



UNIVERSAL LIFE

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# **SOLVENCY AND FINANCIAL CONDITION REPORT**

**FOR THE YEAR ENDING 31 DECEMBER 2024**

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## Executive Summary

Universal Life Insurance Public Company Limited (Universal Life) is an insurance company licensed in Cyprus since 1970 currently transacting life and accident & health business. Universal Life is an established insurance company in the Cyprus market. It is one of the top life insurance companies in Cyprus and the leader in the local Accident & Health insurance sector with a highly experienced sales force distributing the Company's life and health products. All the Company's business is conducted in Cyprus.

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 Business of 2016) including the EU Delegated Regulation 2015/35 supplementing the above Directive. The elements of the disclosure relate to business performance, governance (including risk management), risk profile, solvency and capital management over the reporting period.

In 2023 the new accounting standard IFRS17 was enforced bringing significant changes in Company's accounts. Profits before tax for the year-ended 2024 amounted to €11,7m as per the financial statements compared with €6,0m in 2023.

The Company has a robust corporate governance system and a strong risk management framework. The three lines 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 Company's system of governance, including the role and responsibility of each Board Committee and Key Function of the Company, as well as the risk management system is discussed in detail in section B of this report. The Company has a comprehensive set of risk policies and guidelines to ensure that adequate processes and procedures are in place to manage all types of risk in accordance with the current regulatory requirements under the Solvency II regime. There have been no material changes in the Company's governance system compared to the previous year.

The Company's risk profile is driven by the characteristics of its asset portfolio and the nature of its insurance business. The Life business is more geared towards long term savings products, with protection cover (death, disability, dread disease) being an important element for parts of the portfolio. The large portfolio of stand-alone health insurance business is also an important driver of the overall risk profile.

As typified in the standard formula calculations for the Solvency Capital Requirement (SCR), the largest component of the Company's risks is life underwriting risk which represents about 45% of the total undiversified basic SCR compared with 42% at the end of the previous year.

In order to assess risks and determine capital needs in the foreseeable future, the Company carries out an Own Risk and Solvency Assessment (ORSA) process on an annual basis in which stress testing and scenario analyses are performed to assess the Company's vulnerability to adverse events and its ability to withstand these. According to this process property risk has been classified as having a high significance, as are concentration and liquidity risks both arising from the exposure to local properties. It should be noted that there has been a significant reduction in property valuations in prior years, with the effect of reducing overall

property exposure considerably. The market risk represents 43% of the total undiversified basic SCR compared with 44% at the end of the previous year. Underwriting risks (life and health) make up about 53% of the total undiversified basic SCR compared with 51% at the end of 2023.

Overall mortality/morbidity risks were classified as medium impact risks due to the use of appropriate risk mitigation techniques. The major drivers for each type of risk along with each category falling under these are discussed in detail in Section C of this Report.

The capital and solvency position of the Company at the end of 2024 remained strong. All elements of its own funds are of the highest quality (tier 1 capital) and the solvency ratio, being defined as the value of eligible net assets divided by the SCR, as at 31 December 2024 was 223,0% compared with 214,8% as at the end of the previous year. The Solvency Capital Requirement and the Minimum Capital Requirement (MCR) as at 31 December 2024 were €38,5m and €9,6m respectively while the eligible amount of own funds to cover MCR and SCR was €85,9m. As at the end of the previous year the Solvency Capital Requirement and the Minimum Capital Requirement (MCR) were €36,7m and €9,2m respectively while the eligible amount of own funds to cover MCR and SCR was €78,8m. The Company complied with MCR and SCR throughout the year.

## A. Business and Performance

### A.1. Business

#### A.1.1 Name and legal form

**Universal Life Insurance Public Company Limited** (“Company”) is a company incorporated, registered and licensed in Cyprus. It is a public company limited by shares. The address of the registered office is:

Universal Tower  
85 Digenis Akritas Avenue  
1070 Nicosia  
Cyprus

#### A.1.2 Supervisory Authority details

The authority responsible for the Company’s financial supervision is the Insurance Companies Control Service of the Ministry of Finance, Cyprus with the following contact details:

Insurance Companies Control Service  
P.O. Box 23364  
1682 Nicosia  
Cyprus

Tel: (357) 22602990  
E-mail: [insurance@mof.gov.cy](mailto:insurance@mof.gov.cy)

#### A.1.3 External auditor

The Company’s external auditor is KPMG Ltd with the following contact details:

KPMG Ltd  
14 Esperidon  
P.O. Box 21121  
1087 Nicosia  
Cyprus

Tel: (357) 22209000

#### A.1.4 Shareholders of qualifying holdings

The persons (natural or legal), who were holders of qualifying holdings (10% or more of the share capital) in the Company at the end of the financial year were:

- Photos Photiades Group Ltd 54,17%
- Hellenic Bank 18,59%

#### A.1.5 Material lines of business and geographical areas

Universal Life is licensed to carry two classes of business, Life and Accident & Health.

The primary long-term business is life insurance providing death, disability and dread disease cover both under pure protection cover type policies (term assurances) and investment type policies (unit-linked and with-profits endowment). The Company also offers an occupational pension scheme product. The primary short-term business is medical expenses or health insurance.

All of its business is conducted in Cyprus.

#### A.2. Underwriting Performance

The underwriting results including income and gains arising from investments for the insurance business transacted by the Company as appearing in the financial statements are shown in the following table. Revised comparison figures with the previous financial year are also presented.

	Life Business		Accident & Health Business		Total	
	<u>2024</u> €000	<u>2023</u> €000	<u>2024</u> €000	<u>2023</u> €000	<u>2024</u> €000	<u>2023</u> €000
Insurance Revenue	<b>20.727</b>	18.002	<b>41.211</b>	40.426	<b>61.938</b>	58.428
Insurance Services Expense	<b>(11.945)</b>	(12.111)	<b>(27.326)</b>	(31.425)	<b>(39.271)</b>	(43.536)
Allocation of reinsurance premiums paid	<b>(3.373)</b>	(2.797)	<b>(24.339)</b>	(23.821)	<b>(27.712)</b>	(26.618)
Amounts recovered from reinsurers	<b>1.281</b>	1.630	<b>20.715</b>	21.997	<b>21.996</b>	23.627
Net Investment Income /(Expense)	<b>14.895</b>	12.022	-	0	<b>14.895</b>	12.022
Insurance finance Income /(Expense) from insurance contracts issued	<b>(15.531)</b>	(10.481)	-	0	<b>(15.531)</b>	(10.481)
Reinsurance Finance Income / (Expense) from reinsurance contracts held	<b>63</b>	(194)	<b>(178)</b>	(173)	<b>(115)</b>	(367)
<b>Net Insurance and Investment Result</b>	<b>6.118</b>	6.071	<b>10.083</b>	7.004	<b>16.201</b>	13.075
Other Expense	-	-	-	-	<b>(551)</b>	(3.320)
Other Operating Expenses	-	-	-	-	<b>(3.603)</b>	(3.343)
Expenses from Pension and Class VII	-	-	-	-	<b>(397)</b>	(377)
<b>Profit before tax</b>	-	-	-	-	<b>11.651</b>	6.035

### A.3. Investment Performance

#### A.3.1 Income and expenses arising from investments by asset class

Income and expenses arising from investments by asset class are analysed as follows:

- Investment Properties: Rental income amounted to €128k compared to €137k in the previous reporting period.
- Debt securities (direct holdings): No interest income was earned.
- Equity shares (direct holdings): Dividend income amounted to €90k received from equity shares (direct holdings) compared to €50k in the previous reporting period.
- Cash (foreign): Interest income amounted to €801k compared to €860k in the previous reporting period.
- Debt securities (indirect holdings), equity shares (indirect holdings), multi asset funds and money market funds: The Company does not receive income from these investments as the income from the underlying assets is accumulated within these investments with a positive effect on their value.

The Company does not hold any investments in securitisation.

#### A.3.2 Overall investment performance by asset class

The overall investment performance in the year (excluding loans) was €15.341k broken down by asset class as follows:

	<b>€000</b>
Investment properties	(612)
Government bonds	1.121
Corporate bonds	238
Debt securities	1.751
Equity shares	12.043
Money market funds	<u>801</u>
	<b><u>15.341</u></b>

#### A.3.3 Gains / losses recognised directly in equity

Losses of €42k relating to the revaluation of office properties (and deferred taxation thereon) were recognised directly to equity in 2024 compared to losses of €3k in the year 2023.

**A.4. Performance of other Activities**

The Company is the sole shareholder of property company subsidiaries except of UGE where it is a 94.14% shareholder and a general insurance agency. The financial performance of these companies led to losses of €977k. These subsidiaries in the previous reporting period recorded losses of €244k.

## B. System of Governance

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

Universal Life is committed to implementing a sound governance framework, in order to ensure the sound and prudent management of the business and its effective and continuous operation. To achieve this, the Company operates within a set of governance principles, that:

- Establish strategic objectives and a set of corporate values that are communicated throughout the Company.
- Set and enforce clear lines of responsibility and accountability throughout the Company.
- Ensure that Board of Directors members and Senior Management are qualified for their positions, have a clear understanding of their role and are able to exercise sound independent judgment about the affairs of the Company and that Fit and Proper requirements are met.
- Ensure that there is appropriate oversight of the Company's activities by Senior Management.
- Effectively utilize the work conducted by internal and external auditors, as well as other control functions, given their critical contribution to sound governance.
- Ensure that compensation policies and practices are consistent with the Company's ethical values, objectives, strategy and control environment.
- Conduct corporate governance in a transparent manner.
- Continue to balance the needs of its shareholders.

The Board of Directors bears the ultimate responsibility for ensuring that Corporate Governance arrangements within the Company are sufficient and appropriate to the size, nature and complexity of its business. The Board of Directors has delegated authority to various Committees that monitor and oversee specific aspects of the business. Delegation to Committees does not in any way compromise the Board of Directors from collectively discharging its duties and responsibilities. Specifically, the Board has regular and robust interaction with the Committees, requesting information from them proactively and challenging them when necessary.

#### B.1.1 Board Committees

##### Risk Committee

The purpose of the Risk Committee is to assist the Board of Directors in fulfilling its responsibility to exercise due care, skill and diligence regarding:

- Formulation of the Company's overall risk strategies, risk policies and risk appetite.
- Oversight of the Company's risk management framework.
- The adequacy and effectiveness of the Company's risk management system.
- Effective oversight of material risks to which the Company is exposed.

The Committee consists of six Non-Executive Directors, one of which is independent.

