12,071
Solvency ratio	154,07%	157,07%	157,61%	158,24%

C.4 Internal control system

Internal control is a process effected by Company's Board of Directors, management, and other personnel and is designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of financial reporting and non-financial information
- Compliance with applicable laws and regulations
- Achievement of the Company's objectives and strategy

Every member of the Company has a role in the system of internal control. Internal control is people-dependent and its strength depends on people's attitude toward internal control and their attention to it:

- The Board is responsible for setting the strategy, tone, culture and values of the Company
- Risk Management, Compliance and Actuarial function design policies and procedures to ensure that an effective internal control system is established within the Company
- The Internal Audit function monitors the effectiveness of the internal control system

There are five interrelated components of effective internal control, which are discussed in the following sections:

- Control Environment
- Risk Management
- Control Activities
- Reporting
- Monitoring

Each of these are outlined below and described in detail in the Company's Internal Control Policy:

C.4.1 Control environment

The control environment sets the tone of the Company, influencing the control consciousness of its people. It is the foundation for all other components of the Company's internal control system, providing discipline and structure. Control environment factors include:

- Integrity and ethical values
- Commitment to competence
- Management's philosophy and operating style
- Organisational structure
- Assignment of authority and responsibility
- HR policies and practices

C.4.2 Risk Management

The risk management system entails the identification and analysis of relevant risks which threaten the achievement of the Company's objectives, forming a basis for determining how the risks should be managed. As an integral part of its Risk Management system, the Company identifies all reasonably foreseeable material risks and assesses the frequency and severity of such risks, recording such identification and assessment in the Risk Register.

The process is overseen by the Board and Risk Management function. The risk management process is described in detailed in the Company's Risk Management Policy.

C.4.3 Control Activities

Control activities are the policies and procedures that are designed to ensure that management directives are carried out, strategies are properly implemented and the necessary actions are taken to address material risks to the achievement of the Company's objectives. Control activities occur throughout the entire Company, at all levels and in all functions. They include a range of activities as diverse as:

- approval and authorization requirements, as required by the Company's procedure manual;
- segregation of duties, as reflected in the Company's organisational structure and in other controls outlined in the procedure manual;
- controls required by the Company's various policies, such as the Outsourcing Policy;
- verifications, reconciliations, reviews, controls over assets and other controls as identified in the procedure manual and which are primarily aimed at implementing the four-eyes principle

The Company has appropriate documented policies, procedures, techniques, and mechanisms in place for each of its business areas (e.g. Underwriting, Claims) and control functions (Risk and Compliance). All relevant objectives and associated risks for each significant activity are identified in conjunction with conducting the risk identification process.

Up to date Company policies and procedures are distributed to all relevant personnel, who read and understand them. Management oversees the implementation of the Company's policies and procedures and ensure that control activities are properly applied. Monitoring personnel review the functioning of established control activities and remain alert for instances in which excessive control activities should be streamlined. They act timely on exceptions, implementation problems, or information that requires follow-up.

Control activities are regularly evaluated to ensure that they are still appropriate and working as intended.

C.4.4 Reporting

Financial and other information must be identified, captured and communicated in a form and timeframe that enables the management and the BoD to carry out their responsibilities. Management accounts, solvency assessments and risk reports are submitted to the BoD on a quarterly basis. Moreover, all key functions report to the Board at least once a year on their activities, the adherence to their respective Company's policies together with any proposals for changes to the policy as considered necessary by the relevant function.

C.4.5 Monitoring of internal controls

The Company has established the necessary monitoring mechanisms that facilitate the understanding of the Company's situation and provide the Board with relevant information for the decision-making process. Management and monitoring personnel know their responsibilities for internal control and make control and control monitoring part of their regular operating processes.

Regular monitoring occurs during normal operations and includes on-going management activities and actions taken by all personnel when performing their duties. It is performed continually and on a real-time basis, reacts dynamically to changing conditions and is ingrained in the Company's operations.

The effectiveness of the internal control system is monitored on a continuous basis by business areas and control owners, any deficiencies of the system are identified and rectified in a timely manner. As part of the internal control monitoring, the quality of performance over time is assessed and the findings of audits and other reviews are promptly resolved.

C.5 Compliance Policy and Compliance Function

The Compliance Function of the Company is outsourced.

The Compliance Function ensures that compliance awareness is promoted internally and externally and that compliance is an integral part of the corporate culture of all licensed entities. Employees within the organization receive adequate training on compliance on a set periodic basis and are encouraged to identify and report all breaches as necessary so that corrective action can be immediately taken and risks mitigated.

The role of the Compliance Function includes:

a) advising the Board of Directors on compliance with any legislation, regulations and any other applicable laws, in so far as they apply to the Company,

b) the assessment of possible impact as regards changes in the legal environment on the Company,

c) the identification and assessment of any compliance/regulatory risks

d) providing the Board of Directors with regular reports on the progress of the Compliance plan, and any other matters which need to be brought to the attention of the Board of Directors

C.6 Internal Audit Function

The Company establishes and maintains an Internal Audit Function, the objectives of which are:

- To prepare, at least on an annual basis, a risk assessment and audit plan.
- to independently examine and evaluate the functioning and effectiveness of the internal controls and all other elements of the system of governance;
- to assess compliance with internal strategies, policies, processes and reporting procedures
- to conduct audits on the functions and transactions of the Company, in order to verify that all regulations, operational procedures and preventative control mechanisms governing each type of transactions and the safeguarding of assets are stringently applied
- to evaluate the efficiency of the organizational structure and reporting lines, in order to ensure that the segregation of duties and the business continuity operate effectively

The Internal Audit Policy and principles are outlined in the Internal Audit Charter and the Internal Audit manual which are approved by the Audit Committee of the BoD and reviewed at least annually for their adequacy.

The Internal Audit Function reports to the Board through the Audit Committee.

The Internal Audit Function has an unrestricted right to obtain information relevant to the discharge of its responsibilities. This entails the prompt provision of all necessary information, the availability of all essential documentation and the ability to look into all activities and processes of the Company. To this effect, the Internal Audit Function has full, free and unrestricted access to all the personnel of the Company who shall, in turn, ensure that the Internal Audit Function obtains the necessary information about, and has the necessary access to, the Company's outsourced functions.

C.7 Actuarial Function

The Actuarial Function is a critical function for the Company. It is subject to the fit and proper criteria and according to the relevant legislation it should at all times be carried out by persons who are fit and proper to carry out the duties outlined below, in an objective manner and free from any undue influences. The Actuarial Function of the Company is executed by a Fellow of the Institute of Actuaries who fulfils all the above criteria.

The Actuarial Function reports to the Chief Executive Officer and to the BoD and is subject to the audit of the Internal Audit Function regarding the adequacy and effectiveness of its procedures. The operating procedures of the function are described in detail in the Actuarial Function Manual.

The role of the Actuarial Function is to establish and maintain appropriate procedures, processes and systems sufficient to allow the Company to reasonably estimate its insurance obligations and exposures and the related capital requirements, in line with applicable laws and recognised professional standards. In this context, the Actuarial Function coordinates the assessment and validation of internal data to determine the level of compliance with recognised standards for data quality and, if necessary, recommends improvements.

Furthermore, the Actuarial Function is involved in the profit testing process of new products assessing them for profitability, capital intensiveness, risk profile, system compatibility and marketability. It also contributes all financial modelling in relation to risk management activities and the ORSA in particular.

The Actuarial Function is responsible to:

- Calculate the technical provisions on a quarterly basis in accordance with all relevant regulatory requirements
- Submit reports in relation to the above calculations to the BoD and inform them about the reliability and adequacy of the technical provisions
- Provide modelling assistance for the calculation of Solvency Capital Requirements on a quarterly basis
- Assess the adequacy and quality of data used during the calculation of technical provisions
- Profit testing of new products
- Express an opinion for the overall underwriting and reinsurance policy
- Contribute to the effective implementation of the risk management system
- Provide the modelling for carrying out the financial and solvency projections of the ORSA
- Investigations to the Company's experience in terms of claims, lapses, expenses and new business volumes

C.8 Outsourcing

The Company outsources its Compliance Function.

The Company has opted to outsource this function given the high level of specialisation and the limited availability of such skills in the domestic market. Furthermore, we have selected providers with significant expertise in their areas who can introduce knowhow and skillset in a beneficial way for the Company. Outsourcing is also believed to be a cost efficient approach for the selected function.

The Company acknowledges that outsourcing does not in any way relieve the Company of ultimate responsibility for the outsourced functions. In line with regulatory requirements, Minerva has appointed one member of the Board with the responsibility of oversight of that function who has been approved by the Insurance Companies Control Service. Furthermore, the performance of provider is regularly reviewed and monitored by the BoD.

C.8.1 Outsourcing Policy

The criteria for the selection of service providers and the process for their appointment is laid down in the Company's outsourcing policy which is approved by the BoD and reviewed once a year. In particular the Outsourcing Policy states that when choosing a service provider for any critical or important functions or activities the Company ensures that:

- The potential service provider has the ability and capacity and any authorisation required by law to deliver the required functions or activities satisfactorily, taking into account the undertaking's objectives and needs
- The service provider has adopted all means to ensure that no explicit or potential conflict of interests with the Company impairs the needs of the outsourcing undertaking
- It enters into a written agreement with the service provider which clearly allocates the respective rights and obligations of the undertaking and the service provider
- The general terms and conditions of the outsourcing agreement are authorised and understood by the CEO. The outsourcing does not represent a breach of any data protection regulation or any other laws
- The service provider is subject to provisions on the safety and confidentiality of information relating to the Company or to its policyholders or beneficiaries

In order to ensure against an undue increase in Operational Risk, when outsourcing critical or important functions or activities the Company shall:

- Verify that the service provider has adequate financial resources to take on the additional tasks the Company plans to transfer and to properly and reliably discharge its duties towards the Company and that the staff of the service provider is chosen on the basis of criteria that give reasonable assurance that they are sufficiently qualified and reliable
- Make sure the service provider has adequate contingency plans in place to deal with emergency situations or business disruptions and has periodic testing of backup facilities where that is necessary having regard to the function, service or activity outsourced

Furthermore, the Policy lays down the minimum required contents of an outsourcing agreement safeguarding the quality of service provided, protecting the interests of the Company, ensuring that conflicts of interest are avoided and that the service provider cooperates with internal or external auditors as well as the supervisory authority.

C.9 Adequacy of the system of governance

In light of the Company's nature, scale and complexity, the system of governance and in particular the critical functions are considered adequate. It is important that all key persons fulfil the fit and proper requirement tests that have been applied by the Company.

C.10 Any other information

There is no other material information regarding the system of governance of the undertaking.