#### Strategy and Development Committee

The Strategy & Development Committee's main purpose is to act as an agile body that examines strategic issues, new opportunities or important developments concerning the Company, as well as deviations from planned course and give quick feedback and guidance to the Executive Management. The Committee is additionally responsible for evaluating the overall strategy proposed by the Chief Executive Officer (CEO) before presenting it to the Board of Directors for discussion.

The Committee consists of four Directors, three Non-Executive, non-independent Directors and the CEO. The Committee also includes a member of Senior Management.

#### Audit Committee

The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its responsibilities with respect to:

- The financial reporting processes
- The integrity of the financial statements and disclosures
- The compliance with legal and regulatory requirements
- The qualifications, independence and performance of the External Auditors
- The performance of the Internal Audit Function
- The system of internal controls

The Audit Committee consists of five Non-Executive Directors, three of which are independent.

#### Remuneration Committee

The Remuneration Committee makes recommendations to the Board of Directors with respect to:

- The Board Members and Executive Directors' remuneration
- The formulation of remuneration practices that attract and retain Board Members, the Executive Directors and senior management through a remuneration system that supports the strategic aims of the Company

The Remuneration Committee consists of five Non-Executive Directors, one of which is independent.

#### Nomination & Corporate Governance Committee

The purpose of the Nomination and Corporate Governance Committee is to:

- Identify individuals qualified to become Board members
- Recommend to the Board of Directors nominees for Board membership
- Recommend to the Board of Directors nominees to serve as members of its Committees

- Evaluate the Board of Directors' Committees and make recommendations to the Board for the creation or elimination of Board Committees
- Oversee and evaluate the implementation of the Company's corporate governance

The Nomination & Corporate Governance Committee consists of four Non-Executive Directors, of which one is independent.

#### B.1.2 Governance Structure

The Governance framework is based on the 'three lines model', in order to support the implementation of a robust internal control system.

##### The 1st Line – Business Management

Business management makes up the first line. Overall, the first line is responsible for the day-to-day management of risk and control within the business operations as well as delivering the strategy and optimising business performance within an agreed governance and risk framework.

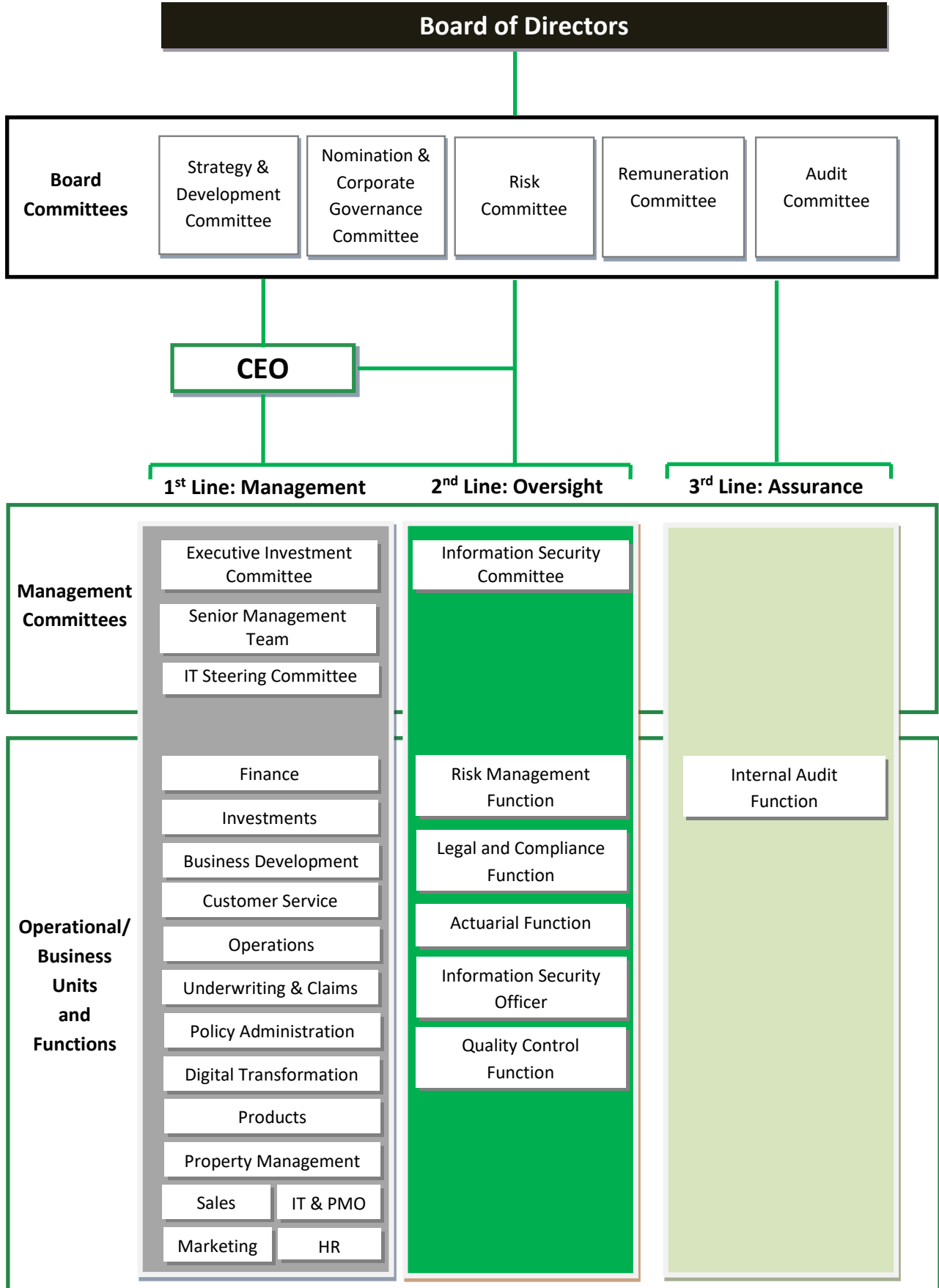
##### The 2nd Line – Oversight

The second line is made up of the functions of Risk Management, Actuarial, Legal and Compliance, Quality Control and the Information Security Officer. They provide challenge and oversight on the activities of the first line, hence contributing towards the adequacy and effectiveness of the overall risk management system.

##### The 3rd Line – Assurance

The Internal Audit Function provides independent and objective assurance on the effectiveness of governance, risk management and internal controls.

The three lines, as implemented in the Company, are presented in the diagram below:



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

- Enable apportionment of responsibilities and clear accountabilities and responsibilities
- Facilitate prompt transfer of information to all persons who need it
- Prevent conflicts of interest, in cases where multiple tasks are performed by the same individual or organizational unit
- Ensure the prudent and effective management of the Company

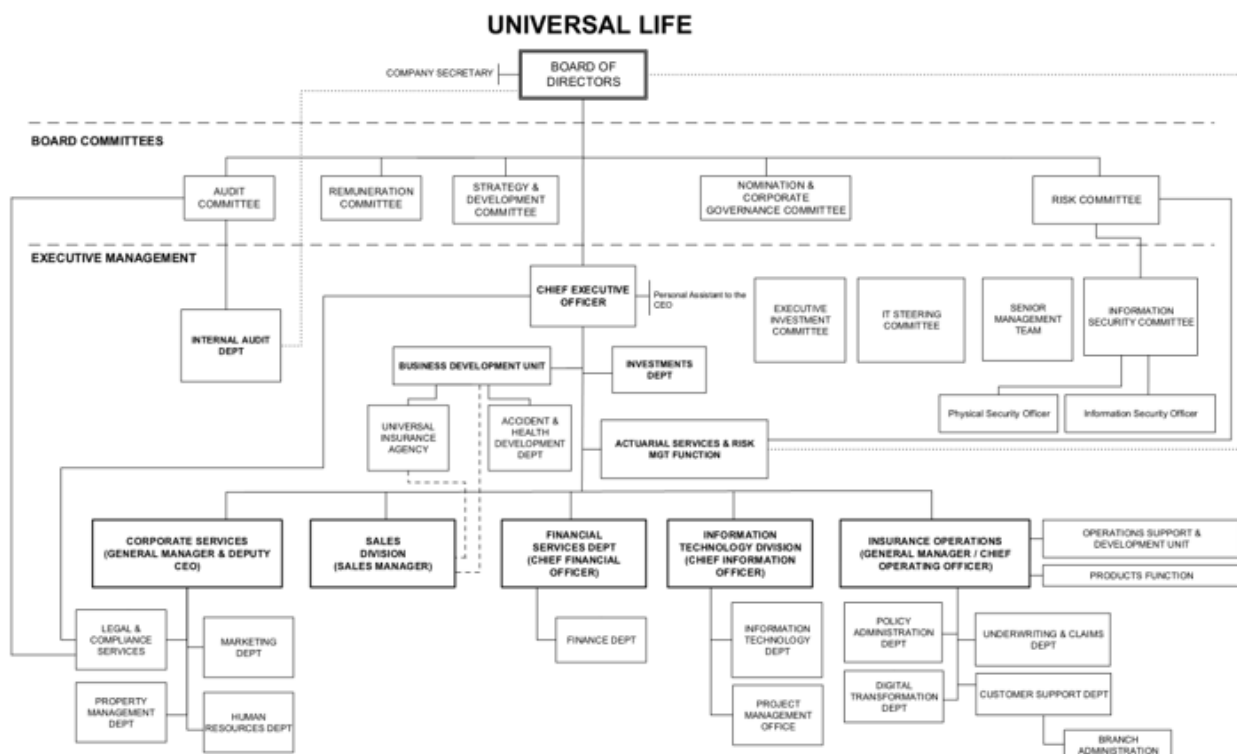
The three lines are embedded within the organizational structure and reporting lines, in order to enforce an effective internal control system.

The Company's ultimate supervisory body is the Board of Directors. The Company's Senior Management has the day-to-day responsibility for the implementation of the Board of Directors' approved strategy and reports to the Board through the CEO. Reporting to the Board of Directors is both structured, through planned meetings and regular quarterly reporting and ad hoc as required.

The Business Functions of the Company have the responsibility, through their Head/Senior Managers, for the implementation of the Board of Directors' strategy in their business functions. They report directly to the CEO or the General Managers with regards to their day-to-day duties. In order to minimise the probability of a potential conflict of interest and preserve their operational independence, the key control functions have additional direct reporting/access lines to the Board of Directors or Board Committees. These additional reporting/access lines are implemented in order to ensure that these functions have the ability to escalate important issues directly to the Board. Consequently, the Risk Management Function has direct access to the Risk Committee, the Actuarial Function to the Board of Directors and the Compliance Function to the Audit Committee.

The Company's Internal Audit Function provides independent assurance to the Board of Directors. The Group Internal Auditor reports functionally to the Audit Committee and administratively to the Chief Executive Officer. The Internal Audit staff have no operational responsibility or authority over any of the activities audited. Accordingly, they don't implement internal controls, develop procedures, draft manuals, install systems, prepare records, or be engaged in any other activity that may impair their judgment.

The organizational structure of the Company is presented in the diagram below:



### B.1.3 Main roles and responsibilities of key functions

#### Internal Audit Function

The scope of the internal audit activities encompasses objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee, Management and outside parties on the adequacy and effectiveness of governance, risk management and control processes for the Company. Internal audit assessments include evaluating the policies and procedures which are in place in order to ensure:

- The reliability, integrity, availability and confidentiality of information
- The compliance with policies, procedures, laws and regulations
- The safeguarding of the Company’s assets
- The safeguarding of the Company’s reputation
- The effective and efficient use of the existing resources
- The accomplishment of the set goals and objectives

The Internal Audit Function also provides consulting services and performs special investigations as well as ad-hoc engagements upon request of the Board of Directors, the Audit Committee and/or the Senior Management. Special investigations and any other ad-hoc engagements may also be initiated by the Group Internal Auditor.

The Group Internal Auditor reports functionally to the Audit Committee and administratively to the Chief Executive Officer.

#### Compliance Function

The Compliance Function is responsible for ensuring that all actions undertaken by the Company are, at all times, in compliance with all applicable laws and regulations. Its principal role is to identify, assess, monitor and report the compliance risk exposure of the Company.

The Compliance Function reports to the CEO and has direct access to the Audit Committee.

#### Risk Management Function

The Risk Management Function is responsible for the design and implementation of an effective risk management system comprising strategies, processes and reporting procedures necessary to identify, measure, monitor, manage and report to the Board of Directors the risks to which the Company is or may be exposed (underwriting risk, market risk, credit risk, liquidity risk, compliance risk, operational risk etc.). It is also responsible for carrying out the Company's Own Risk and Solvency Assessment (ORSA), which is performed at least annually.

The Risk Management Function reports to the Risk Committee and to the CEO.

#### Actuarial Function

The Actuarial Function is mainly responsible to coordinate the calculation of technical provisions, to provide judgment on the reliability and adequacy of the calculation of technical provisions, to express its opinion on the Company's underwriting policy and the adequacy of reinsurance arrangements and to contribute to the effective implementation of the risk management system.

The Actuarial Function reports to the CEO and has direct access to the Board of Directors.

#### B.1.4 Material changes in the system of governance that have taken place over the reporting period

No material changes in the system of governance have taken place over the reporting period.

#### B.1.5 Remuneration policy & practices regarding Directors and employees

The remuneration policy for the Board of Directors members and the senior executive management is reviewed and maintained by the Remuneration Committee. The Remuneration Committee/ Board of Directors are responsible for the implementation of the Remuneration Policy in the Company and specifically its application to Board members, senior management and key function holders and other staff whose professional activities have material impact on the undertaking's risk profile.

The Company's remuneration policy does not include any supplementary pension or early retirement schemes for members of the Board or key function holders.

The Company's remuneration policy for its employees is based on the collective agreement that the Company has signed with the employees' Trade Union to which the majority of employees belong.

The remuneration of all staff employed by the Company complies with the following principles:

- It is in line with the Company's business and risk strategy, risk profile, objectives, values, risk management practices, and long-term entity wide interests and performance
- It reflects the value that each individual adds to the Company
- It is fair and consistent across the business
- It is transparent and adequately disclosed to all members of staff
- It is free from unfair discrimination based on race, gender, age, religion, marital status and ethnic or social origin
- It complies with all tax and regulatory requirements
- The remuneration of employees involved in risk-taking activities such as underwriting, reinsurance ceding or investment management activities does not encourage unauthorised or unwanted risk-taking and is consistent with and promotes sound and effective risk management
- The remuneration structure is not based on short-term results

#### Fixed remuneration

Fixed remuneration is the main element of remuneration and includes salary plus benefits for all employees and is designed to attract and retain talented individuals. Salaries are based on the importance of everyone's role in the Company, experience and market pay levels for similar roles. Benefits given to employees include 13th salary, contribution to the employees' retirement fund, contribution to the employees' medical fund and life and permanent disability insurance.

#### Variable remuneration

Variable remuneration can be given in the form of an annual bonus, according to performance. The bonus is subject to the individual's performance, based on the individual's targets and other performance criteria.

#### **B.1.6** Material transactions during the year with shareholders, with persons who exercise a significant influence on the Company and with members of the Board of Directors

Directors, shareholders, senior management and related parties are beneficiaries of a number of insurance policies for which premiums amount to €1,083k. Additionally, emoluments of directors and senior management amounted to €2,022k.

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

To comply with the requirements of the law and the supervisory authority the Company has in place a Fit and Proper Policy that is approved by the Board of Directors and requires that the persons who

effectively run the Company or hold other key positions meet specific criteria. The policy is also applied on the selected service providers in case the Company outsources any critical functions. The evaluation of the persons covered under the policy is performed at the beginning as well as annually during their appointment.

The Board of Directors' Nominations and Corporate Governance Committee has the responsibility for the assessment of the persons subject to the provisions of the Fit and Proper Policy. The assessment is performed prior to the appointment to the above positions and in line with the specific criteria, followed by a request to the supervisory authority for approval.

#### B.2.1 Fitness

The evaluation of a person's fitness takes into account their professional competence and suitability in the field of the activities conducted by the Company and the assessment is based on their previous experience, knowledge and professional qualifications.

##### Criteria for the Members of the Board of Directors, Chief Executive Officer and General Managers

The persons must hold a university degree, or equivalent qualification, or an acknowledged professional qualification in a field relevant to the duties that they will be performing and have a minimum of five years' experience in a managerial position relevant to their position in the company.

Additionally, the Board of Directors must collectively possess professional qualifications, knowledge and experience about:

- Insurance and financial markets
- Business strategy and business model
- System of governance
- Financial and actuarial analysis
- Regulatory framework and requirements

##### Criteria for persons holding key positions

The persons must hold a university degree, or equivalent qualification, or an acknowledged professional qualification in a field relevant to the duties that they will be performing and have a minimum of two years' experience in a managerial position relevant to their position in the company.

#### B.2.2 Propriety

For the evaluation of a person's propriety the Company considers their honesty, integrity, reputation and financial soundness as well as whether they have been convicted of any criminal offences, have pending cases before the Court or are under investigation by any regulatory or professional bodies.

### B.3. Risk Management System including the Own Risk and Solvency Assessment

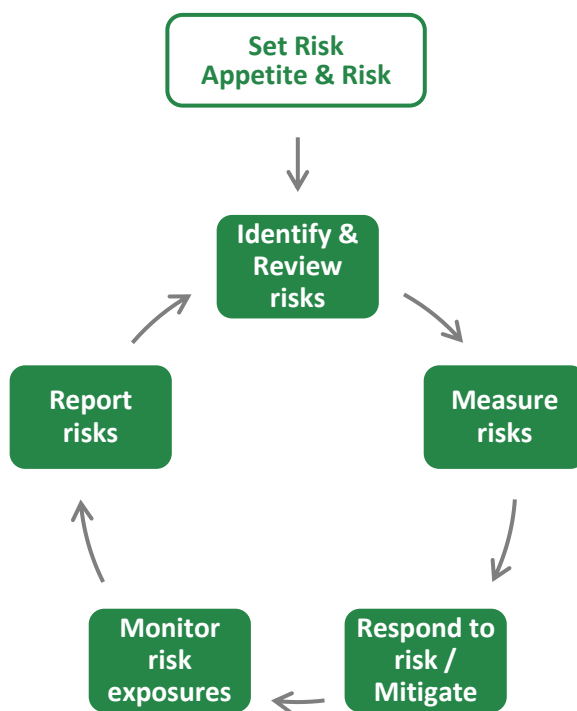
#### B.3.1 Risk Management System and the Three Lines Model

The Company has developed a comprehensive set of risk policies and guidelines to ensure that adequate processes and procedures are in place to manage all types of risk. These documents are aligned with the current regulatory requirements under the Solvency II regime.

The Company adopts the ‘three lines’ governance model as described in section B.1.2 above.

#### B.3.2 Risk Management Process

The Company follows a risk management process for all categories which involves all levels of its hierarchy from the Board of Directors down to the business employees. The process and steps are shown in the following diagram:



### Setting the Risk Appetite and Risk Limits

The risk appetite of the Company is defined as the level of risk exposure or the level of potential adverse impact of an event that the Company is prepared to take or maintain in a given period. The risk appetite defines the size and types of risk that the Company is willing and able to take in order to achieve its mission, vision and business goals. The risk appetite is set by the Board of Directors following a recommendation from the Risk Committee and reflects shareholder aspirations and takes additionally the following stakeholders into consideration:

- Policyholders: The Company's risk appetite takes into account the interests of its policyholders as well as their reasonable expectations
- Regulator: The Company's risk appetite takes into account the requirements of the regulator
- Employees: The Company's risk appetite takes into account the interests of its employees

Individual and aggregate risk limits for every risk area (underwriting, investment, credit, liquidity, concentration, operational etc.) are set within the Company's risk appetite, strategy and business orientation.

### Identifying and Reviewing Risk

Risk identification is the process followed by the Company to identify and record all material risk exposures that arise from its business activities. Risk identification is performed for both existing and emerging risks. The Risk Management Function of the Company coordinates the assessment of the existing risk profile with all relevant business users; through this process it is confirmed that all material sources of risk are receiving full consideration as well as whether the materiality of risk has changed since the last review. Any new risk exposures that may have emerged from changes to external or internal factors are also identified through this process.

The identification of emerging risks to the business is performed during the activities undertaken by the relevant business areas. The Risk Management Function monitors the internal and external environment that the Company operates in and identifies potential risks to its strategy. This is performed through monitoring developments in markets where the Company is currently exposed through its investments and insurance business for any potential future adverse development, by assessing the broad social, economic and financial trends worldwide to identify the potential for emergence of risk that is not currently measured or quantified and by analysing the major strategic decisions taken by the Company for identifying any potential impact on the Company's overall risk profile.

### Measuring Risks

This process is carried out jointly by the Risk Management Function and the relevant business units. Risk measurement is documented in the Company's risk register and is reported to the Board of Directors' Risk Committee. The process is carried out both quantitatively (detailed measurement of the risks involved using appropriate quantification techniques) and qualitatively (high level assessment based on expert judgement, prior experience and estimation of severity and impact of adverse events).