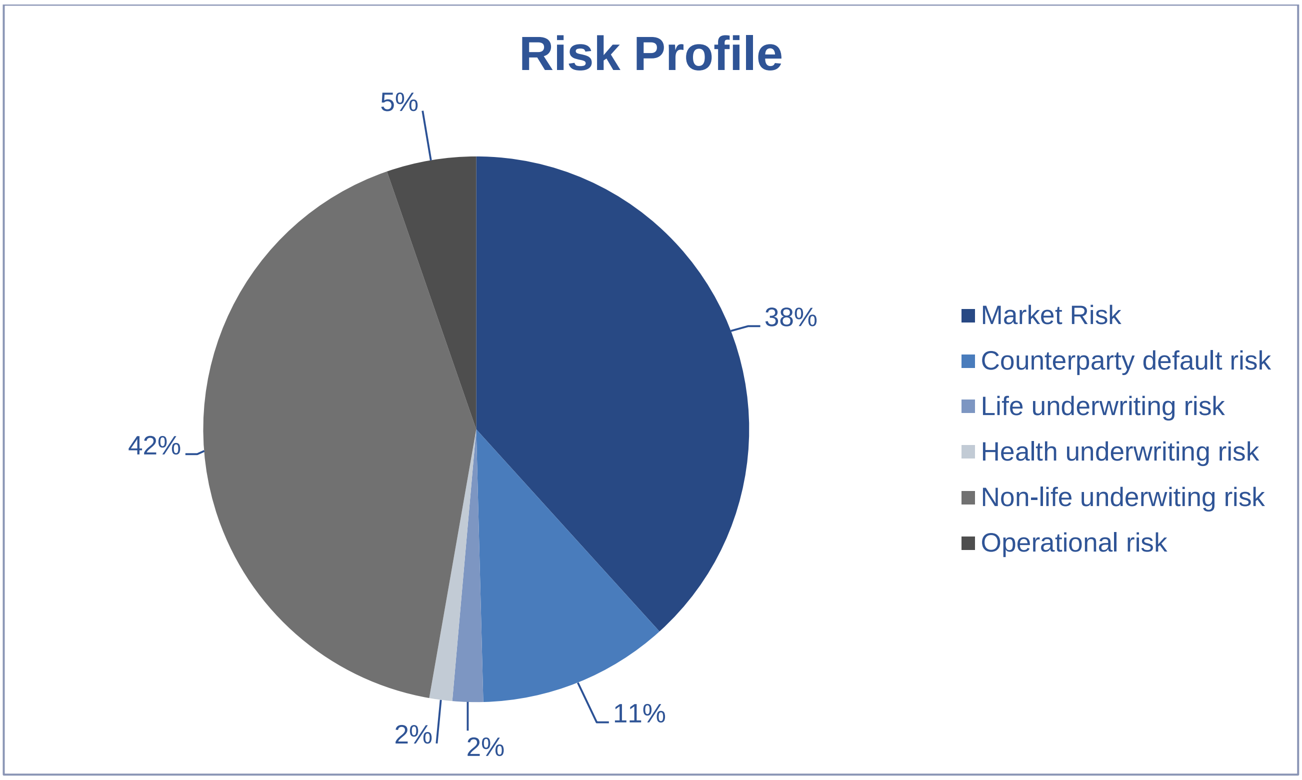
D. Risk Profile

This section of the report provides information on Minerva's risk exposure. A description of material risks is provided along with measures used to asses these risks and how they are mitigated.

Quantifiable risks are assessed through the 99.5% Value at risk as measured with the Solvency II standard formula (SCR). The Company aims to hold sufficient capital at all times to protect itself from losses occurring due to such risks. Non-quantifiable risks are measured through qualitative analyses and a frequency/severity approach.

In addition to capital, the Company manages all risks through its processes and procedures and its internal control framework and by monitoring exposures and benchmarking those against its risk appetite.

The table below shows the SCR allocated by risk type as at 31 December 2022:



Non-life Underwriting risk forms around 41,94% of the total risk portfolio of the Company. The second largest exposure (38,28 % of undiversified SCR) arises from Market Risk and specifically the Property and Concertation risks. The third material risk exposure of the Company is the result of the counterparty risk.

The risk profile of the Company as at 31 December 2022 was in line with its risk strategy.

D.1 Underwriting Risk

Underwriting risk is defined as the risk of loss, or adverse change in the value of insurance liabilities, due to inadequate pricing and/or reserving practices. Underwriting risk may be caused by the fluctuations in timing, frequency and severity of insured events and claim settlements in comparison to the expectations at the time of underwriting.

The Company controls and monitors its underwriting risk by ensuring that:

- reasonable and effective controls are in place to support the risk selection and underwriting process;
- the Company's reinsurance programme provides secure coverage appropriate to the Company's strategy, level of capital and risk profile;
- the risks arising out of reinsurance as a risk mitigation technique are properly understood, addressed and monitored;
- claims are managed fairly and recorded properly in line with reinsurance agreements and all amounts recoverable from reinsurers are duly collected;
- a consistent methodology for the calculation of, and the accounting for, outstanding loss reserves (OSLR) and incurred but not reported reserves (IBNR) is maintained.

With regards to geographical diversification, we note that our portfolio is diversified both geographically and in respect of the type and time of cat losses. Furthermore, the portfolio contains no sub-portfolios split per region that might generate positively correlated losses.

The life portfolio of the Company is on a runoff state, hence the Life underwriting risk is relatively small compared to the Non-life underwriting risk.

D.1.1 Risk Assessment/Measurement

The Company measures its Underwriting risk primarily using the standard formula, the adequacy of which was assessed during the latest ORSA. The measurement addresses three sources of risk; Premium and Reserve Risk, Lapse Risk and Catastrophe risk. These exposures are assessed by calculating the impact on the own funds when allowing in the projections for a number of risk events.

The results of the risk assessment as described above are summarised below:

	99.5% value at risk	
	2022 - €'000	2021 - €'000
Premium & Reserve Risk	4,002	4,564
Lapse Risk	33	219
Catastrophe Risk	497	508

D.1.2 Risk Concentration

No material risk concentrations have been identified. This is because of:

- The Company's diversified insurance portfolio;
- Reinsurance: The Company manages its exposure to any one risk and to catastrophic events using reinsurance. Thus, the loss to the Company is generally limited to its retention.

No future risk concentrations are anticipated over the business planning period.

D.1.3 Risk Mitigation

D.1.3.1 Reinsurance

The Company uses reinsurance to protect against claims volatility. Proportional and non-proportional reinsurance arrangement is in place for all product lines. The actuarial function also issues an opinion on the adequacy of reinsurance arrangements annually. The credit rating and the financial condition of the key reinsurance counterparties are reviewed, so that corrective action is taken in the event of deterioration in their financial quality.

The effectiveness of the current reinsurance structure as well as that of potential reinsurance agreements considered are also assessed in the ORSA with respect to their impact on profitability and solvency coverage ratio over the business planning horizon.

Use of reinsurance protection enables the Company to manage and optimise its underwriting portfolio, whilst protecting its balance sheet and maintaining its exposure to the risk limits set by the Board of Directors. The steps taken to ensure that both the reinsurance structure and the reinsurance counterparties are appropriate have enabled the Company to remain profitable with little volatility in its financial results.

During the year there were some reinsurance arrangements alterations based on the needs and objectives of the Company.

D.1.3.2 Portfolio Monitoring

The senior management of the Company receives and reviews:

- Regular reports on the gross written premium, risks written, claims and reserves; and
- Regular detailed profitability analyses and reviews undertaken by the Actuarial Function

The management of the Company undertakes the reviews above to ensure that the Company is protected against the risk of inadequate pricing. The frequency of the reviews will enable the management to take quick action to resolve any issues identified.

The continued effectiveness of the risk mitigation techniques and controls described above is monitored continuously by the Senior Management. In the event of any findings or shortcomings identified, quick action is taken and the risk mitigation techniques are adjusted accordingly.

The Company will continue to use the risk mitigation techniques mentioned above, continuously aiming at enhancing them to reduce risk. The Company does not plan to enter or purchase any additional risk mitigation products over the planning period.

D.1.4 Risk Sensitivity

As part of the business and capital planning processes, the risk management function carries out stress tests including the assessment of alternative scenarios to feed into the ORSA. This ensures that potential adverse scenarios are considered and negative outcomes can be adequately mitigated through controls implemented, through timely remedial actions or through the commitment of additional capital.

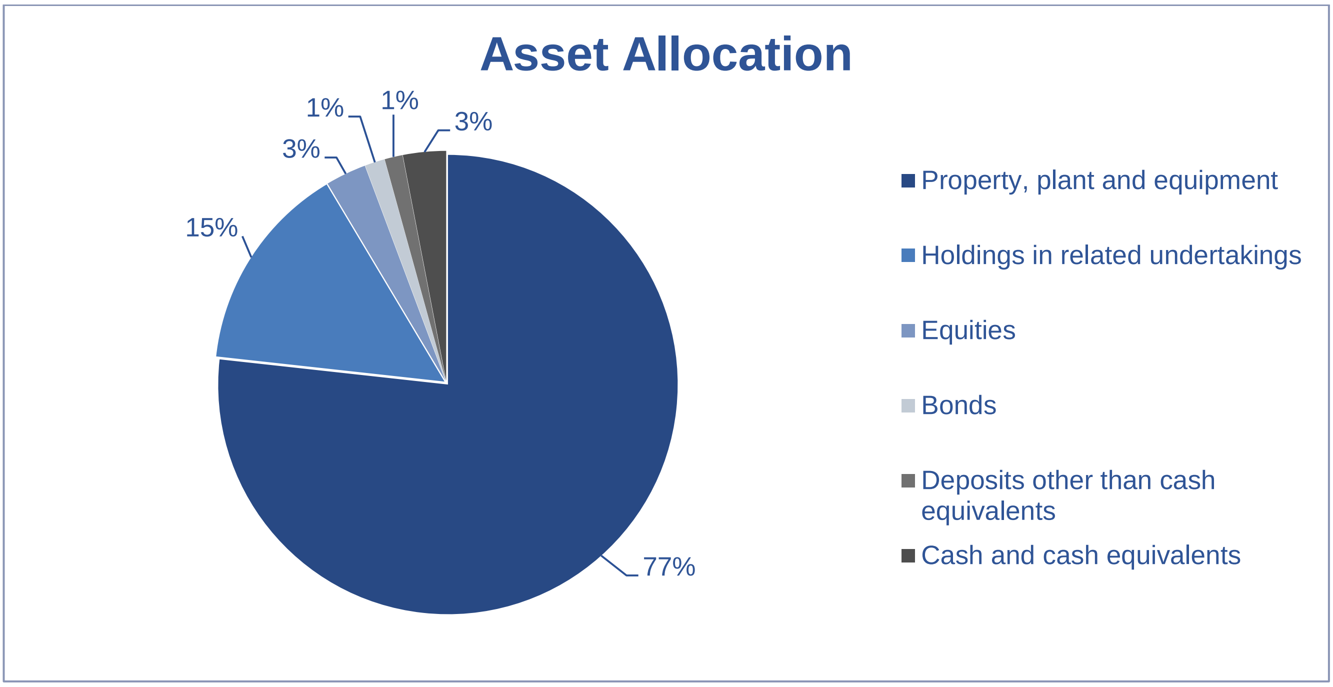
The stress test performed in relation to underwriting risk as reported in the 2022 ORSA Report is described below.

Under the scenario a 25% reduction of motor written and earned premiums is assumed as a result of the booming of on-line and direct business or product innovation driven by technology innovation such as “usage-based insurance” or “pay as you drive” or “pay how you drive” requiring investment in GPS or Radio Frequency Connector or any other new technology which will enable premiums to be charged on the basis of usage, time of the day and place the vehicle is used, distance and driver’s behaviour, i.e. not just on how much you drive but how, where, and when one drives.

Based on the results of the stress scenario above the Company’s risk exposures are in line with its strategy and that adequate processes and controls are in place to ensure that such risk exposures are identified, measured, mitigated where necessary and reported.

D.2 Market risk

The Company is exposed to market (Investment) risk through its asset portfolio and in particular from the level or volatility of market prices of assets, liabilities and financial instruments which have an impact upon the value of the assets of the Company.