### Responding to Risk / Mitigating

For each material risk assessed, a risk response is selected. The response can be either to accept risk or to avoid risk or to reduce risk or to transfer risk. Alternative mitigation options are considered and their appropriateness assessed in order to reduce effectively or transfer risk to a third party. The most common form of mitigation technique carried out by the Company is reinsuring insurance risks.

### Monitoring Risk Exposures

All material risk exposures are monitored on an ongoing basis and any risks that fall outside the approved risk appetite of the Company are identified and appropriately escalated to the Board of Directors' Risk Committee. Monitoring risk exposures is based on regular (at least once every quarter) comparison of actual exposures to the risk limits/appetite. Any limit breaches are promptly escalated to the Risk Management Function and to the Board of Directors' Risk Committee. In this process key roles are undertaken by:

- Business Units - they directly manage and own their respective risk outcomes and are required to be aware of their exposure levels and limits at all times. Any breaches are notified to the Risk Management Function. Action plans are prepared for the purpose of exposures returning within the set risk limits; and the
- Risk Management Function - it reviews risk exposures to verify that business units have remained within the limits, monitors risk limits and sets the process for adjusting risk limits. Also it supports business units/risk owners to implement action plans and/or mitigating plans for rectifying risk limit breaches and monitors the progress of these plans.

### Reporting Risks

Regular reports (at least per quarter) on the risk exposures are provided by the business units to the Risk Management Function and the quarterly risk profile assessment is reported to the Board of Directors' Risk Committee. Furthermore, ad hoc reporting of risk incidents and risk limit breaches followed by periodic progress reporting of action plans is conducted to the Risk Committee. All action plans in response to a limit breach and relevant approval by the Risk Committee are documented in a consistent manner and are subject to approval by the Board of Directors.

#### B.3.3 Own Risk Solvency Assessment

In calculating its solvency capital requirement, the Company uses the standard formula approach as prescribed in the Solvency II legislation and it assesses that this approach reflects at a reasonable level the size, nature and complexity of the risks assumed by the Company.

As part of the Company's aim to assess risks and determine its capital needs in the foreseeable future an Own Risk and Solvency Assessment (ORSA) is carried out on an annual basis. The ORSA, which is

also a legislative requirement, is carried out by the Risk Management Function and is reviewed and approved by the Board of Directors through its Risk Committee.

The ORSA forms an integral part of the management process and decision-making framework of the Company and is used in the management of the business as it is a significant tool for understanding the risks the Company is exposed to. It is embedded in the Company's strategic, operational and risk management processes.

The ORSA is based on adequate measurement and assessment processes in a forward-looking approach (at least on a 3-year horizon) and it encompasses all material risks that may have an impact on the Company's ability to meet its insurance obligations. The ORSA considers all risks that may lead to a material reduction in the current level of own funds or the protection offered to policyholders. Any material risks that are assessed not to be fully reflected in the standard approach in determining the Company's solvency capital requirement are particularly addressed in an ORSA exercise and their significance is established and quantified.

The ORSA process involves an assessment of all material risks and performance of various stress tests. These tests (which include sensitivity analysis of single risk factors and scenario analysis of a set of risk factors) are conducted to assess the Company's vulnerability to possible events or future changes in economic conditions which have unfavourable effects on its performance, solvency, liquidity or reputation and to determine the ability to withstand such changes. The impact of all stresses is quantified for the projection period in the future (at least 3 years) so as to identify any capital needs during the projection period. Any capital needs identified must be addressed by the Board of Directors and relevant action plans are formulated.

Any significant changes in the Company's risk profile caused by external or internal factors (e.g. introduction of a new line of business) may result in interim assessments (i.e. between the yearly ORSA exercises) taking the form of a full or partial ORSA exercise focusing on areas of significance.

#### B.3.4 Implementation of Risk Management System

The activity comprising the risk management system (as described in previous sections) is carried out by the business units and users (1<sup>st</sup> Line) within the Company, with the Risk Management Function reviewing and challenging the output.

The Company's Board of Directors is ultimately responsible for taking key decisions across the organization. The output of the risk management system is reviewed by the Board of Directors' Risk Committee (and Audit Committee if necessary) with a summary of key items delivered to the Board of Directors. Following their review the integration of the risk management system in the decision-making process is carried through to the business units by the Risk Management Function.

All key decisions made in the Company such as product initiatives and introduction, underwriting and pricing of insurance risks, reinsurance arrangement review, investment strategy, marketing strategy,

distribution strategy and capital management follow internal governance processes, which include an assessment of the risk exposure and mitigation strategies.

#### **B.4. Internal control system**

Taking into account the nature and scope of its operations, the Company has implemented an Internal Control System to manage risks to an acceptable level in order to ensure its efficient operation and the achievement of specific business objectives. The implementation of this system secures, among other things, the assets of the Company and the policyholders' interests, the correctness of transactions, the reliability of financial statements and the compliance with the relevant legislation.

The main procedures governing the Company's internal control system are the following:

- Clear organizational structure and allocation of responsibilities, including oversight and hierarchical approval of transactions.
- Establishment and monitoring of implementation of strategies and business plans and annual budgets for each major activity.
- Effective internal communication lines and reporting of important issues.
- Adoption and promotion of a Code of Conduct and Professional Code of Ethics.
- Regular update of staff through circulars, announcements and trainings for the proper conduct of the Company's policies.
- Effective segregation of duties and avoidance of assignment of duties / responsibilities that might lead to conflict of interests.
- Recording and continuously updating all business and support units' internal procedures.
- Management of investment portfolios under the supervision of the Executive Investment Committee with the support of external consultants.
- Preparation of financial statements and performance statistics on a regular basis.
- Sufficient support of operations with reliable and secure computer systems.
- Performance of audits on a regular basis by external auditors.
- Contingency planning with a comprehensive Business Continuity and Disaster Recovery Plan.
- Adequate insurance coverage for the Company's assets and for other risk (e.g. public liability).
- Implementation of a Risk Management Function.
- Implementation of a Legal and Compliance Function.
- Implementation of an Internal Audit Function.
- Implementation of a Quality Control Function.
- Appointment of an Information Security Officer (ISO).

#### **B.5. Compliance Function**

The Compliance Function has the necessary standing in the Company and is responsible to ensure that the Company conducts its business operations in compliance with the relevant laws and

regulations. It assists the Chief Executive Officer and the Board of Directors to effectively manage the compliance risks faced by the Company.

The Compliance Function reports to the Chief Executive Officer and has direct access to the Board of Directors through the Audit Committee. It is operationally independent from the Company's business and support units that are monitored and controlled by the function.

The main compliance activities are the following:

- Provision of advice to senior management on regulatory matters
- Communication to senior management of key areas of compliance risk, internal issues, progress and external developments
- Monitoring/overseeing of activities to ensure compliance with relevant legislation and regulations
- Performance of ongoing compliance risk assessment
- Provision of training to staff
- Liaison of the Company with the regulatory authorities on compliance matters
- Reporting to regulatory authorities as required

## **B.6. Internal Audit Function**

### **B.6.1 Implementation of the Internal Audit Function**

Universal Life supports Internal Audit as an independent, objective assurance and consulting activity designed to add value and improve the Company's and its subsidiaries' operations, as well as to protect and enhance its organizational value. The Internal Audit Function helps the Company to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

The Internal Audit Function is implemented through the execution of the Audit Plan. The Group Internal Auditor prepares an annual risk-based Audit Plan which is reviewed and approved by the Audit Committee. During its execution, the Audit Plan may be adjusted as necessary in response to changes relating to risks, operations, systems or the Company's business. Should the plan significantly change during the year, this will be resubmitted to the Audit Committee for approval.

Through the execution of the Audit Plan, the Internal Audit Function evaluates:

- The effectiveness of the Internal Control System.
- The effectiveness of the Company's risk management processes.
- The governance processes.
- The established procedures for ensuring compliance with applicable laws and regulations.
- The existing policies, processes and procedures of the operations in order to assess if they are designed in an efficient and effective way and are implemented accordingly in order to help the Company achieve its goals and objectives.

- The design, implementation, and effectiveness of the Company's Information Security Management System (ISMS) in managing information security risks, as well as its compliance with the requirements of ISO 27001, and relevant laws and regulations (such as GDPR, DORA)
- The resources and the assets in order to assess whether they are acquired economically, used efficiently and protected adequately.

The Internal Audit Function also provides consulting services and performs ad-hoc engagements upon request of the Board of Directors, the Audit Committee and/ or Senior Management. The nature and scope of any consulting services are agreed with the stakeholders, provided the Internal Audit Function does not assume management responsibility impacting its independence.

Additionally, the Function has the responsibility to carry out special investigations in situations where fraud is suspected, according to the Company's relevant Policy.

A report is issued for each internal audit engagement. This includes recommendations for addressing the identified issues, as well as remediation actions agreed to remediate the identified findings until these are fully implemented. The status of these actions is reported to the heads of business units involved, the Senior Management Team, the Risk Management Function, the Head of Compliance (where applicable), the Audit Committee and the Risk Committee.

#### B.6.2 Independence and objectivity of the Internal Audit Function

The independence and objectivity of the Internal Audit Function is safeguarded by the way in which it is organized and by the authorities which are assigned to it.

The Group Internal Auditor reports functionally to the Audit Committee and administratively to the Chief Executive Officer and has free and unrestricted access to the Audit Committee.

The Audit Committee reviews and approves the Internal Audit Charter, the proposed risk-based annual Audit Plan, as well as any resource requirements. The Committee also receives the internal audit reports, as well as periodic communications from the Group Internal Auditor relative to the Internal Audit Plan and on any other matters the Group Internal Auditor considers necessary. Additionally, the Audit Committee is responsible for the appointment and removal of the Group Internal Auditor, evaluates their performance and decides their salary and any other benefits.

The internal audit activities are not restricted in scope in any way and the Internal Audit Function is authorised by the Audit Committee to audit all and every part of the Company. In carrying out any engagement, the Internal Audit Function, with strict accountability for confidentiality and for safeguarding records and information, has full, free and unrestricted access to all functions, records, property and personnel pertinent to carrying out the engagement.

The Internal Audit staff is committed to work to the highest ethical standards by applying and upholding integrity, objectivity, confidentiality and competency. The Internal Audit staff makes a balanced assessment of all the relevant facts and circumstances and they are not influenced by their own interests or by any other party in forming their judgments. If the independence or objectivity of the Internal Audit staff is impaired in fact or appearance, the details of impairment are disclosed to the Audit Committee. The Group Internal Auditor confirms to the Audit Committee annually, her independence, as well as the organizational independence of the Internal Audit Function.

Additionally, the Internal Audit staff confirms annually their independence to the Group Internal Auditor.

#### **B.7. Actuarial Function**

The Company has an in-house actuarial team with fully and partly qualified actuaries who carry out the day-to-day actuarial activities including the calculation of technical provisions.

This team led by the Head of the Actuarial Function also carries out the responsibilities of the Actuarial Function for providing judgment on the reliability and adequacy of the calculation of technical provisions, for expressing opinion on the Company's underwriting policy and reinsurance arrangements and for providing support for the implementation of the Company's risk management system.

#### **B.8. Outsourcing**

The Company has in place an Outsourcing Policy that is approved by the Board of Directors. It ensures that the development and implementation of any proposal of outsourcing of any type of operation or activity of the Company is carried out in a manner that protects and serves the interests of the Company and its policyholders without reducing the quality of the system of governance or increasing the operational risk of the Company.

According to the policy the Company considers as critical or important all the key functions of the Company's system of governance, i.e. its internal audit, compliance, risk management and actuarial functions. In addition, the following activities are considered to be critical or important:

- The design and pricing of insurance products
- Underwriting
- Portfolio management
- Claims handling
- Provision of regular or continuous support on compliance, internal audit, accounting, risk or actuarial support
- Provision of physical and electronic data storage
- The Own Risk Solvency Assessment process

The policy clearly outlines all parties' responsibilities and describes the process to be followed whenever a business unit identifies the need to outsource critical or important activities or functions. With regards to outsourcing requirements the policy specifically addresses the importance of ensuring effective supervisory access of the outsourced activities by the regulator.

During the year there was no outsourcing of any of the Company's critical activities.

**B.9. Adequacy of the System of Governance**

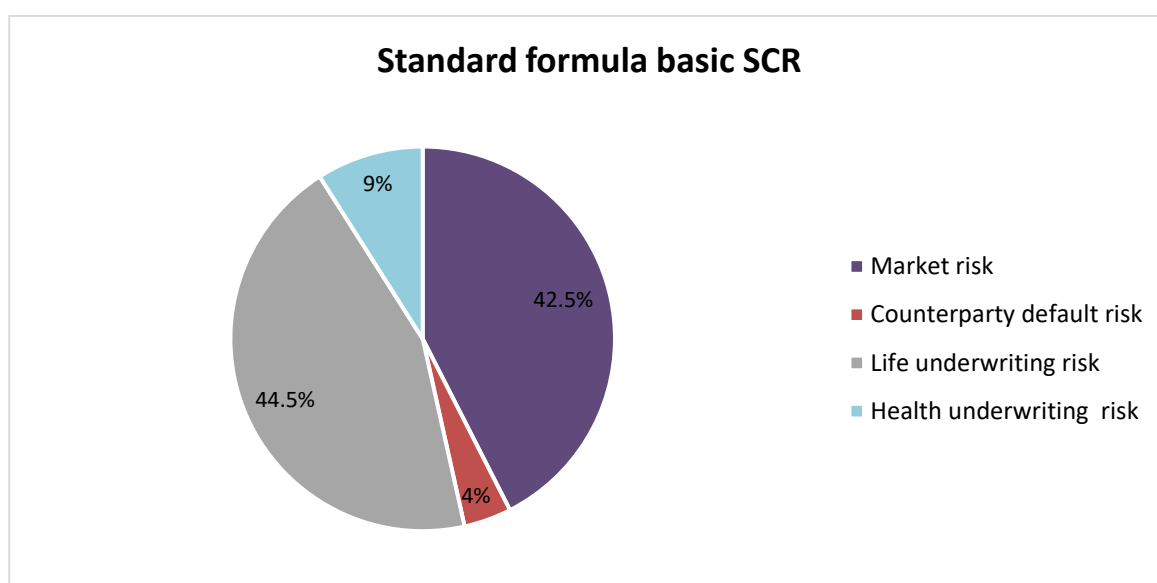
In assessing its system of governance, the Company considers that all aspects of the system (as analysed in sections B.1. – B.8. above) are adequate and representative of the size, nature and complexity of the risks inherent in its business.

## C. Risk Profile

### C.1. Overall Risk Profile

The Company's overall risk profile is determined by the characteristics of its asset portfolio and the nature of its insurance business. Life business is more geared towards long term savings products, with protection cover (death, disability, dread disease) being an important element for parts of the portfolio. The large portfolio of stand-alone health insurance business is also an important driver of the overall risk profile.

The composition of the elements of the Solvency Capital Requirement (SCR), using the standard approach as prescribed by the legislation, provides a reasonable picture of the Company's risk profile. The following chart demonstrates the basic SCR composition of risks as at 31.12.2024:



### C.2. Underwriting risk

#### C.2.1 Major drivers of underwriting risks

Underwriting risk is the risk of loss or of adverse change in the value of insurance liabilities due to inadequate pricing and provisioning assumptions. This could result from:

- Changes in the level, trend, or volatility of:
  - mortality rates
  - disability and morbidity rates
  - the expenses incurred in servicing insurance contracts
  - the rates of policy lapses, terminations, renewals and surrenders

- Fluctuations in the timing, frequency and severity of insured events, and in the timing and amount of claim settlements at the time of provisioning
- The significant uncertainty of pricing and provisioning assumptions related to extreme or irregular events

Underwriting risk at 31 December 2024 represented 53% of the undiversified basic SCR (Life underwriting risk is 45% while health underwriting risk is 9%) compared to 51% of previous year SCR (Life underwriting risk was 42% while health underwriting risk was 9%).

### C.2.2 Assessment and risk mitigation techniques used for underwriting risks

The Company monitors and controls underwriting risks via various methods, including:

- a. Using reinsurance to reduce exposure to mortality and morbidity risks
- b. Underwriting to increase the certainty that only insurable risks are accepted and that premiums reflect the unique circumstances of each risk
- c. The ORSA process which includes stress and scenario testing used to assess the risks under stressed conditions
- d. Lapse monitoring, which is conducted monthly
- e. Experience investigations covering expenses and claims, which are conducted at least annually
- f. Product design and pricing principles aiming to minimise adverse selection and using appropriate factors to differentiate between different levels of risk. For certain products and benefits (e.g. dread disease cover, health insurance) the Company retains the right to review premium rates at regular intervals.

The Company's reinsurance programme in relation to mortality and morbidity risk is on a surplus basis with a maximum retention per life and is split among two of the largest and highest credit-rated reinsurance companies in the world. For the health business reinsurance is on a quota share basis, again with a large and highly credible counterparty.

### C.2.3 Risk sensitivity for underwriting risks

The Company carries out an assessment process for the materiality of risks as part of its ORSA process. Overall mortality/morbidity risks were classified as medium impact risks due to the use of appropriate risk mitigation techniques. The ORSA process also entails stress and scenario testing carried out for certain material risks projecting the impact on its solvency position over the future business planning period.

In the 2024 ORSA, lapse/expense and expense inflation stresses were carried out. The results of these stresses showed that the solvency ratio remained well above the minimum level in the projection period and above the tolerance level set by the Board of Directors.

In addition, a stress on the impact of the NHS was carried out. An adverse scenario in which the health portfolio will be heavily reduced over year 1 has been performed. It was assumed that the annual premium of the individual and group portfolios will be reduced by 25% and 50% respectively in year 1. Even under this scenario, the Company is not expected to experience any solvency issues over the next three years.

### C.3. Market risk

#### C.3.1 Major drivers of market risks

Market risk arises from the Company's investments in assets and other securities and includes the following categories:

- **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
- **Currency risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of currency exchange rates
- **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
- **Spread risk:** the sensitivity of the values of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure

Concentration risk which arises from risk exposures with a loss potential large enough to threaten the solvency or the financial position of the Company is also reflected in the above categories.

The market risk faced by the Company increased slightly over the year mainly due to the increase in property risk. The overseas investments asset portfolio remained well diversified and the Company remains focussed on reducing the real estate component of its local asset portfolio.

Market risk at 31 December 2024 represented 43% of the undiversified basic SCR compared to 44% of the undiversified basic SCR at 31 December 2023.

#### C.3.2 Investment assets and prudent person principles as applied to market risks

Under the prudent person principle, the Company's investment decisions are approved by the Executive Investment Committee based on documented recommendations submitted for consideration by the Company's Investment Department. Execution of resulting trades by the Investment Department is monitored by the Accounts Department and routinely reported to the Executive Investment Committee.

The Company follows strict and transparent procedures for the management of investment risk and the evaluation of new investment opportunities.

### C.3.3 Assessment and risk mitigation techniques used for market risks

The Company monitors market risks on a continuous basis through the Investments Department, monthly through Executive Investment Committee meetings and annually through a review of capital market assumptions underpinning strategic asset allocations. Furthermore, a risk measurement process is carried out on a quarterly basis by the Risk Management Function where individual and aggregate risk exposures are measured against the risk limits set in the Company's relevant risk policies, reflecting the Company's risk appetite. In addition, the ORSA process includes stress and scenario testing used to assess market risks under stressed conditions.

### C.3.4 Risk sensitivity for market risks

The Company carries out stress and scenario testing as part of the ORSA process which includes stress testing for property risk (the key market risk), equity risk and for a property subsidiary, Universal Golf Enterprise plc, which is in the process of exploring options to launch a residential real estate golf project. For the 2024 ORSA, the solvency position at 31 December 2024 and the projected solvency position over the business planning period were re-calculated following adverse stresses. The analysis indicated that the Company could withstand severe shocks in the foreseeable future with solvency ratios being maintained above the minimum levels and above the tolerance level set by the Board of Directors.

## C.4. Credit risk

### C.4.1 Major drivers of credit risk

Credit risk reflects possible losses due to unexpected default, or deterioration in the credit standing, of the counterparties and debtors of the Company including any exposure resulting from reinsurance arrangements. The main categories of counterparty exposure are debts due from subsidiary companies, cash at bank, reinsurance recoverables and premiums due from policyholders. Following the changes in regulations, the Company now applies the look through approach on related undertakings that hold property and hence any debts due from property subsidiaries are excluded from the counterparty default risk calculation.

There were no material changes in the credit risk faced by the Company over the year. Credit risk in the form of counterparty default at 31 December 2024 represented 4% of the undiversified basic SCR.

### C.4.2 Prudent person principles as applied to credit risk

Under the prudent person principle the Company's reinsurance counterparties are always selected by considering their credit quality so that arrangements lead to effective risk transfer in respect to credit risk too. All reinsurers are rated at credit quality step 1 except the one providing the catastrophe cover which has a credit quality step 2.