As at 31 December 2022, Company's investment assets include property, investment in related undertakings equity, bonds, bank deposits, cash and current accounts. Current accounts are subject to credit risk (including counterparty default risk, spread risk and concentration risk) and liquidity risk which are dealt with in the respective sections below. Market risk arises in the following forms both on the asset and on the liability side as the value of technical provisions depends on market conditions:

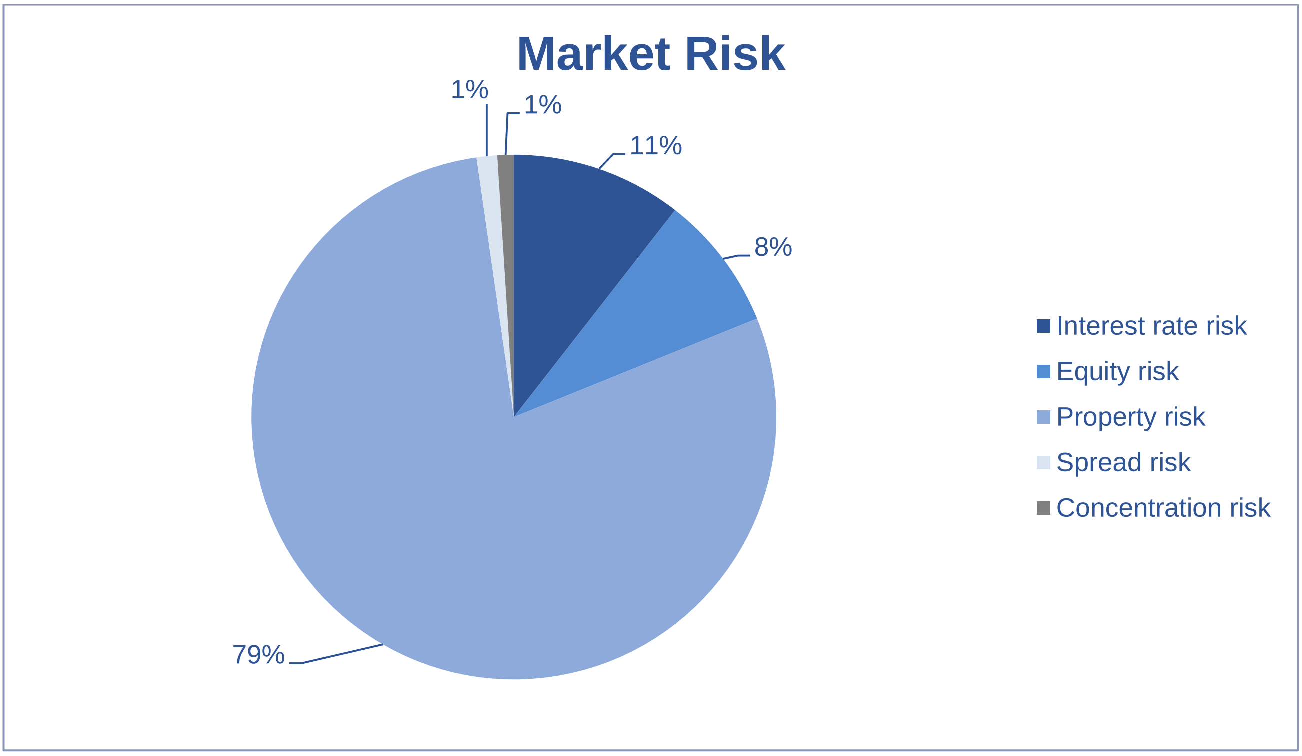
- **Interest rate risk**: the sensitivity of the values of assets, liabilities and financial instruments to changes in the term structure of interest rates, or in the volatility of interest rates
- **Equity risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of equities
- **Property risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of market prices of real estate

D.2.1 Risk Assessment/Measurement

The Company measures its market risk using the standard formula, the adequacy of which was assessed during the latest ORSA. The measurement is done separately for the sub-categories mentioned above. Then the aggregate market risk measure allows for diversification between its components.

The Company also adopts other risk assessment tools such as stress and scenario testing (both on the current position and over the business planning horizon), maintenance of a risk register, comparison of actual exposure and risk tolerance limits and use of Key Risk Indicators.

With the support of the RMF, the Company assesses the impact of any material investment decisions on its solvency coverage ratio.



The primary sources of market risk are property and concentration risks arising from exposure to investment in real estate. The overall current market risk exposure is considered to be high.

- **Interest Rate Risk**

As at 31 December 2022 the 99.5% value at risk for interest rate risk was €435,044 (2021:€NIL).

- **Equity Risk**

The total Equity portfolio of the Company as at 31 December 2022 was €1,175,662 (2021: €1,017,557) and the total SCR for Equity risk on the same date was €344,357 (2021: €374,537).

- **Property Risk**

The Company has a significant portion of its asset portfolio invested in properties. This relates to the Company's head office. The composition of the property portfolio is as follows:

The total property portfolio of the Company as at 31 December 2022 was €15,009,080 (2021: €14,265,362) and the total SCR for property risk on the same date was €3,256,275 (2020: €3,072,631)

- **Currency Risk**

The Company has no exposure to foreign exchange as at the reference date.

D.2.2 Risk Concentration

One of the main market risk sub-modules of the Company is Concentration Risk. The Company's portfolio is concentrated to property investments.

The investment mix is not expected to change over the business planning period and hence the Company anticipates the same level of market risk concentration.

D.2.3 Risk Mitigation

Market risk is mitigated through the continued review and monitoring of the Company's investment exposures.

In addition, the management of the Company regularly reviews investments to ensure that the portfolio is invested in line with the risk appetite of the Company.

The Company does not plan to enter or purchase any additional market risk mitigation products over the planning period.

D.2.4 Prudent Person Principle

The Solvency II regulations require investment of assets in accordance to the "Prudent Person Principle". In light of this, the Company has aligned its investment policy and ALM strategy with this principle.

The Company regularly reviews the financial condition of its investment counterparties and ensures that the currency, nature and duration of assets is appropriate to the characteristics of its liabilities, avoiding excessive reliance on any one counterparty or asset class or geographical location. The Company has not invested in derivatives or other inadmissible financial instruments.

D.2.5 Risk Sensitivity

D.2.5.1 Stress tests and scenario analyses

As part of the business and capital planning processes, the risk management function carries out stress tests including the assessment of alternative scenarios to feed into the ORSA. This ensures that potential adverse scenarios are considered and negative outcomes can be adequately mitigated through controls implemented, through timely remedial actions or through the commitment of additional capital.

The stress tests performed in relation to underwriting risk as reported in the 2022 ORSA Report are described below.

- **Scenario 1: "Bank triggered Property Crash Scenario "(BPTPC scenario)" - Reverse Stress Scenario**

Under this scenario a prolonged period of low housing prices is triggered by a deterioration of the commercial banks non-performing loans, an increase in the bank's required bad debt provisions and a consequent increase of house supply, necessitated from non performing mortgage loans and the bank's consequent solvency problems, and ultimately leading to a prolonged period of declining house prices and an ultimate and permanent reduction of 25%. This scenario is considered by the BOD as a considerable risk the effects of which need to be evaluated firstly due to the outbreak of the coronavirus pandemic and the consequent direct and indirect effects on the global and local economy and secondly since the IMF and the major rating agency institutions consider that the high level of non-performing loans (NPLs) remains a problem for the Cyprus banking sector despite the considerable improvement during 2022.

- **Scenario 2: "Bail in" Scenario**

Under this scenario as a result of a local or global recession one of the banks, with which the company keeps 30% of its term deposits, is forced under the new European Directive to follow a "bail in" procedure which ultimately proves to be unsuccessful and the company loses 100% of its deposits in that bank. The insurance industry is assumed not to be exempted from the bail in mechanism under the scenario, as it is currently the case.

- **Scenario 3: "Insuretech"**

"Insurtech" refers to the use of technology innovations designed to find cost savings and efficiency from the current insurance industry model.

This scenario analyses the risk emerging from "Insurtech".These risks arise from the fact that insurance industry is ripe for innovation thorough exploring avenues that traditional insurance firms have less incentive to exploit, such as offering ultra-customized policies, and using new streams of data from Internet-enabled devices and artificial intelligence to dynamically price premiums according to observed behaviour (e.g. form companies such as amazon and Google) in general but also form local competitors which may launch a new "Pay as you/how you drive" technology in motor business.

Under this scenario a 15% reduction of motor written and earned premiums is assumed as a result of the booming of on-line and direct business based on artificial intelligence based dynamically priced premiums by one of the colossal firms such as Google or Amazon or product innovation driven by technology innovation such as “usage-based insurance” or “pay as you drive” or “pay how you drive” requiring investment in GPS or Radio Frequency Connector or any other new technology which will enable premiums to be charged on the basis of usage, time of the day and place the vehicle is used, distance and driver’s behaviour, i.e. not just on how much you drive but how, where, and when one drives.

Under this scenario it is simultaneously assumed that it leads to an anti-selection effect which leads to a worsening of the motor claims experience by 200 basis points per year for the whole projection period. Management expenses and intermediary’s commissions are assumed to be non-flexible and constant for prudency reasons only.

- **Scenario 4: Net Zero and High Inflation Scenario - climate change (net-zero emissions) and inflation risks - Reverse Stress Scenario**

When performing this task the ORSA team, consisting of the Risk and Actuarial Function the Head of Finance, the CFO, COO & CEO of the company, uses stress scenario testing and reverse stress scenario analyses in an effort to help the company prepare for the unexpected, unforeseen, adverse and surprising events associated with the climate change and inflationary pressures.

Climate change constitutes a serious risk for society, including insurance and reinsurance undertakings. The detrimental impact of global warming on natural and human systems is already visible today and without further international climate action, the global average temperature and associated physical risks will continue to increase

I. raising underwriting risk of (re) insurance companies,
II. impacting asset values and
III. challenging their business strategies.

The Paris Agreement on climate change requires its signatories to reduce greenhouse gas emissions with the objective to hold the global temperature increase to well below 2°C and to pursue efforts to limit it to 1.5°C compared to pre-industrial levels. Keeping the global temperature increase below 2°C would require annual reductions in carbon emissions greater than occurred in any single year in the last 100 years, including during the deepest recessions, and 70-80% of proven fossil fuel reserves to be stranded.

Hence, the transition towards a zero-carbon economy, especially when unanticipated, may seriously depress investments in carbon-intensive sectors. The transition may also induce higher legal claims on companies that fail to take into account the impact on climate change, which may affect undertakings directly or indirectly through their underwriting of legal liability risks.

Given that the (re)insurance industry will be impacted by climate change-related physical and transition risks, we considers it essential to foster a forward looking management of these risks in the long term. The ORSA team’s aim is to assess and identify all material climate change risk exposures of the company and subject the material exposures to a risk assessment both in the short term but also in the long term.
The objective of this Reverse Stress scenario is to test resilience of the company against a climate change and high inflation scenario and particularly

I. **Physical risks:** risks that arise from the physical effects of climate change. They include: Acute physical risks, which arise from particular events, especially weather-related events such as storms, floods, fires or heatwaves that may damage production facilities and disrupt value chains as well as chronic physical risks, which arise from longer-term changes in the climate, such as temperature changes, rising sea levels, reduced water availability, biodiversity loss and changes in land and soil productivity.

II. **Transition risk:** risks that arise from the transition to a low-carbon and climate resilient economy to a sustainable economy which can arise in the short term particularly at the aftermath of COVID-19.

Transition related risks reflect a sudden, disorderly transition to climate neutrality due to delayed policy action, which results in a sharp rise in carbon prices. This abrupt carbon price increase triggers transition risk effects to the entire economy as well as the macro economic effects of a prolonged period of high inflationary pressures to the insurance industry.

Physical risks on the other hand reflects the strong evidence that already now climate change is affecting the frequency, severity and distribution of extreme weather events and natural disasters.
The above drivers of climate change risk can be translated into traditional prudential risk categories: underwriting risk, market risk, credit and counterparty risk, operational risk, reputational risk and strategic risk.

Inflation risk – unprecedented high levels

The pandemic led to exceptional measures, such as the closure of parts of Member States' key economic sectors and strong government intervention through financial support.

This resulted in remarkably high fiscal deficits, as well as supply shortages. This situation in conjunction with Ukraine crisis triggered energy problems led to escalating prices for commodities, and other items, such as petrol, energy, housing and food.

While there is still uncertainty at this stage whether this spike is temporary or long term, there are short-term concerns that strong GDP growth along with spending and consumption may drive inflation rates higher than those observed over the last decade.

Without considering potential reactions from the Central Banks, inflation affects the real return on investments and may result in higher spreads of already highly indebted sovereigns and corporates.

On the aftermath of the above and assuming a Net zero scenario follows inflation risk materiality is increased substantially since the transition towards a zero-carbon economy triggers transition risk effects to the entire economy as well as the macro economic effects of a prolonged period of high inflationary pressures to the insurance industry. Specifically for our company the likely long term Inflationary pressures effect on the company's average claims of motor business (both own damage and injury claims) is considered a high source of risk

Having in mind the above and on the basis of suggested shocks by EIOPA and the industry (e.g Climate and inflation risk in the 2022 EIOPA Stress Test for IORP) the company is testing an instantaneous reduction in the market values of the following investments with a simultaneous deterioration of its underwriting experience.
The stress test focuses on the impact on the company's investments. Therefore, the climate change scenario is applied to the balance sheet .The scenario sets investment type specific shocks, reflecting the corresponding impairment of the investments.

Under all of the above scenarios and reverse stress scenario the Company's resilience is satisfactory.

D.3 Credit risk

Credit risk refers to the risk of loss or of adverse change in the financial situation, resulting from fluctuations in the credit standing of counterparties. The Company is exposed to credit risk rising from the following exposures:

- Cash at bank
- Bank deposits
- Reinsurance recoverables
- Premium receivables

D.3.1 Risk Assessment/Measurement

The Company measures its credit risk using the standard formula, the adequacy of which was assessed during the latest ORSA. With respect to exposures to banks and reinsurers the assessment depends highly on the credit rating of the counterparties which defines the probability of default. On the other hand, for premium receivables the assessment is based on how long overdue these are and the probability of default is determined based on that.

Credit risk as measured through the SCR is composed of counterparty default risk by 95,54%, and spread risk by 4,46%. Credit risk forms 11,83% of the total undiversified SCR.

The overall credit risk exposure is considered to be medium.

Credit risk is not expected to change materially over the business planning horizon.

D.3.2 Risk Concentration

The Company's exposure to credit risk is mainly driven by Premium receivables.

The counterparty loss given default is summarised in the table below:

Counterparty	LGD (€)
MS AMLIN AG	1,332,575
HANNOVER RÜCK SE	1,268,461
R+V Versicherung AG, Rückversicherung, Wiesbaden , Germany	1,065,046
COVEA COOPERATIONS	782,461
KOREAN REINSURANCE COMPANY	1,844,889
ASPEN BERMUDA LIMITED (Aspen Re)	561,250
Munich Reinsurance Co	1,342,222
Swiss Reinsurance Company Ltd	461,808
Insurance Pool	434,381
Mapfre Re Compania de Reaseguros SA	1,221,175
Receivables from Intermediaries due for more than 3 months	-
All type 2 exposures other than receivables from Intermediaries due for more than 3 months	5,008,842

The Company does not anticipate that the credit risk will change materially over the planning period.

D.3.3 Risk Mitigation

The credit rating and the financial condition of all key counterparties are reviewed at least quarterly and management is ready to take action in the event of deterioration in the credit quality.

The Company does not plan to enter or purchase any additional credit risk mitigation products over the planning period.

D.3.4 Risk Sensitivity

As part of the business and capital planning processes, the risk management function carries out stress tests including the assessment of alternative scenarios to feed into the ORSA. This ensures that potential adverse scenarios are considered and negative outcomes can be adequately mitigated through controls implemented, through timely remedial actions or through the commitment of additional capital.

This “Bail in” Scenario mentioned above was also used to assess the sensitivity of the Company to the exposure in Cypriot Banks. The Company’s risk exposures are in line with its strategy and that adequate processes and controls are in place to ensure that such risk exposures are identified, measured, mitigated where necessary and reported.

D.4 Liquidity risk

Liquidity risk is defined as the risk that the Company is unable to realise investments and other assets (or realise them at excessive cost) in order to settle its financial obligations when they fall due.

The liquidity risk of the Company is generally very low as:

- A significant proportion of the assets is invested in short-terms products, including cash and bank deposits.
- Most of the assets held are highly tradable which enables fast and low cost liquidation of assets.

The composition of the asset portfolio is not expected to change over the business planning horizon in a way that would introduce liquidity risk.

D.4.1 Risk Assessment/Measurement

The Company’s liquidity requirements are assessed regularly in order to meet the Company’s stated liquidity objectives.

D.4.2 Risk Concentration

Sources of cash in and cash out flows such as insurance premiums, claims expenses etc., are diversified and to a large extent independent. This risk concentration within liquidity risk is limited.

The Company does not anticipate deterioration in its liquidity position or risk during the business planning period.

D.4.3 Risk Mitigation

The Company also minimizes liquidity risk by:

- ensuring that the Accounting function designs and implements proper controls, documented in the procedure manual, to ensure that inflows are actively managed, monitored and followed up;
- ensuring that income generated from the investment portfolio is duly received by the Company;
- catering for unexpected cash flows, since the quota for highly liquid assets provides a good buffer over and above the maximum historic cash outflows;
- considering the effect of any proposed new business on liquidity and liquidity risk at Board level;
- closely monitoring the timing of claims payments and reinsurance recoveries.

The Company does not deem necessary to adopt any risk mitigation techniques given the low level of its liquidity risk.

D.4.4 Expected profit included in future premiums

As at valuation date, there are no future premiums cash-flows within the contract boundaries of unexpired policies and therefor there is no expected profit included for future premiums.

The contract boundaries are defined as:

- the future date where the insurance or reinsurance undertaking has a unilateral right to terminate the contract; or
- the future date where the insurance or reinsurance undertaking has a unilateral right to reject premiums payable under the contract; or
- the future date where the insurance or reinsurance undertaking has a unilateral right to amend the premiums or the benefits payable under the contract in such a way that the premiums fully reflect the risks.

D.5 Operational risk

Operational risk refers to the risk of loss arising from inadequate or failed internal processes, people, systems, or from external events. This risk encompasses all exposures faced by the Company's functions in the course of conducting the Company's business, including but not limited to, accounting and financial reporting, business continuity, claims management, information technology and data processing, legal and regulatory compliance, outsourcing and reinsurance.

D.5.1 Risk Assessment/Measurement

The Company commits capital as a buffer to absorb losses due to operational risks as measured through the standard formula.

D.5.2 Risk Concentration

Currently there are no material operational risk concentrations.

The operational risk profile of the Company is not expected to change over the business planning period.

D.5.3 Risk Mitigation

The Company addresses its operational risk through the following:

- an internal control system is in place
- a business continuity plan is in place to ensure continuity and regularity in the performance of activities
- Regular Internal Audit
- Performance management and reviews to ensure employees are satisfied with their work and perform to the best of their abilities
- Legal advice is sought at the earliest opportunity from specialised lawyers
- Peer review of material work and appropriate underwriting, claims and other authority limits in place
- Insurance against property damage that could cause business disruption

The Company will continue to use the risk mitigation techniques mentioned above, continuously aiming at enhancing them to reduce risk. The Company does not plan to enter or purchase any additional operational risk mitigation products over the planning period.

D.5.4 Risk Sensitivity

Due to the complexity of the Operational risk, no explicit sensitivities have been performed for the particular risk. The Company capital provides an adequate buffer to absorb losses due to operational risks as higher than those assumed by standard formula.

D.6 Other material risks

Not all quantifiable risks have been explicitly formulated in the SCR. As a consequence, some risks which are not explicitly included in the SCR may be relevant for the Company. The following risks are identified as follows:

D.6.1 Insurance risk / Underwriting risk

The risk of loss, or of adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions. Insurance/underwriting risk includes the fluctuations in the timing, frequency and severity of insured events, with relation to the Company’s expectations at the time of underwriting. This risk can also refer to fluctuations in the timing and amount of claims settlements.

D.6.2 Compliance risk

Compliance risk is the risk of legal or regulatory sanctions, material economic loss, or loss to reputation the Company may suffer as a result of its non-compliance with laws and regulations which govern our business activities. The Company has been constantly complying with the legislative directions given by the insurance superintendent

D.6.3 Business risk

It includes strategic and reputational risks. Strategic risk is the risk of the current and prospective impact on earnings or capital arising from adverse business decisions, improper implementation of decisions, or lack of responsiveness to industry changes. Reputational Risk it the risk of potential loss through the deterioration of its reputation or standing due to a negative perception of the Company's image among Customers, counterparties, shareholders or supervisory authorities and any other stakeholders.

D.6.4 Political risk

This refers to external factors which are beyond the control of the Company, such as sovereign developments and government actions which may adversely affect the operations of the Company, its strategy and vision.

D.7 Any other information

There is no other material information regarding the risk profile of the Company.

E. Valuation for solvency purposes

This section of the report provides a description of the bases, methods and main assumptions employed in the valuation of Minerva's assets and liabilities. This section also provides an explanation of material differences between valuations presented in Minerva's financial statements under International Financial Reporting Standards (IFRS's) and Solvency II valuations.

E.1 Assets

E.1.1 Value of assets

All assets listed in the table below are valued in accordance with the Solvency II Framework. Assets and liabilities are valued on the assumption that the Company will pursue the business as a going concern. No changes in the valuations methods occurred during the year under review.

The Company does not have any off-balance sheet assets or liabilities.

As at 31 December, the Company held the following Assets:

Asset Class (€'000)	2022		2021	
	Solvency II	**IFRS Valuation**	**Solvency II**	**IFRS Valuation**
Investments	17,263	18,268	15,806	15,806
Deferred Tax Asset	-	-	-	-
Reinsurance Assets	4,201	3,928	1,649	2,424
Property	5,662	5,663	5,603	5,603
Goodwill	-	-	-	-
Intangible Assets	-	58	-	42
Deferred Acquisition Cost	-	3,236	-	3,014
Cash and cash equivalents	509	509	957	957
Insurance and intermediaries receivables	3,168	4,449	2,373	4,338
Other Assets	5,460	4,456	5,100	5,100
Total Assets	**36,263**	**40,567**	**31,488**	**37,284**

E.1.2 Description of bases, methods and main assumption used for valuation for solvency purposes

Investments:

The fair value of quoted financial assets is based on quoted market prices at the end of the reporting period. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same and discounted cash flow analysis.

Reinsurance Assets:

The benefits to which the Company is entitled under its reinsurance contracts held are recognised as reinsurers' share of technical provisions or receivables from reinsurers (unless netted off against amounts payable to reinsurers). These assets consist of short-term balances due from reinsurers (classified within receivables), as well as receivables (classified as reinsurers' share of technical provisions) that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts.

Properties:

Investment properties are initially measured at cost including related transaction costs. Investment properties are subsequently carried at fair value, representing open market value determined annually by external valuers, or by virtue of a Directors' valuation. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Company uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The Company proceed with the valuation of all its properties by external independent valuer as at 31 December 2022.

Cash and Cash Equivalents:

They represent mainly bank deposits to current accounts. They are measured at fair value which is equivalent to the face value plus accrued interest.

Insurance and intermediaries receivables:

Insurance and intermediaries receivable balances represent premiums owed from policyholders. Outstanding premiums are measured at fair value and due to the short-term nature of the receivable no adjustments to valuation are required. The value of insurance and intermediaries receivables in the Company's financial statements is the same as for Solvency II. These relate to business written before the 1st of January 2018 since as from that date the new guideline issued by the Superintendent is applied.

Other Assets:

They comprise of amounts receivable from Hire Risk Pool and other trade receivables. They are measured at fair value.

E.1.3 Differences between IFRS and Solvency II valuation

The differences in valuation between Solvency II and IFRS's are the following:

Reinsurance recoverable:

Reinsurance Recoverable represents the difference between Gross and Net provisions. Under Solvency II valuation these are valued on a best estimate basis.

Deferred Acquisition Cost (DAC):

Deferred Acquisition Cost is not recognised as an asset in Solvency II valuation rules. The premium provision only allows for future expense cash flows for those policies already in-force. Initial expenses such as up-front commission will have occurred in the past and so not been allowed in the premium provision. For this reason, initial expenses need only be allowed for in respect of uninspected business where these expenses have not yet been paid at the valuation date.

Intangible Assets:

Intangible Assets are not recognised as assets in Solvency II valuation rules.

Goodwill:

Goodwill is not recognised as an asset in Solvency II valuation rules.