#### C.4.3 Assessment and risk mitigation techniques used for credit risk

The Company monitors and controls credit risks on a regular basis through exposure reports. Credit ratings (where available) by major credit rating agencies are used to assess credit risks of counterparties.

To mitigate the risk of reinsurer counterparty default the Company selects large, reputable reinsurance companies with credit rating at least A by Standard and Poor's (or equivalent for other rating agencies).

#### C.4.4 Risk sensitivity for credit risk

Credit risk is assessed as not material with low impact in the ORSA assessment process. For this reason, no specific stress and scenario testing is carried out for this particular risk.

### C.5. Liquidity risk

#### C.5.1 Major drivers of liquidity risk

Liquidity risk is considered a distinct risk category in the Company's risk framework and risk strategy and it refers to the risk that the Company is unable to realise investments in order to settle its financial obligations when they fall due or is only able to do so at a substantial cost. Liquidity risk arises when there are circumstances where the Company has insufficient liquid or readily realisable assets to meet its commitments and is forced to rely on assets that cannot be realised at short notice at a reasonable value.

Liquidity risk is not captured in the standard SCR formula but the Company pays particular attention to this risk on its daily operations and during its ORSA process. Given the concentration of local property assets, which under current economic conditions are considered illiquid assets, the Company faces a degree of liquidity risk in the short to medium term and this situation has not changed significantly over the year.

#### C.5.2 Prudent person principles as applied to liquidity risk

The Company is prudently taking into account liquidity requirements in any new investments in asset classes or individual holdings including collective investments. The Company's collective investments are all UCITS compliant, hence all readily realisable.

#### C.5.3 Assessment and risk mitigation techniques used for liquidity risk

Liquidity requirements are assessed on a regular basis (at least monthly) by monitoring the liability profile of the portfolio, lapse, surrender and transfer of funds behaviour of policyholders against the level of liquid assets in the portfolio (and parts of the portfolio, i.e. per fund).

In order to mitigate liquidity risk the Company has identified a number of contingency funding options so that it will properly manage and co-ordinate the actions required to dampen the effects of a liquidity problem should this arise. Also action plans are in place to reduce local property exposure which is the key driver of liquidity risk.

#### C.5.4 Expected profit included in future premiums (EPIFP)

The EPIFP is defined as the difference between the technical provisions (without a risk margin) calculated in accordance with the legislation and a calculation of the technical provisions (without a risk margin) under the assumption that the premiums relating to existing insurance policies that are expected to be received in the future are not received for any reason other than the insured event having occurred (regardless of the legal or contractual rights of the policyholder to discontinue the policy).

The EPIFP of the Company as at 31.12.2024 is €72.461k.

#### C.5.5 Risk sensitivity for liquidity risk

As part of the ORSA process, stress and scenario testing is conducted to assess the liquidity risk under stressed conditions during the projection period. These tests indicated that liquid assets are expected to be sufficient during the projection period under both expected and stressed conditions.

### C.6. Operational risk

#### C.6.1 Major drivers of operational risks

Operational risk is considered a distinct risk category in the Company's risk framework and risk strategy. It is defined as the risk of loss resulting from inadequate or failed internal processes, personnel or systems, or from external events. Operational risk also incorporates risks resulting from outsourcing activities, regulatory and compliance treatment, continuity of business, Information Technology risk treatment and Information Security and project execution and compliance.

There were no material changes in the operational risk faced by the Company over the year. Operational risk as captured in the standard SCR formula at 31 December 2024 corresponded to 9% of the SCR.

#### C.6.2 Assessment and risk mitigation techniques used for operational risks

Risks are identified across all business and support units and operational risk events are collected. The Risk Management Function of the Company undertakes the task for assessing the materiality of these risks.

The operational risk measurement process provides the Company with a qualitative approach to assess potential risks of a primarily severe nature by conducting a structured assessment procedure with representatives of all business and support units. The measurement procedure will be carried

out for all departments/units of the Company and performed on an annual basis in cooperation with the Risk Management Function. The measurement of each operational risk is carried out by defining/assessing the potential impact of each risk and the probability of its occurrence, both captured in a 5-level scoring system.

The Company minimises operational risks mainly by:

- a. Having a sound system of governance and risk management framework
- b. Applying sound and robust internal controls
- c. Having in place a comprehensive and regularly (at least annually) updated and tested Business Continuity Plan and Disaster Recovery Plan
- d. Applying rigorous procedures under a comprehensive Information Security Policy
- e. Continuous and effective training of staff and insurance intermediaries
- f. Having a strong compliance culture
- g. Applying a concrete outsourcing policy for critical and non-critical activities

#### C.6.3 Risk sensitivity for operational risk

Operational risk is considered as a low impact risk in the ORSA assessment process. For this reason no specific stress and scenario testing is carried out for this particular risk.

## D. Valuation for Solvency purposes

### D.1. Assets

#### D.1.1 Asset valuation for solvency purposes for each material class of asset

The following table provides the value of assets as at 31.12.2024:

	<b>€000</b>
Deposits and Cash & cash equivalents	28.317
Debtors and prepayments	28.155
Loans and receivables	2.567
Reinsurers' share in insurance contracts liabilities	941
Reinsurance receivables	4.921
Premium receivable and other insurance receivables	6.250
Taxation receivable	671
Investment properties	58.640
Debt securities/Bond funds	143.157
Equity shares/Equity funds	73.361
Money market funds	30.892
Investment in subsidiaries	28.289
Fixed assets	<u>18.785</u>
	<b><u>424.946</u></b>

Cash and cash equivalents, debtors and prepayments, mortgage loans (included above in loans and receivables) and taxation receivable are measured at the same basis as IFRS financial statements.

Premium receivable and other insurance receivables, policy loans (included above in loans and receivables) and reinsurers' share in insurance contracts liabilities are not included per se in the IFRS financial statements but are incorporated in insurance/reinsurance contracts liabilities.

Investment properties are measured at fair value based on valuation models in which data significantly affecting the fair value is not based on observable market data.

Debt securities, equity shares, multi asset funds and money market funds are measured at fair value based on quoted prices in active markets as well as on valuation models in which all factors affecting the fair value are based on observable market data.

Investment in subsidiaries is the fair value of the participation in the subsidiaries.

Fixed assets are measured at fair value or cost less accumulated depreciation.

D.1.2 Solvency purposes and financial statements valuation differences by material class of asset

There are no other differences between the valuation bases, methods and main assumptions used for solvency purposes and financial statement purposes.

However, in the Company's financial statements total assets include intangible assets of €778k and deferred acquisition costs of €71k that are not included in the balance sheet for solvency purposes. Additionally, reinsurers' share in insurance contracts liabilities for solvency purposes is calculated differently to the one used for financial statements purposes and for IFRS financial statements' purposes these liabilities are incorporated in reinsurance contracts' liabilities.

D.2. Technical Provisions

D.2.1 Calculation of technical provisions for solvency purposes

Technical provisions are calculated based on Solvency II regulation. They consist of the Best Estimate Liabilities (BEL) and the risk margin. BEL are calculated by projecting the expected cash flows associated with the existing insurance contracts and discounting them using the risk-free yield curve prescribed by European Insurance and Occupational Pensions Authority (EIOPA). As at 31 December 2024, the Company did not use matching or volatility adjustments.

The risk margin is the cost of providing an amount equal to the SCR required to support the insurance obligations over their lifetime. It was calculated using method 2 prescribed in the relevant EIOPA's guidelines by approximating the SCR for each future year using best estimate projections.

Technical provisions are calculated gross of reinsurance recoverables. Reinsurance recoverables relate to the amounts recoverable from reinsurance contracts and are calculated separately.

The table below shows the technical provisions by main line of business as at 31.12.24:

€000	Unit-Linked	With Profit	Other Life	Health SLT	Health NSLT	Total
Gross BEL	239.462	31.055	4.600	(5.733)	8.552	277.937
Risk Margin	23.449	3.041	450	561	228	27.730
<b>Technical Provisions</b>	<b>262.911</b>	<b>34.096</b>	<b>5.051</b>	<b>(5.171)</b>	<b>8.780</b>	<b>305.667</b>
Reinsurance Recoverables	(1.958)	16	(1,913)	(882)	5.678	941
<b>Technical Provisions net of Recoverables</b>	<b>264.869</b>	<b>34.081</b>	<b>6.964</b>	<b>(4.289)</b>	<b>3.102</b>	<b>304.726</b>

Technical provisions are based on assumptions and hence there is uncertainty regarding their value. Actual experience may differ to that assumed when calculating technical provisions. The main assumptions used relate to mortality, morbidity, claims ratio, expenses and lapses.

Mortality assumptions are based on reinsurers' data and the Company's experience that justified a reduction in mortality assumption. Morbidity was solely based on reinsurers' rates. Claims and expense ratios for accident and health business (Health NSLT) are based on the Company's experience.

The expenses related to the life portfolio were analysed and broken down into initial and renewal expenses so as to estimate the renewal expense per policy. The renewal expense assumption has increased based on the expected Company's expenses. Expense inflation is estimated after considering past experience and the long-term expectations for future expense inflation.

Lapse assumptions take into account past experience and are adjusted for any expected future changes.

#### D.2.2 Comparison of technical provisions for solvency purposes and gross insurance liabilities in financial statements

The table below shows the difference between gross insurance liabilities in financial statements (IFRS insurance liabilities) and technical provisions:

€000	Life	Health NSLT	Total
<b>Gross IFRS insurance liabilities *</b>	313.438	14.288	327.726
<b>Adjustments for Solvency II</b>	(44.053)	(5.736)	(49.789)
<b>Gross BEL</b>	269.385	8.552	277.937
<b>Risk margin</b>	27.502	228	27.730
<b>Technical provisions</b>	296.887	8.780	305.667

\*IFRS insurance liabilities exclude loans, receivables and outstanding life claims to be comparable to SII estimates

The main differences between technical provisions for solvency purposes and IFRS liabilities are:

- The renewal expense assumptions under SII are higher than those under IFRS as some of the expenses are classified as non-attributable under IFRS17 and are excluded from cashflow projections.
- Under SII the risk-free yield curve prescribed by EIOPA without volatility adjustment is used for discounting while for IFRS the risk-free yield curve with volatility adjustment is used.
- Technical provisions include the risk margin while IFRS liabilities include the risk adjustment and the contractual service margin.
- For group life, accident and health business, the unearned premium is calculated under IFRS for the liability for remaining coverage while the premium provision is calculated under SII that considers all cash flows associated with future claim events.
- IFRS insurance liabilities include policy loans, premium receivables and outstanding life claims that are not part of technical provisions.

### D.3. Other liabilities

#### D.3.1 Other liabilities valuation for solvency purposes for each material class of liability

The following table provides the value of other liabilities assets as at 31.12.2024:

	<b>€000</b>
Bank overdrafts	1.028
Creditors and accruals	8.296
Outstanding claims	8.886
Deferred tax liabilities	6.253
Reinsurer's accounts	<u>8.867</u>
	<b><u>33.331</u></b>

Other liabilities are measured at fair value.

#### D.3.2 Solvency purposes and financial statements valuation differences of other liabilities

The Solvency II balance sheet includes a deferred tax liability of €1.460k, arising from the temporary differences between technical provisions under Solvency II compared to those under IFRS (which are not used for income tax purposes).

Outstanding claims and reinsurers accounts are not included per se in the IFRS financial statements but are incorporated in insurance contracts liabilities and reinsurance contracts assets respectively.

Bank overdraft and creditors and accruals are measured at the same basis as IFRS financial statements.

## E. Capital management

### E.1. Own funds

#### E.1.1 Objective, policies and processes for managing own funds

The objective of own funds management is to maintain, at all times, sufficient own funds to cover the Solvency Capital Requirement (SCR) and with an appropriate margin set by the relevant risk appetite limit set by the Board of Directors. These should be of sufficient quality to meet the eligibility requirements in Article 82 of the Delegated Regulation. Own funds and SCR are reviewed quarterly by the Board of Directors. As part of own funds management, the Company prepares ongoing annual solvency projections and reviews the structure of own funds and future requirements. The ORSA process carried out annually projects funding requirements on a future three-year horizon.

#### E.1.2 Own funds classified by tiers

An analysis of own funds as at 31 December 2024 compared to the respective amounts at the end of the previous year are shown below:

<b>Components (all Tier 1 elements)</b>	<b>31.12.2024</b>	<b>31.12.2023</b>
	<b>€000</b>	<b>€000</b>
Ordinary Share Capital	15.558	14.994
Share Premium	11.042	7.810
Surplus Funds	0	0
Reconciliation Reserve	59.349	55.962
<b>Total Equity (Own Funds)</b>	<b>85.948</b>	<b>78.766</b>

Over the year the changes in the values of the various elements were mainly influenced by the profitability of the health business and the utilization of retained earnings for the dividend declaration of €0.258 per share to shareholders that was reinvested at €6,73 per share.

The Company's ordinary share capital, share premium arising on ordinary share capital, surplus funds and reconciliation reserves are all available as Tier 1 unrestricted own funds as per Article 69 (a)(i) of the Delegated Regulation. The ordinary share capital and share premium arising is not subordinated and has no restricted duration. The reconciliation reserve represents retained earnings and reconciliation adjustments from the financial statements balance sheet to the solvency balance sheet.

The Company has no Tier 1 restricted own funds (per Article 80 of the Delegated Regulations), no Tier 2 own funds (per Article 72 of the Delegated Regulations) and no Tier 3 own funds (per Article 76 of the Delegated Regulations).

#### E.1.3 Eligible amount of own funds to cover the Solvency Capital Requirement, classified by tiers

The Company's own funds are all tier 1 unrestricted and available to cover the SCR.

E.1.4 Eligible amount of own funds to cover the Minimum Capital Requirement, classified by tiers  
The Company's own funds are all tier 1 unrestricted and available to cover the MCR.

E.1.5 Difference between equity as shown in the financial statements and the excess of assets over liabilities calculated for solvency purposes

The differences are explained in the following table:

<b>Equity per financial statements:</b>	<b>€000</b>
Ordinary Share Capital	15.558
Share Premium	11.042
Revaluation	9.982
Retained earnings	<u>39.927</u>
<b>Total equity</b>	<b><u>76.509</u></b>
 <u>Adjustments for Solvency:</u>	
Difference in Technical provisions net of reinsurance	11.748
Difference in value of intangibles	(778)
Difference in deferred acquisition costs	(71)
Difference in deferred tax liabilities	<u>(1.460)</u>
 <b>Solvency value of excess of assets over liabilities</b>	 <b><u>85.948</u></b>

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

E.2.1 Amount of Solvency Capital Requirement and Minimum Capital Requirement

The total Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR) at 31 December 2024 are €38.539k and €9.635k respectively. The final amount of the SCR remains subject to supervisory assessment.

E.2.2 Solvency Capital Requirement split by risk modules

The tables below show the risk modules that make up the Company's SCR at 31 December 2024:

<b>Risk Module</b>	<b>Gross SCR €000</b>	<b>Net SCR €000</b>
Life Underwriting	24.861	21.770
Health Underwriting	4.299	4.299
Market Risk	22.290	20.763
Counterparty Default Risk	1.929	1.929
<b>Undiversified Basic SCR</b>	<b>53.378</b>	<b>48.761</b>
Diversification Credit	(13.817)	(12.847)
<b>Basic SCR</b>	<b>39.562</b>	<b>35.914</b>

	<b>€000</b>
<b>Gross Basic SCR</b>	<b>39.562</b>
Operational Risk	3.481
Loss absorbing capacity of Technical Provisions	(3.044)
Loss absorbing capacity of deferred taxes	(1.460)
<b>Total SCR</b>	<b>38.539</b>

Simplified calculations are used for the risk mitigating effect of the reinsurance arrangements in the counterparty default risk module, in the capital requirement for the life catastrophe risk in the life underwriting risk module and in the lapse risk sub-module of the life and health underwriting risk modules.

The Solvency Capital Requirement increased by €1.869k compared to the end of the previous year. This was mainly driven by the increase in the life underwriting risk due to the increase in lapse risk. The loss absorbing capacity of deferred taxes relates to the additional deferred tax liability included in the Solvency II balance sheet, arising from the temporary differences between technical provisions under Solvency II compared to those under IFRS (which are not used for income tax purposes).

### E.2.3 Inputs used to calculate the Minimum Capital Requirement

The table below shows the inputs into the MCR calculation as at 31 December 2024. It should be noted that the Absolute Floor of the Minimum Capital Requirement (AMCR) is prescribed by the legislation.

	<b>€000</b>
AMCR	6.700
Linear MCR	4.470
SCR	38.539
Combined MCR	9.635
<b>MCR</b>	<b>9.635</b>



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**INDEPENDENT AUDITOR'S REPORT**  
**TO THE BOARD OF DIRECTORS OF**  
**UNIVERSAL LIFE INSURANCE COMPANY 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 2023/895 of 4<sup>th</sup> April 2023, of Universal Life Insurance Company Limited (the “Company”), prepared as at 31 December 2024:

- S.02.01.01 - 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 only 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”, as attached.

In our opinion, the information in the relevant QRTs of the Solvency and Financial Condition Report as at 31 December 2024 is prepared, in all material respects, in accordance with the Insurance and Reinsurance Services and other Related Issues Law of 2016, the Commission Delegated Regulation (EU) 2015/35, the Commission Delegated Regulation (EU) 2016/467, the relevant EU Commission’s Implementing Regulations and the relevant Orders of the Superintendent of Insurance (collectively “the Framework”).

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## **Basis for Opinion**

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

## **Emphasis of Matter**

We draw attention to the 'Valuation for solvency purposes' and '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
- System of governance
- Risk profile
- Valuation for solvency purposes
- Capital management

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

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

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

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

## **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.



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

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

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

### **Other Matter**

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

*KPMG Limited*

KPMG Limited  
Certified Public Accountants and Registered Auditors

14 Esperidon Street  
1087 Nicosia  
Cyprus

7 April 2025

## Quantitative Reporting Templates

The following Quantitative Reporting Templates (QRT) are required to be attached in this public disclosure report:

<b>QRT ref</b>	<b>QRT Template name</b>
S.02.01.02	Balance Sheet
S.05.01.02	Premiums, claims and expenses by line of business
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 for life and non-life insurance activity

The templates are presented at the end of this report.

S.02.01.01  
Balance sheet

		Solvency II value
		C0010
<b>Assets</b>		
Goodwill	R0010	
Deferred acquisition costs	R0020	
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	18,784,867
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	79,526,599
Property (other than for own use)	R0080	17,116,231
Holdings in related undertakings, including participations	R0090	18,801,490
Equities	R0100	1,568,454
Equities - listed	R0110	1,426,884
Equities - unlisted	R0120	141,570
Bonds	R0130	30,674,128
Government Bonds	R0140	19,164,383
Corporate Bonds	R0150	11,509,745
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	10,485,077
Derivatives	R0190	0
Deposits other than cash equivalents	R0200	881,219
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	281,052,958
Loans and mortgages	R0230	2,466,407
Loans on policies	R0240	948,114
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	1,518,293
Reinsurance recoverables from:	R0270	940,740
Non-life and health similar to non-life	R0280	5,677,908
Non-life excluding health	R0290	0
Health similar to non-life	R0300	5,677,908
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-2,779,510
Health similar to life	R0320	-881,953
Life excluding health and index-linked and unit-linked	R0330	-1,897,557
Life index-linked and unit-linked	R0340	-1,957,658
Deposits to cedants	R0350	0
Insurance and intermediaries receivables	R0360	6,528,276
Reinsurance receivables	R0370	4,921,337
Receivables (trade, not insurance)	R0380	28,177,006
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	2,548,128
Any other assets, not elsewhere shown	R0420	0
<b>Total assets</b>	<b>R0500</b>	<b>424,946,320</b>
<b>Liabilities</b>		
Technical provisions - non-life	R0510	8,779,950
Technical provisions - non-life (excluding health)	R0520	0
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	0
Risk margin	R0550	0
Technical provisions - health (similar to non-life)	R0560	8,779,950
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	8,552,412
Risk margin	R0590	227,538
Technical provisions - life (excluding index-linked and unit-linked)	R0600	33,975,644
Technical provisions - health (similar to life)	R0610	-5,171,343
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	-5,732,723
Risk margin	R0640	561,380
Technical provisions - life (excluding health and index-linked and unit-linked)	R0650	39,146,987
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	35,655,412
Risk margin	R0680	3,491,575
Technical provisions - index-linked and unit-linked	R0690	262,911,375
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	239,461,940
Risk margin	R0720	23,449,435
Other technical provisions	R0730	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	8,716,420
Deferred tax liabilities	R0780	6,252,778
Derivatives	R0790	
Debts owed to credit institutions	R0800	1,028,460
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	8,383,316
Reinsurance payables	R0830	150,931
Payables (trade, not insurance)	R0840	8,799,176
Subordinated liabilities	R0850	0
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	0
Any other liabilities, not elsewhere shown	R0880	
<b>Total liabilities</b>	<b>R0900</b>	<b>338,998,050</b>
<b>Excess of assets over liabilities</b>	<b>R1000</b>	<b>85,948,270</b>