E.2 Technical provisions

E.2.1 Value of Technical Provisions

E.2.1.1 Non-life Portfolio

The Technical provisions are defined as the probability-weighted average of future cash flows, discounted to take into account the time value of money considering all possible future scenarios. Technical provisions are grouped into the following key components:

- Claims Provisions: Best Estimate of provisions relating to the earned exposure
- Premium Provisions: Best Estimate of provisions that relate to the unearned exposure
- Risk Margin: Additional provision to bring the best estimate to the level required to transfer the insurance obligations to a third party
-

The table below presents the actual claims and premium provisions for the year ended 31 December 2022:

€	Claims Provision		Premium Provision		Risk Margin
Line Of Business	Gross BE	RI Recoverable	Gross BE	RI Recoverable	
Medical expense	102,746	56,572	78,006	46,634	**3,758**
Income protection	33,272	7,560	6,278	3,753	**2,241**
Workers' compensation	-	-	-	-	**-**
Motor third party liability	9,389,494	1,524,125	2,489,733	71,113	**401,414**
Other motor	258,697	-	735,207	1,595	**46,500**
Marine and transport	671	387	24,828	23,338	**795**
Fire and other property damage	999,905	849,335	138,250	150,891	**40,061**
General liability	873,787	229,688	168,771	46,967	**53,450**
Credit and Suretyship	-	-	-	-	**-**
Legal expenses	-	-	-	-	**-**
Assistance	-	-	-	-	**-**
Miscellaneous	14,732	8,526	28,914	25,280	**1,892**
Total	**11,673,304**	**2,676,193**	**3,669,987**	**369,571**	**550,111**

E.2.1.2 Life Portfolio

The value of the Company's technical provisions is equal to the sum of the best estimate and the risk margin, which are calculated separately. The table below shows the value of technical provisions as at 31 December 2022 both gross and net of reinsurance recoverable (RI) by line of business:

€	Insurance with profit participation	Unit-linked insurance	Other life insurance	Total
Gross Best Estimate	852,109	1,599,971	563,076	3,015,156
Risk Margin	3,236	16,879	12,941	33,056
Gross technical provisions	**855,345**	**1,616,850**	**576,017**	**3,048,212**
RI Recoverables	-	-	(22,656)	(22,656)
Net Technical Provision	**855,345**	**1,616,850**	**553,361**	**3,025,556**

The best estimate corresponds to the probability-weighted average of future cash-flows, taking account of the time value of money, using the risk-free interest rate term structure prescribed by European Insurance and Occupational Pensions Authority (EIOPA) for the valuation date.

The estimated future cash flows take account of all the cash inflows and outflows that are expected to be required to settle the insurance obligations over the lifetime thereof, including expenses expected to be incurred in servicing these obligations.

The estimates take account of the uncertainties surrounding the cash flow projections.

Future policyholder behaviour relating to contractual options, namely the likelihood of policy lapse during the remaining period is duly considered where applicable.

The projected future cash flows are based on the Company's past experience and the actuary's expectations regarding the future cash flows that are expected to arise from the underlying insurance contracts.

The best estimate is calculated on a gross basis i.e. without deduction of the amounts recoverable from reinsurance contracts.

E.2.2 Description of the bases, methods and main assumptions used

E.2.2.1 Claims Provision

The provision for claims outstanding relates to claim events that have already occurred, regardless of whether the claims arising from those events have been reported or not. The components of the claims provision under IFRS are the Case by Case Estimates (OSLR), the Incurred But Not Reported (IBNR), the Incurred But Not Enough Reported (IBNER) and the reserve for Claims Handling Expenses. Under Solvency II, the reserves are discounted to allow for the time value of money.

Several methods have been applied to calculate this reserve namely the Chain Ladder on Paid and Incurred claims, the Loss Ratio method and the Bornhuetter Ferguson method. The methods applied, capture both the IBNR and IBNER reserves. The IBNER was determined by subtracting the IBNR calculation from the total reserve.

When triangulation methods are used, there are a number of issues to consider that may invalidate the underlying assumption that the future claims development is likely to be in line with the past claims development

(i.e. Distortions caused by “Large Losses”, Changes in claims handling procedures, Changes in Claims reporting processes, One-off Claims Reviews, Changes in Reserving Policy, Changes in Legislation etc.)

Therefore actuarial judgment was used during the reserving process rather than the mechanical application of a triangulation method to the data. In particular, considerable care should be taken in applying the method that prevents unusual and one-off aspects in the data which have a significant impact on the results.

In general, the development factors were chosen based on the average and weighted average of the development factors of the 10 previous accident years but also taking into account any trends of either deterioration or improvement during the last 3-4 accident years.

The small number of non-motor claims makes it difficult to apply any statistical modelling for the purpose of their valuation. Due to the small number of these claims we believe that the Company should continue the practice of applying case estimates that are reviewed and adjusted frequently and appropriately. These reported case estimates can be considered robust and valid reserving basis.

E.2.2.2 Premium Provision

The calculation of the best estimate of the premium provision relates to all future cash flows arising from future events, in relation to unexpired policies. Such cash flows relate mostly to future claims, administration expenses and reinsurance.

Premium provision is determined on a prospective basis taking into account the expected cash inflows, cash outflows and time value of money. The main expected cash flows were estimated by applying an appropriate prospective combined ratio to the Unearned Premium Reserve.

On the basis of the data analysis, this methodology and its underlying model and assumptions are deemed to be realistic for each line of business. The conditions rendering this method valid are met, namely:

- it can be expected that the combined ratio, explained below, remains stable over the run-off period of the premium provision;
- a reliable estimate of the combined ratio can be made;
- the unearned premium provision is an adequate exposure measure for estimating future claims and expenses during the unexpired risk period.

The Combined Ratio is defined as the sum of the expense ratio, the claims ratio and the reinsurance cost ratio. This enables the claims forecast and the expense forecast to be modelled separately. For the purpose of this valuation we assumed that “Expenses”, under the Premium Provision, include all expense items, except acquisition costs as allocated to each line of business by the Company.

The difference between the Premium Provision and the current UPR represents profits (losses if negative) that are expected to emerge during the remaining duration of unexpired policies.

E.2.2.3 Life Insurance BE

The BEL for Life Insurance is calculated as the expected present value of all future cash flows arising in relation to life insurance policies (premiums, expenses, claims etc.). The cash flow projections are performed on a best estimate basis (i.e. without any prudence margins) and discounting is performed using the EUR risk free curve (with no volatility adjustment) as at the valuation date, published by EIOPA.

E.2.2.4 Reinsurance Recoverables

Reinsurance Recoverables represent the difference between Gross and Net provisions. For the Claim Provision, the reinsurance recoverables were determined as the reinsurers' share on the current outstanding case by case reserves. For the Premium Provision, we have assumed zero reinsurance recoverables for classes with non-proportional reinsurance. Reduction of the reinsurance recoverables to allow for expected losses due to the default of counterparty has also applied.

E.2.2.5 Risk Margin

The risk margin is equivalent to the amount that would be paid to another insurance company to take over the Company's insurance obligations. The risk margin is calculated by determining the cost of providing an amount of eligible own funds equal to the SCR necessary to support the Company's reinsurance obligations over the lifetime thereof. This rate, called the Cost-of-Capital, is prescribed by EIOPA and currently stands at 6%.

E.2.2.6 Discounting

The payment pattern of the reserves, for each line of business, has been derived using the historical payment pattern, as observed in the Paid Claims triangles. The euro risk free curve (with no volatility adjustment) as at the valuation date, published by EIOPA, has been used for discounting. As expected, the impact of discounting was very small due to the short-term nature of the business and the prevailing low interest rates.

E.2.3 Level of Uncertainty

For Life portfolio, uncertainty relates primarily to how future actual experience will differ from the best estimate assumptions used to calculate the technical provisions. The key assumptions are expenses, lapse rates and mortality rates. A robust assumption setting process, which includes the performance of experience investigations on at least an annual basis, is followed in order to ensure the uncertainty is well understood and minimised.

For Non-life Portfolio ultimate claims, when fully settled, will turn out to be different from the results shown in this report. This uncertainty results from a number of sources and is normal for any actuarial investigation. Some of the sources contributing to uncertainty include:

- The inherent uncertainty in the process of statistical estimation
- The extent to which past development patterns are an indication of likely future development patterns
- Uncertainty in the level of future claims inflation, particularly bodily injury claims
- Uncertainty with regard to claim propensity and severity given the change in the mix of business experienced recently

To calculate the statistical uncertainty in the Motor business which represents 92,20% of the Net non-life reserves, we used the Mack method (stochastic simulations), which is a generally accepted actuarial method.

In addition to the above, a number of methods have been used to calculate this Motor reserve (i.e. Chain Ladder on Incurred Claims, the Bornhuetter Ferguson method and the Average Cost per Claim).

E.2.4 Differences between Solvency II Valuation and IFRS Valuation

The main valuation principles of Solvency II leading to differences from reserves shown in the Financial Statements are:

- Removal of any implicit or explicit margin for prudence
- Allowance for time value of money through the discounting of future cash flows
- Allowance is possible for negative IBNER where it is expected that there will be a favourable development of case-by-case reserves
- Consideration of ENIDs (Events Not In Data) such as Binary and Extreme events
- In the calculation of the Premium Provision under Solvency II, an insurer may take credit for profits embedded in unexpired policies. Under Solvency I this is disallowed and any profits embedded in the UPR may not be recognised until the expiry of these contracts. An Additional Unexpired Risk Reserve (AURR) is mandatory only where it is positive but not when it is negative.
- The UPR/URR only allows for policies inforce at the valuation date. The Premium Provision needs to include all policies that the (re)insurer is obligated to, at the valuation date, including policies that have not yet incepted.
- There is no explicit allowance in the UPR/URR for ENIDs. Where an AURR is needed, it is sufficient for the URR calculation to allow for reasonably foreseeable events only.
- There is no concept of risk margin under the current IFRS valuation.
- In addition to differences streaming from requirements to value in line with gross liabilities, there are also differences in requirements specific to the valuation of reinsurance. These include the requirement to allow for expected non-payment due to default or dispute.

E.2.5 Additional Disclosures

There was no material change in the methodology used when compared to 31 December 2021.

E.3 Other Liabilities

E.3.1 Value of other liabilities

The Company held the following liabilities as at 31 December:

Liability Class (€'000)	2022		2021	
	Solvency II	IFRS Valuation	Solvency II	IFRS Valuation
Technical Provisions	18,942	24,812	15,230	21,142
Deferred tax liabilities	688	688	788	714
Any other liabilities, not elsewhere shown	5,106	5,434	5,116	5,403
Total Liabilities	**24,736**	**30,934**	**21,134**	**27,259**

E.4 Alternative methods for valuation

No alternative methods for valuation used.

E.5 Any other information

There is no other material information regarding the valuation of assets and liabilities for solvency purposes.

F. Capital Management

This section of the report provides information on Minerva's own funds and Solvency Capital Requirement (SCR).

F.1 Own Funds

F.1.1 Objectives, policies and processes

The objective of capital management is to maintain, at all times, sufficient own funds to cover the SCR and MCR with an appropriate buffer. These should be of sufficient quality to meet the eligibility requirements in Article 82 of the Delegated Regulation. The Company holds regular meetings with senior management and BoD, at least quarterly, in which the ratio of eligible own funds over SCR and MCR are reviewed. As part of own funds management, the Company prepares annual solvency projections and reviews the structure of own funds and future requirements. The business plan, which forms the base of the ORSA, contains a three-year projection of funding requirements and this helps focus actions for future funding.

F.1.2 Information on the structure, amount and quality of own funds at the end of the reporting period and at the end of the previous reporting period

The following table shows the structure of own funds as at the year end.

Own Funds €'000	2022	2021
Ordinary share capital	3,281	3,281
Share premium account related to ordinary share capital	1,610	1,610
Reconciliation reserve	6,219	5,046
Other own fund items approved by the supervisory authority	417	417
Total Basic Own Funds	**11,527**	**10,354**

F.1.3 Eligible amount of own funds to cover SCR & MCR

The composition of Own Funds as at 31 December 2022 and the classification into tiers is shown below:

Eligible Own Funds €'000	Total	Tier 1	Tier 2	Tier 3
Ordinary share capital (net of own shares)	3,281	3,281	-	-
Share premium account related to ordinary share capital	1,610	1,610	-	-
Reconciliation reserve	6,219	6,219	-	-
Other own funds not specified above	417	-	417	-
Total Eligible Own Funds	**11,527**	**11,110**	**417**	**-**

The composition of own funds across tiers have been changed during the year due to the increase of share capital as descripted in the previous sections.

All of the above own funds items are eligible to cover the SCR and MCR.

F.1.4 Material terms and conditions of the main items of own funds held by the undertaking

On 22 of March 2021 the issued share capital of the Company which stood at €16,999,865.02 divided into 99,999,206 shares of a nominal value of €0.17 each, has been reduced to €999,992.06, divided into 99,999,206 shares of a nominal value of €0.01 each, further to a Court Decision.

On 26th of May 2021 in an Extraordinary General Meeting of the Company, the following resolutions were approved:

a) That the Company issues 99,999,206 preference rights (the "Rights") to all the registered shareholders of the Company whose names will appear in the Register of Members as at the Record Date to be fixed at a later stage, in view of raising up to €2,000,000. The Rights will be issued and distributed for free at the ratio of one Right per existing ordinary share. Every 3 Rights exercised will be converted into 4 ordinary shares of a nominal value of €0.01 at the exercise price of €0.015 each. During the exercise of the preference rights fractional balances will be ignored.

b) The Board of Directors is hereby authorised to issue and allot up to 133,332,274 ordinary shares at the value of €0.015, each which will result from the exercise of the Rights, and

c) That, in case any Rights are not exercised until the expiry of the period of exercise, the Board of Directors is hereby authorised, at its discretion, to dispose of the shares corresponding to non-exercised Rights, in the best interest of the Company.

d) That, upon completion of the issue of the Rights, the waiver of the preference rights that the Company's shareholders may have pursuant to the law and/or in accordance with the Company's Articles of Association and/or otherwise in connection with the issue and allotment of up to 166,666,666 fully paid ordinary shares of the Company to Mr. Marios Koutsokoumnis for the total consideration of up to €2,500,000 (i.e. at the price of €0.015 per share) is approved and the Board of Directors is hereby authorised to issue and allot up to 166,666,666 fully paid ordinary shares to Mr. Marios Koutsokoumnis at the issue price of €0.015 per share.

On 23 December 2021 Minerva Insurance Company Public Ltd announced that the Share Capital Increase was completed with the completion of the process of allotment of the shares corresponding to Rights not exercised by the Beneficiaries and Holders of Rights during the Rights Exercise Period (the "Non-Allotted Shares").

At its meeting of 23 December 2021, the Board of Directors decided to allot 33.20 million shares of a nominal value of €0.01 each (the "New Shares") out of the 105.07 million Non-Allotted Shares, at the price of €0.015 per New Share, to investors who have expressed an interest in acquiring Non-Allotted Shares. It is noted that the coverage percentage from the allotment of Non-Allotted Shares rose to 31.6%.

In addition, and in compliance with the Prospectus dated 29 October 2021 (the "Prospectus"), the Board of Directors issued and allotted 166,666,666 New Shares at the Issue Price of €0.015 per New Share to Mr. Marios Koutsokoumnis, against a total consideration of €2,499,999.99 (the "Private Placement").

As a result, the Company has issued a total of 228,123,829 New Shares, which have resulted from the exercise of the Rights, the allotment of the Non-Allotted Shares and the Private Placement, to be admitted to the CSE in accordance with the terms of issue of the Prospectus. Following the completion of the Share Capital Increase, the Company's total issued share capital stands at 328,123,035 ordinary shares of a nominal value of €0.01 each. The total funds raised by the Company amount to €3,421,857.66, including the partial holding of the Administration of the Estate of the late Costas Koutsokoumnis and the Private Placement.

On 7 January 2022, the Council of the Cyprus Stock Exchange has admitted for listing and simultaneous entry in the Central Securities Depository / Central Registry, 228,123,829 new ordinary shares of Minerva Insurance Company Public Ltd, of a nominal value of 0.01, as follows:

- 61,457,163 new ordinary shares which have resulted from the exercise of the Company's rights and the allotment of shares corresponding to non-exercised Rights and
- 166,666,666 new ordinary shares allotted by means of private placement to Mr. Marios Koutsokoumnis, at the price of €0.015 per new shares, in accordance with the provisions of the Prospectus dated 29 October 2021.

The above shares incorporated into the Company's already listed share capital, which increased to 328,123,035 shares.

The trading of the shares commenced on Monday, 10 January 2022.

F.1.5 IFRS Equity vs Own Funds

The following summary table shows the comparisons and movement in the IFRS and Solvency II valuation of assets, liabilities and Own Funds as at 31 December 2022:

	Solvency II €000	IFRS Valuation €000	Movement €000
Total Assets	36,263	40,567	4,304
Total Liabilities	24,736	30,934	6,198
Total Own Funds	**11,527**	**9,633**	**(1,894)**

The movement in the valuation of assets and liabilities arises from the differences in the valuation of IFRS and Solvency II standards, below:

Deferred Acquisition Cost (DAC) is not included under Solvency II.

Differences in gross technical provisions and reinsurance recoverables (explained in section E above).

F.1.6 The expected developments of the undertaking's own funds over its business planning period

The development of own funds over the Company's business planning period based on the most recent ORSA projections are summarised in the table below:

Eligible Own Funds to meet SCR	YE2022	YE2023	YE2024	YE2025
Total Own Funds	11,527	11,757	11,898	12,071

F.1.7 Whether there is any intention to repay or redeem any own-fund item

There is no intention to repay or redeem any own-fund item.

F.1.8 Plans to raise additional own funds

There are no plans to raise additional own funds.

F.2 Solvency Capital Requirement and Minimum Capital Requirement

F.2.1 Amounts of SCR and MCR

As at 31 December 2022, the SCR of the Company amounted to €7,482 and the MCR amounted to €4,000.

F.2.2 Breakdown of SCR by risk modules

The following table shows the SCR split by risk modules:

Solvency Capital Requirement	2022 - €'0000	2021 - €'0000
Market risk	3,793	3,426
Counterparty default risk	1,120	927
Life Underwriting risks	179	233
Health underwriting risk	135	122
Non-Life underwriting risk	4,155	4,722
Sum of risk components	**9,382**	**9,430**
Diversification effects	**(2,425)**	**(2,373)**
Diversified risk	**6,957**	**7,057**
Intangible asset risk	-	-
Basic SCR	6,957	7,057
Operational risk	525	484
Adjustments	-	(75)
SCR	**7,482**	**7,466**

F.2.3 Simplifications

No simplifications have been used for any of the modules or sub-modules of the SCR with the exception of the methodology used for the calculation of the risk margin where a statistical model for its approximation was used (method 2 of Guideline 62 as a decision making basis regarding the methods to be used for projecting future Solvency Capital Requirements) which is based on the approximation of the whole SCR for each future year, by using a proportional approach, inter alia by using the ratio of the best estimate at that future year to the best estimate at the valuation date. This simplification was adopted for the risk margin calculation relating to non-life underwriting risk premium and reserve risk and in respect of motor business only.

F.2.4 Undertaking-specific parameters

The Company has not used undertaking-specific parameters for any of the parameters of the standard formula.

F.2.5 Information on the inputs used to calculate the MCR

The inputs used in the calculation of the MCR are presented in the table below:

Minimum Capital Requirement	2022 - €'000	2021 - €'000
Linear MCR	2,530	2,399
SCR	7,482	7,466
MCR cap	3,367	3,360
MCR floor	1,870	1,867
Combined MCR	2,530	2,399
Absolute floor of the MCR	4,000	3,700
MCR	**4,000**	**3,700**

F.2.6 The expected development of the undertaking's SCR and MCR over the business planning period

The table below shows the forward-looking figures for the SCR over the business planning horizon:

Solvency Capital Requirement - €000	YE2023	YE2024	YE2025
Market risk	3,385	3,390	3,395
Counterparty default risk	1,059	1,061	1,063
Life Underwriting risks	159	143	129
Health underwriting risk	148	150	152
Non-Life underwriting risk	4,655	4,720	4,800
Sum of risk components	9,406	9,464	9,539
Diversification effects	(2,425)	(2,425)	(2,430)
Diversified risk	6,981	7,039	7,109
Intangible asset risk	-	-	-
Basic SCR	6,981	7,039	7,109
Operational risk	504	510	519
Adjustments	-	-	-
SCR	**7,485**	**7,549**	**7,628**
MCR	**4,000**	**4,000**	**4,000**
Eligible own funds	**11,757**	**11,898**	**12,071**
Solvency ratio	157,07%	157,61%	158,25%

The figures above demonstrate that over the business planning horizon, the Company expects to further strengthen its current levels of capital adequacy.

The MCR is expected to change over the business planning horizon as per the latest the issued by the Superintended of Insurance regarding the issue.

F.3 Use of duration based Equity Risk Sub-Module in the calculation of the SCR

No duration based equity risk sub module has been used in the calculation of the SCR.

F.4 Differences between the Standard Formula and any Internal Model Used

No internal or partial model is used for the calculation of the SCR.

F.5 Non-compliance with the MCR and non-compliance with the SCR

F.5.1 Non-compliance with the MCR & SCR

The Company has been continuously compliant with the both the MCR and the SCR throughout the year.

F.5.2 Any reasonably foreseeable risk of non-compliance with the MCR or SCR

Based on the projections of the solvency position performed as part of the ORSA and on the resilience the Company has shown to the stress tests performed, there is no reasonably foreseeable risk of non-compliance with the MCR or SCR.

F.5.3 Plans to ensure compliance with SCR and MCR is maintained

The Company will closely monitor actual experience compared to what was assumed in the ORSA projections. Should any material deviation occur, an investigation will take place to identify the underlying source and take corrective actions.

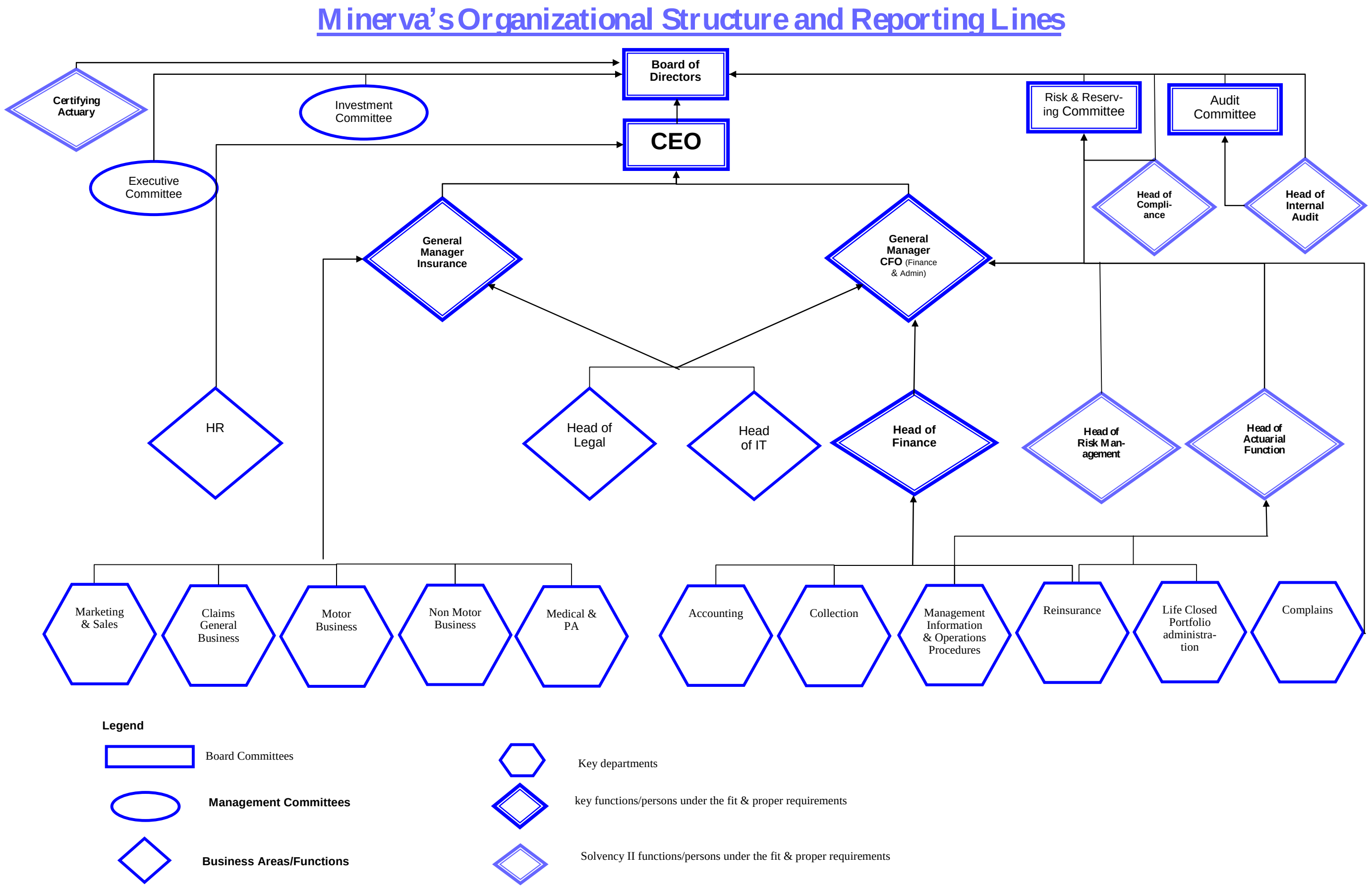
Moreover, ORSA projections will continue to be performed every year so as to ensure each and every year that the business strategy of the Company will be in line with its target solvency ratio.