S.05.01.02

Premiums, claims and expenses by line of business

Life

		Line of Business for: life insurance obligations					Life reinsurance obligations			
		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	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
<b>Premiums written</b>										
Gross	R1410	2,125,290	3,201,730	62,277,057	12,003,617					79,607,694
Reinsurers' share	R1420	896,874	2,859	922,793	2,845,742					4,668,269
Net	R1500	1,228,415	3,198,871	61,354,264	9,157,875					74,939,425
<b>Premiums earned</b>										
Gross	R1510	2,120,998	3,201,730	62,277,057	11,996,402					79,596,187
Reinsurers' share	R1520	902,960	2,859	922,793	2,888,761					4,717,374
Net	R1600	1,218,038	3,198,871	61,354,264	9,107,640					74,878,813
<b>Claims incurred</b>										
Gross	R1610	226,211	5,359,471	37,640,950	1,727,571					44,954,203
Reinsurers' share	R1620	122,318	0	284,263	741,287					1,147,868
Net	R1700	103,893	5,359,471	37,356,687	986,284					43,806,335
<b>Expenses incurred</b>	R1900	11,569	520,006	12,120,496	1,563,696					14,215,768
<b>Balance - other technical expenses/income</b>	R2510									
<b>Total technical expenses</b>	R2600									14,215,768
<b>Total amount of surrenders</b>	R2700		1,147,478	23,496,817	52,773					24,697,068

S.12.01.02

Life and Health SLT Technical Provisions

		Index-linked and unit-linked insurance				Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)	Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)						
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees				C0090	C0100	C0150				C0160	Contracts without options and guarantees	Contracts with options or guarantees	C0190	C0200	C0210
<b>Technical provisions calculated as a whole</b>	R0010									0						0							
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020									0						0							
<b>Technical provisions calculated as a sum of BE and RM</b>																							
<b>Best Estimate</b>																							
<b>Gross Best Estimate</b>	R0030	31,055,281		4,005,099	235,456,840		-8,711,219	13,311,350		275,117,352		-5,732,723				-5,732,723							
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	15,674		-11,969	-1,945,689		-1,803,859	-109,372		-3,855,215		-881,953				-881,953							
Best estimate minus recoverables from reinsurance/SPV and Finite Re total	R0090	31,039,607		4,017,069	237,402,529		-6,907,360	13,420,723		278,972,567		-4,850,770				-4,850,770							
<b>Risk Margin</b>	R0100	3,041,105	23,449,435			450,470				26,941,010	561,380					561,380							
<b>Technical provisions - total</b>	R0200	34,096,386	262,911,375			5,050,601				302,058,362	-5,171,343					-5,171,343							



**S.19.01.21**

**Non-life insurance claims**

**Gross Claims Paid (non-cumulative) - Development year (absolute amount). Total Non-Life Business**

		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											
N-8	R0170	21,708,013	7,922,324	117,202	97,581	68,683	782	765	23,311	36,732		
N-7	R0180	24,434,674	8,266,638	222,777	81,366	31,716	21,056	43,587	5,898			
N-6	R0190	27,027,360	9,800,853	225,991	206,050	96,039	22,949	798				
N-5	R0200	30,738,700	8,511,885	254,484	102,536	44,436	2,379					
N-4	R0210	19,885,354	4,756,855	164,123	34,242	22,477						
N-3	R0220	16,405,457	3,547,991	39,534	29,461							
N-2	R0230	15,215,280	6,006,099	356,065								
N-1	R0240	16,316,585	6,062,321									
N	R0250	13,151,266										

		In Current year	Sum of years (cumulative)
		C0170	C0180
Prior	R0100		
N-9	R0160		
N-8	R0170	36,732	29,975,393
N-7	R0180	5,898	33,107,711
N-6	R0190	798	37,380,039
N-5	R0200	2,379	39,654,421
N-4	R0210	22,477	24,863,051
N-3	R0220	29,461	20,022,444
N-2	R0230	356,065	21,577,443
N-1	R0240	6,062,321	22,378,906
N	R0250	13,151,266	13,151,266
Total	R0260	19,667,397	242,110,673

**S.19.01.21**

**Non-life insurance claims**

**Gross undiscounted Best Estimate Claims Provisions - Development year (absolute amount). Total Non-Life Business**

		0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											
N-9	R0160											
N-8	R0170	7,719,899	548,113	424,247	381,623	350,304	351,670	359,799	349,881	351,269		
N-7	R0180	8,449,719	473,141	341,898	333,303	335,149	326,447	322,921	329,928			
N-6	R0190	11,166,773	765,864	554,225	479,841	436,407	430,506	432,596				
N-5	R0200	9,574,692	646,899	437,231	396,917	392,424	394,489					
N-4	R0210	6,278,251	274,414	198,779	196,163	196,224						
N-3	R0220	4,403,615	174,773	162,517	163,465							
N-2	R0230	6,905,425	555,912	167,425								
N-1	R0240	6,808,551	418,599									
N	R0250	5,490,180										

		Year end (discounted data)
		C0360
Prior	R0100	
N-9	R0160	
N-8	R0170	351,269
N-7	R0180	329,928
N-6	R0190	432,596
N-5	R0200	394,489
N-4	R0210	196,224
N-3	R0220	163,465
N-2	R0230	167,425
N-1	R0240	418,599
N	R0250	5,490,180
Total	R0260	7,944,176

## S.23.01.01

## Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
<b>Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35</b>						
Ordinary share capital (gross of own shares)	R0010	15,557,737	15,557,737			
Share premium account related to ordinary share capital	R0030	11,041,630	11,041,630			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0			
Subordinated mutual member accounts	R0050	0				
Surplus funds	R0070	0				
Preference shares	R0090	0				
Share premium account related to preference shares	R0110	0				
Reconciliation reserve	R0130	59,348,903	59,348,903			
Subordinated liabilities	R0140	0				
An amount equal to the value of net deferred tax assets	R0160	0				
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0			
<b>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</b>						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
<b>Deductions</b>						
Deductions for participations in financial and credit institutions	R0230	0	0			
<b>Total basic own funds after deductions</b>	R0290	85,948,270	85,948,270			
<b>Ancillary own funds</b>						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0				
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0				
Unpaid and uncalled preference shares callable on demand	R0320	0				
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0				
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0				
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0				
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0				
Other ancillary own funds	R0390	0				
<b>Total ancillary own funds</b>	R0400	0				
<b>Available and eligible own funds</b>						
Total available own funds to meet the SCR	R0500	85,948,270	85,948,270			
Total available own funds to meet the MCR	R0510	85,948,270	85,948,270			
Total eligible own funds to meet the SCR	R0540	85,948,270	85,948,270			
Total eligible own funds to meet the MCR	R0550	85,948,270	85,948,270			
<b>SCR</b>	R0580	38,539,405				
<b>MCR</b>	R0600	9,634,851				
<b>Ratio of Eligible own funds to SCR</b>	R0620	223.01%				
<b>Ratio of Eligible own funds to MCR</b>	R0640	892.06%				

		C0060
<b>Reconciliation reserve</b>		
Excess of assets over liabilities	R0700	85,948,270
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	0
Other basic own fund items	R0730	26,599,367
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
<b>Reconciliation reserve</b>	R0760	59,348,903
<b>Expected profits</b>		
Expected profits included in future premiums (EPIFP) - Life business	R0770	68,218,290
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	4,242,974
<b>Total Expected profits included in future premiums (EPIFP)</b>	R0790	72,461,264

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

<b>Basic Solvency Capital Requirement</b>		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	22,289,619	
Counterparty default risk	R0020	1,928,726	<del> </del>
Life underwriting risk	R0030	24,860,786	
Health underwriting risk	R0040	4,299,346	
Non-life underwriting risk	R0050	0	
Diversification	R0060	-13,816,714	<del> </del>
Intangible asset risk	R0070	0	<del> </del>
<b>Basic Solvency Capital Requirement</b>	R0100	39,561,763	<del> </del>

**S.25.01.21.02****Calculation of Solvency Capital Requirement**

		Value
		C0100
Operational risk	R0130	3,481,421
Loss-absorbing capacity of technical provisions	R0140	-3,044,158
Loss-absorbing capacity of deferred taxes	R0150	-1,459,620
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
<b>Solvency Capital Requirement excluding capital add-on</b>	R0200	38,539,405
Capital add-on already set	R0210	
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	38,539,405
<b>Other information on SCR</b>		<del> </del>
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.02.01

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

		MCR components	
		Non-life activities	Life activities
		MCR <sub>(NL, NL)</sub> Result	MCR <sub>(NL, L)</sub> Result
		C0010	C0020
<b>Linear formula component for non-life insurance and reinsurance obligations</b>	R0010	660,093	

		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	2,839,859	10,786,913		
Income protection insurance and proportional reinsurance	R0030	34,645	177,601		
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				

**S.28.02.01.03**

Linear formula component for life insurance and reinsurance obligations		Non-life activities	Life activities
		MCR <sub>(L,NL)</sub> Result	MCR <sub>(L,L)</sub> Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligat	R0200		3,809,581

**S.28.02.01.04**

Total capital at risk for all life (re)insurance obligations		Non-life activities		Life activities	
		Net (of reinsurance/SPV ) best estimate and TP	Net (of reinsurance/SPV ) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210			27,995,448	
Obligations with profit participation - future discretionary benefits	R0220			3,044,158	
Index-linked and unit-linked insurance obligations	R0230			241,419,598	
Other life (re)insurance and health (re)insurance obligations	R0240			1,662,592	
Total capital at risk for all life (re)insurance obligations	R0250				1,724,562,686

**S.28.02.01.05**

Overall MCR calculation		C0130
Linear MCR	R0300	4,469,674
SCR	R0310	38,539,405
MCR cap	R0320	17,342,732
MCR floor	R0330	9,634,851
Combined MCR	R0340	9,634,851
Absolute floor of the MCR	R0350	6,700,000
<b>Minimum Capital Requirement</b>	R0400	9,634,851

**S.28.02.01.06**

Notional non-life and life MCR calculation		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	660,093	3,809,581
Notional SCR excluding add-on (annual or latest calculation)	R0510	5,691,598	32,847,807
Notional MCR cap	R0520	2,561,219	14,781,513
Notional MCR floor	R0530	1,422,899	8,211,952
Notional Combined MCR	R0540	1,422,899	8,211,952
Absolute floor of the notional MCR	R0550	2,700,000	4,000,000
Notional MCR	R0560	2,700,000	8,211,952