F.6 Any Other information

No other material information regarding the capital management of the Company.

APPENDICES

Appendix A: **The Company's Organisational Structure**



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Independent Auditor's Report

To the Board of Directors of Minerva Insurance Company Public Limited

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

Opinion

We have audited the following Solvency II Quantitative Reporting Templates ("QRTs") contained in Annex I to Commission Implementing Regulation (EU) No 2015/2452 of 2 December 2015, of Minerva Insurance Company Public Limited (the "Company"), prepared as at 31 December 2022:

- S.02.01.02 - Balance sheet
- S.12.01.02 - Life and Health SLT Technical Provisions
- S.17.01.02 - Non-Life Technical Provisions
- S.23.01.01 - Own funds
- S.25.01.21 - Solvency Capital Requirement - for undertakings on Standard Formula
- S.28.01.01 - Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity
- S.28.02.01 - Minimum Capital Requirement - Both life and non-life insurance activity

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

In our opinion, the information in the relevant QRTs of the Solvency and Financial Condition Report as at 31 December 2022 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 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the relevant QRTs of the Solvency and Financial Condition Report in Cyprus, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Building a better working world

Emphasis of Matter

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

Other information

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

Narrative sections:

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

QRTs (contained in Annex I to Commission Implementing Regulation (EU) No 2015/2452 of 2 December 2015):

- S.05.01.02 - Premiums, claims and expenses by line of business
- S.05.02.01 - Premiums, claims and expenses by country
- S.19.01.21 - Non-Life insurance claims

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the relevant QRTs of the Solvency and Financial Condition Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of the basis of preparation used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Solvency and Financial Condition Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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Other Matter

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

Nicolas Pavlou
Certified Public Accountant and Registered Auditor
for and on behalf of

Ernst & Young Cyprus Limited
Certified Public Accountants and Registered Auditors

Nicosia
7 April 2023

Annex I
S.02.01.02
Balance sheet

ERNST & YOUNG CYPRUS LIMITED

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	-
Deferred tax assets	**R0040**	-
Pension benefit surplus	**R0050**	-
Property, plant & equipment held for own use	**R0060**	5.662.001
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	17.262.821
Property (other than for own use)	**R0080**	7.249.687
Holdings in related undertakings, including participations	**R0090**	2.469.268
Equities	**R0100**	482.945
Equities - listed	**R0110**	468.439
Equities - unlisted	**R0120**	14.506
Bonds	**R0130**	237.104
Government Bonds	**R0140**	237.104
Corporate Bonds	**R0150**	-
Structured notes	**R0160**	-
Collateralised securities	**R0170**	-
Collective Investments Undertakings	**R0180**	6.610.880
Derivatives	**R0190**	-
Deposits other than cash equivalents	**R0200**	212.937
Other investments	**R0210**	-
Assets held for index-linked and unit-linked contracts	**R0220**	1.692.337
Loans and mortgages	**R0230**	567.014
Loans on policies	**R0240**	540.985
Loans and mortgages to individuals	**R0250**	-
Other loans and mortgages	**R0260**	26.029
Reinsurance recoverables from:	**R0270**	3.068.420
Non-life and health similar to non-life	**R0280**	3.045.764
Non-life excluding health	**R0290**	2.931.245
Health similar to non-life	**R0300**	114.519
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	22.656
Health similar to life	**R0320**	-
Life excluding health and index-linked and unit-linked	**R0330**	22.656
Life index-linked and unit-linked	**R0340**	-
Deposits to cedants	**R0350**	-
Insurance and intermediaries receivables	**R0360**	3.167.786
Reinsurance receivables	**R0370**	1.132.390
Receivables (trade, not insurance)	**R0380**	-
Own shares (held directly)	**R0390**	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	-
Cash and cash equivalents	**R0410**	509.448
Any other assets, not elsewhere shown	**R0420**	3.201.059
Total assets	**R0500**	36.263.276

		Solvency II value
Liabilities		**C0010**
Technical provisions – non-life	**R0510**	15.893.402
Technical provisions – non-life (excluding health)	**R0520**	15.667.101
Technical provisions calculated as a whole	**R0530**	-
Best Estimate	**R0540**	15.122.989
Risk margin	**R0550**	544.112
Technical provisions - health (similar to non-life)	**R0560**	226.301
Technical provisions calculated as a whole	**R0570**	-
Best Estimate	**R0580**	220.302
Risk margin	**R0590**	5.999
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	1.431.362
Technical provisions - health (similar to life)	**R0610**	-
Technical provisions calculated as a whole	**R0620**	-

Best Estimate	R0630	-
Risk margin	R0640	-
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	1.431.362
Technical provisions calculated as a whole	R0660	-
Best Estimate	R0670	1.415.185
Risk margin	R0680	16.177
Technical provisions – index-linked and unit-linked	R0690	1.616.850
Technical provisions calculated as a whole	R0700	-
Best Estimate	R0710	1.599.971
Risk margin	R0720	16.879
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	688.180
Derivatives	R0790	-
Debts owed to credit institutions	R0800	841.026
Financial liabilities other than debts owed to credit institutions	R0810	941.378
Insurance & intermediaries payables	R0820	-
Reinsurance payables	R0830	1.699.719
Payables (trade, not insurance)	R0840	-
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	1.623.875
Total liabilities	R0900	24.735.792
Excess of assets over liabilities	R1000	11.527.484

ERNST & YOUNG CYPRUS LIMITED

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of Business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	R0110	664.000	63.424	-	11.694.003	1.977.727	34.307	1.452.718	1.343.839	-	-	-	101.633					17.331.651
Gross - Proportional reinsurance accepted	R0120	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0130													-	-	-	-	-
Reinsurers' share	R0140	41.088	28.077	-	380.202	64.300	19.737	985.805	416.626	-	-	-	86.931	-	-	-	-	2.022.766
Net	R0200	622.912	35.347	-	11.313.801	1.913.427	14.570	466.913	927.213	-	-	-	14.702	-	-	-	-	15.308.885
Premiums earned		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Direct Business	R0210	568.594	77.676	-	11.713.043	1.980.946	30.327	1.369.607	1.265.617	-	-	-	91.117					17.096.927
Gross - Proportional reinsurance accepted	R0220	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0230													-	-	-	-	-
Reinsurers' share	R0240	36.713	34.870	-	360.135	60.908	17.322	928.132	367.210	-	-	-	65.005	-	-	-	-	1.870.295
Net	R0300	531.881	42.806	-	11.352.908	1.920.038	13.005	441.475	898.407	-	-	-	26.112	-	-	-	-	15.226.632
Claims incurred		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gross - Direct Business	R0310	246.857	18.331	-	8.650.531	227.994	-	975.596	408.304	-	-	-	16.811					10.544.424
Gross - Proportional reinsurance accepted	R0320	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	R0330													-	-	-	-	-
Reinsurers' share	R0340	110.874	8.249	-	1.277.976	-	-	835.890	113.177	-	-	-	10.087	-	-	-	-	2.356.253
Net	R0400	135.983	10.082	-	7.372.555	227.994	-	139.706	295.127	-	-	-	6.724	-	-	-	-	8.188.171
Changes in other technical provisions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gross - Direct Business	R0410	-	-	-	22.572	595	-	-	7.101	-	-	-	-					30.268
Gross - Proportional reinsurance accepted	R0420	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non- proportional reinsurance accepted	R0430													-	-	-	-	-
Reinsurers' share	R0440	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net	R0500	-	-	-	22.572	595	-	-	7.101	-	-	-	-	-	-	-	-	30.268
Expenses incurred	R0550	313.489	18.824	-	5.574.095	942.963	-2.087	287.024	482.930	-	-	-	7.619	-	-	-	-	7.624.857
Other expenses	R1200																	-
Total expenses	R1300																	7.624.857

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	-	11.532	232.920	66.353	-	-	-	-	310.805
Reinsurers' share	R1420	-	1.575	42.782	15.780	-	-	-	-	60.137
Net	R1500	-	9.957	190.138	50.573	-	-	-	-	250.668
Premiums earned		-	-	-	-	-	-	-	-	-
Gross	R1510	-	12.108	233.773	69.671	-	-	-	-	315.552
Reinsurers' share	R1520	-	1.653	44.920	15.780	-	-	-	-	62.353
Net	R1600	-	10.455	188.853	53.891	-	-	-	-	253.199
Claims incurred		-	-	-	-	-	-	-	-	-
Gross	R1610	-	249.377	241.945	14.172	-	-	-	-	505.494
Reinsurers' share	R1620	-	-	22.449	-	-	-	-	-	22.449
Net	R1700	-	249.377	219.496	14.172	-	-	-	-	483.045
Changes in other technical provisions		-	-	-	-	-	-	-	-	-
Gross	R1710	-	-139.459	-114.858	-50.658	-	-	-	-	-304.975
Reinsurers' share	R1720	-	-49	-	-15.679	-	-	-	-	-15.728
Net	R1800	-	-139.410	-114.858	-34.979	-	-	-	-	-289.247
Expenses incurred	R1900	-	2.245	45.349	12.919	-	-	-	-	60.513
Other expenses	R2500									-
Total expenses	R2600									60.513

ERNST & YOUNG CYPRUS LIMITED

Annex I
S.05.02.01
Premiums, claims and expenses by country

		Home Country	Top 5 countries (by amount of gross premiums written)					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	17.331.651						17.331.651
Gross - Proportional reinsurance accepted	R0120	-						-
Gross - Non-proportional reinsurance accepted	R0130	-						-
Reinsurers' share	R0140	2.022.766						2.022.766
Net	R0200	15.308.885						15.308.885
Premiums earned		-						-
Gross - Direct Business	R0210	17.096.927						17.096.927
Gross - Proportional reinsurance accepted	R0220	-						-
Gross - Non-proportional reinsurance accepted	R0230	-						-
Reinsurers' share	R0240	1.870.295						1.870.295
Net	R0300	15.226.632						15.226.632
Claims incurred		-						-
Gross - Direct Business	R0310	10.544.424						10.544.424
Gross - Proportional reinsurance accepted	R0320	-						-
Gross - Non-proportional reinsurance accepted	R0330	-						-
Reinsurers' share	R0340	2.356.253						2.356.253
Net	R0400	8.188.171						8.188.171
Changes in other technical provisions		-						
Gross - Direct Business	R0410	30.268						30.268
Gross - Proportional reinsurance accepted	R0420	-						-
Gross - Non- proportional reinsurance accepted	R0430	-						-
Reinsurers' share	R0440	-						-
Net	R0500	30.268						30.268
Expenses incurred	R0550	7.624.857						7.624.857
Other expenses	R1200							-
Total expenses	R1300	7.624.857						7.624.857

		Home Country	Top 5 countries (by amount of gross premiums written)					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R1400							
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	310.805						310.805
Reinsurers' share	R1420	60.137						60.137
Net	R1500	250.668						250.668
Premiums earned		-						
Gross	R1510	315.552						315.552
Reinsurers' share	R1520	62.353						62.353
Net	R1600	253.199						253.199
Claims incurred		-						
Gross	R1610	505.494						505.494
Reinsurers' share	R1620	22.449						22.449
Net	R1700	483.045						483.045
Changes in other technical provisions		-						-
Gross	R1710	- 304.975						- 304.975
Reinsurers' share	R1720	- 15.728						- 15.728
Net	R1800	- 289.247						- 289.247
Expenses incurred	R1900	60.513						60.513
Other expenses	R2500							-
Total expenses	R2600							60.513

ERNST & YOUNG CYPRUS LIMITED

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance				Other life insurance		Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010	-	-		-	-		-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020	-	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030	852.109	-	1.443.367	156.604		563.076	-	-	-	3.015.156
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	-	-	-	-	-	22.656	-	-	-	22.656
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090	852.109	-	1.443.367	156.604	-	540.420	-	-	-	2.992.500
Risk Margin	R0100	3.236	16.879		-	12.941		-	-	-	33.056
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	R0110	-	-		-	-		-	-	-	-
Best estimate	R0120	-	-	-	-		-	-	-	-	-
Risk margin	R0130	-	-		-	-		-	-	-	-
Technical provisions - total	R0200	855.345	1.616.850		-	576.017		-	-	-	3.048.212

ERNST & YOUNG CYPRUS LIMITED

Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
	Contracts without options and guarantees	Contracts with options or guarantees			
C0160	**C0170**	**C0180**	**C0190**	**C0200**	**C0210**
-			-	-	-
-		-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
			-	-	-
-			-	-	-
	-	-	-	-	-
-			-	-	-
-			-	-	-

ERNST & YOUNG CYPRUS LIMITED

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional r						
		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
		C0020	C0030	C0040	C0050	C0060	C0070	C0080
Technical provisions calculated as a whole	R0010	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM								
Best estimate								
Premium provisions								
Gross	R0060	78.006	6.278	-	2.489.733	735.207	24.828	138.250
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	46.634	3.753	-	71.113	1.595	23.338	150.891
Net Best Estimate of Premium Provisions	R0150	31.372	2.525	-	2.418.620	733.612	1.490	- 12.641
Claims provisions								
Gross	R0160	102.746	33.272	-	9.389.494	258.697	671	999.905
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	56.572	7.560	-	1.524.125	-	387	849.335
Net Best Estimate of Claims Provisions	R0250	46.174	25.712	-	7.865.369	258.697	284	150.570
Total Best estimate - gross	R0260	180.752	39.550	-	11.879.227	993.904	25.499	1.138.155
Total Best estimate - net	R0270	77.546	28.237	-	10.283.989	992.309	1.774	137.929
Risk margin	R0280	3.758	2.241	-	401.414	46.500	795	40.061
Amount of the transitional on Technical Provisions								
Technical Provisions calculated as a whole	R0290	-	-	-	-	-	-	-
Best estimate	R0300	-	-	-	-	-	-	-
Risk margin	R0310	-	-	-	-	-	-	-
Technical provisions - total								
Technical provisions - total	R0320	184.510	41.791	-	12.280.641	1.040.404	26.294	1.178.216
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	103.206	11.313	-	1.595.238	1.595	23.725	1.000.226
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	81.304	30.478	-	10.685.403	1.038.809	2.569	177.990

ERNST & YOUNG CYPRUS LIMITED

·einsurance					Accepted non-proportional reinsurance				
General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
168.771	-	-	-	28.914	-	-	-	-	3.669.987
46.967	-	-	-	25.280	-	-	-	-	369.571
121.804	-	-	-	3.634	-	-	-	-	3.300.416
873.787	-	-	-	14.732	-	-	-	-	11.673.304
229.688	-	-	-	8.526	-	-	-	-	2.676.193
644.099	-	-	-	6.206	-	-	-	-	8.997.111
1.042.558	-	-	-	43.646	-	-	-	-	15.343.291
765.903	-	-	-	9.840	-	-	-	-	12.297.527
53.450	-	-	-	1.892	-	-	-	-	550.111
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
1.096.008	-	-	-	45.538	-	-	-	-	15.893.402
276.655	-	-	-	33.806	-	-	-	-	3.045.764
819.353	-	-	-	11.732	-	-	-	-	12.847.638

ERNST & YOUNG CYPRUS LIMITED

Annex I
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	Z0010	Acc

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											
N-9	R0160	2.031.679	947.186	217.267	131.643	141.540	297.425	200.723	11.703	17.118	87.741	
N-8	R0170	2.117.324	1.031.523	156.060	85.103	87.583	108.810	23.422	110.266	19.870		
N-7	R0180	2.598.709	1.085.860	239.014	200.087	107.395	60.799	101.792	77.726			
N-6	R0190	2.501.625	1.120.606	473.645	82.040	39.561	24.381	19.881				
N-5	R0200	2.589.475	1.067.004	255.559	153.062	194.781	23.476					
N-4	R0210	3.391.458	1.358.556	321.668	119.754	121.870						
N-3	R0220	4.418.913	920.945	343.613	63.689							
N-2	R0230	3.994.613	1.191.414	224.099								
N-1	R0240	4.166.277	1.054.363									
N	R0250	4.680.570										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	461.072	48.252.672
	R0160	87.741	4.084.025
	R0170	19.870	3.739.961
	R0180	77.726	4.471.382
	R0190	19.881	4.261.739
	R0200	23.476	4.283.357
	R0210	121.870	5.313.306
	R0220	63.689	5.747.160
	R0230	224.099	5.410.126
	R0240	1.054.363	5.220.640
	R0250	4.680.570	4.680.570
Total	R0260	6.834.357	95.464.938

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Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											
N-9	R0160	-	-	-	798.507	727.741	453.448	362.498	407.994	427.861	340.578	
N-8	R0170	-	-	520.781	370.500	333.750	259.670	329.734	209.148	162.157		
N-7	R0180	-	972.340	717.588	442.766	483.376	587.799	724.890	810.358			
N-6	R0190	2.138.428	1.085.944	807.109	420.365	474.036	576.355	488.785				
N-5	R0200	2.348.604	1.711.763	1.283.975	774.538	629.760	529.861					
N-4	R0210	2.646.902	1.321.116	834.258	362.642	553.625						
N-3	R0220	1.573.344	843.154	745.812	1.342.149							
N-2	R0230	2.254.439	1.013.845	2.699.394								
N-1	R0240	2.797.322	1.326.484									
N	R0250	3.616.401										

		Year end (discounted data)
		C0360
	R0100	874.012
	R0160	330.349
	R0170	154.108
	R0180	767.646
	R0190	455.398
	R0200	483.939
	R0210	505.139
	R0220	1.205.115
	R0230	2.422.243
	R0240	1.184.551
	R0250	3.276.068
Total	R0260	11.658.569

ERNST & YOUNG CYPRUS LIMITED

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	3.281.230	3.281.230	-	-	-
Share premium account related to ordinary share capital	R0030	1.610.256	1.610.256	-	-	-
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-	-	-	-
Subordinated mutual member accounts	R0050	-	-	-	-	-
Surplus funds	R0070	-	-	-	-	-
Preference shares	R0090	-	-	-	-	-
Share premium account related to preference shares	R0110	-	-	-	-	-
Reconciliation reserve	R0130	6.219.331	6.219.331	-	-	-
Subordinated liabilities	R0140	-	-	-	-	-
An amount equal to the value of net deferred tax assets	R0160	-	-	-	-	-
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	416.667	-	-	416.667	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds		-	-	-	-	-
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	-	-	-	-	-
Deductions		-	-	-	-	-
Deductions for participations in financial and credit institutions	R0230	-	-	-	-	-
Total basic own funds after deductions	R0290	11.527.484	11.110.817	-	416.667	-
Ancillary own funds		-	-	-	-	-
Unpaid and uncalled ordinary share capital callable on demand	R0300	-	-	-	-	-
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	-	-	-	-	-
Unpaid and uncalled preference shares callable on demand	R0320	-	-	-	-	-
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	-	-	-	-	-
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	-	-	-	-	-
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	-	-	-	-	-
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	-	-	-	-	-
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	-	-	-	-	-
Other ancillary own funds	R0390	-	-	-	-	-
Total ancillary own funds	R0400	-	-	-	-	-
Available and eligible own funds		-	-	-	-	-
Total available own funds to meet the SCR	R0500	11.527.484	11.110.817	-	416.667	-
Total available own funds to meet the MCR	R0510	11.527.484	11.110.817	-	416.667	-
Total eligible own funds to meet the SCR	R0540	11.527.484	11.110.817	-	416.667	-
Total eligible own funds to meet the MCR	R0550	11.527.484	11.110.817	-	416.667	-
SCR	R0580	7.481.858	-	-	-	-
MCR	R0600	4.000.000	-	-	-	-
Ratio of Eligible own funds to SCR	R0620	154,07%	-	-	-	-
Ratio of Eligible own funds to MCR	R0640	288,19%	-	-	-	-

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	11.527.484
Own shares (held directly and indirectly)	R0710	-
Foreseeable dividends, distributions and charges	R0720	-
Other basic own fund items	R0730	5.308.153
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-
Reconciliation reserve	R0760	6.219.331
Expected profits		-
Expected profits included in future premiums (EPIFP) - Life business	R0770	-
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	-
Total Expected profits included in future premiums (EPIFP)	R0790	-

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	3.792.661		
Counterparty default risk	R0020	1.119.903		
Life underwriting risk	R0030	179.402		
Health underwriting risk	R0040	134.564		
Non-life underwriting risk	R0050	4.154.822		
Diversification	R0060	- 2.425.042		
Intangible asset risk	R0070	-		
Basic Solvency Capital Requirement	R0100	6.956.310		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	525.549
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	-
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	7.481.859
Capital add-on already set	R0210	-
Solvency capital requirement	R0220	7.481.859
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	-
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	-
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	-
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	-
Diversification effects due to RFF nSCR aggregation for article 304	R0440	-

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	

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

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	

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

Overall MCR calculation

		C0070
Linear MCR	R0300	
SCR	R0310	
MCR cap	R0320	
MCR floor	R0330	
Combined MCR	R0340	
Absolute floor of the MCR	R0350	

		C0070
Minimum Capital Requirement	R0400	

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Annex I

S.28.02.01

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

		Non-life activities $MCR_{(NL,NL)}$ Result	Life activities $MCR_{(NL,L)}$ Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	2.449.205	-

		Non-life activities		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020	77.546	622.911	-	-
Income protection insurance and proportional reinsurance	R0030	28.237	35.347	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	10.283.989	11.313.802	-	-
Other motor insurance and proportional reinsurance	R0060	992.309	1.913.426	-	-
Marine, aviation and transport insurance and proportional reinsurance	R0070	1.774	14.570	-	-
Fire and other damage to property insurance and proportional reinsurance	R0080	137.929	466.913	-	-
General liability insurance and proportional reinsurance	R0090	765.903	927.213	-	-
Credit and suretyship insurance and proportional reinsurance	R0100	-	-	-	-
Legal expenses insurance and proportional reinsurance	R0110	-	-	-	-
Assistance and proportional reinsurance	R0120	-	-	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	9.840	14.702	-	-
Non-proportional health reinsurance	R0140	-	-	-	-
Non-proportional casualty reinsurance	R0150	-	-	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-	-	-
Non-proportional property reinsurance	R0170	-	-	-	-

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		Non-life activities $MCR_{(L,NL)}$ Result	Life activities $MCR_{(L,L)}$ Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	-	80.408

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210	-	-	852.109	-
Obligations with profit participation - future discretionary benefits	R0220	-	-	-	-
Index-linked and unit-linked insurance obligations	R0230	-	-	1.599.971	-
Other life (re)insurance and health (re)insurance obligations	R0240	-	-	540.420	-
Total capital at risk for all life (re)insurance obligations	R0250	-	-	-	37.616.518

Overall MCR calculation

		C0130
Linear MCR	R0300	2.529.613
SCR	R0310	7.481.858
MCR cap	R0320	3.366.836
MCR floor	R0330	1.870.465
Combined MCR	R0340	2.529.613
Absolute floor of the MCR	R0350	4.000.000
		C0130
Minimum Capital Requirement	R0400	4.000.000

Notional non-life and life MCR calculation		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	2.449.205	80.408
Notional SCR excluding add-on (annual or latest calculation)	R0510	7.244.034	237.824
Notional MCR cap	R0520	3.259.815	107.020
Notional MCR floor	R0530	1.811.008	59.456
Notional Combined MCR	R0540	2.449.205	80.408
Absolute floor of the notional MCR	R0550	4.000.000	-
Notional MCR	R0560	4.000.000	80.408

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