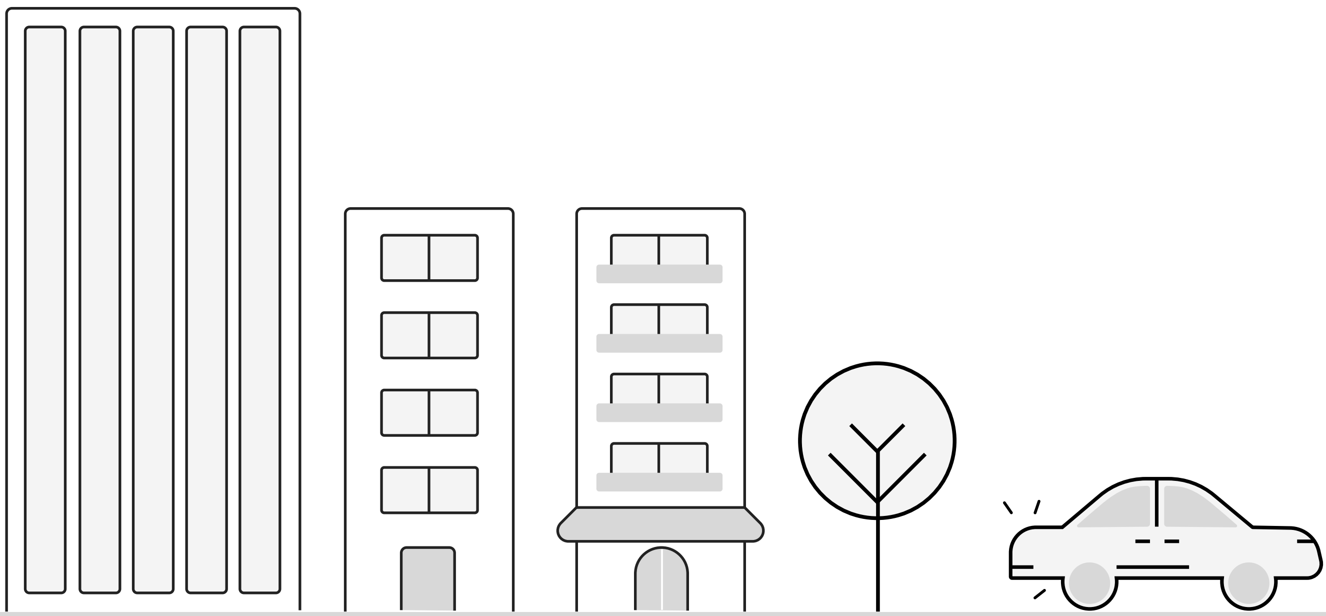
SFCR
Solvency and Financial Condition Report

Year ended 31 December 2019



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Executive Summary

HD Insurance Limited ("Hellas Direct") is a general insurance company established in 2011, incorporated in Cyprus and regulated by the Cyprus Superintendent of Insurance. Up until May 2018, the Company specialized in private motor vehicle insurance for all regions in Greece. As of May 2018, the Company also underwrites residential property insurance in both Greece and Cyprus.

Hellas Direct sells insurance direct to the customer through its website and customer service centre located in Athens. The Company does not sell policies through any insurance intermediaries.

Since September 2014, Hellas Direct has operated a branch in Greece. Prior to establishing a branch, insurance services in Greece were provided under EU "Freedom of Services" legislation. The Company sold its first insurance policy in August 2012, and since that date, has achieved rapid sales growth. As a scale-up, the Company is currently loss-making.

The Company has a wholly-owned subsidiary undertaking, HD 360 Limited, which was incorporated on 29th June 2016. The IT and analytics operations of HD Insurance Limited were transferred to its subsidiary on this date. The principal activity of HD 360 Limited is software development and data analytics.

On 31 January 2019, HD 360 Limited acquired 100% of the share capital of a Cypriot road assistance provider, N.T. Rescueline Autoservices Ltd.

This Solvency and Financial Condition Report (SFCR) has been prepared in order to satisfy the public disclosure requirements under the Delegated Regulations of the European Parliament. The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management. This report should assist the Company's stakeholders, including the supervisory authorities, in their understanding of the capital position of HD Insurance Ltd under Pillar I of Solvency II following its implementation on 1 January 2016.

Material changes to business and performance
During 2019, gross written premiums increased by 68% year on year, and the Company closed the year with a portfolio of over 127,000 cars, representing net portfolio growth of 111%. The loss ratio for the year decreased from 50% to 49%, resulting in a gross profit improvement of 23%.

System of Governance
The solvency and financial condition report includes the following information regarding the system of governance of the Company (as detailed in Section 2 of this report):

a) the structure of the Company's administrative, management, or supervisory body, providing a description of its main roles and responsibilities and a brief description of the segregation of responsibilities within this body, with particular reference to the relevant committees within it, as well as a description of the main roles and responsibilities of key management functions;

(b) any material changes in the system of governance that have taken place during the reporting period;

(c) information on the remuneration policy and practices regarding the administrative, management or supervisory body and, unless otherwise stated, employees, including:

(i) principles of the remuneration policy, with an explanation of the relative importance of the fixed and variable components of remuneration; and
(ii) information on the individual and collective performance criteria on which any entitlement to share options, shares or variable components of remuneration is based.

No material changes have occurred during 2019 regarding the system of governance other than the implementation of various structural and procedural enhancements.

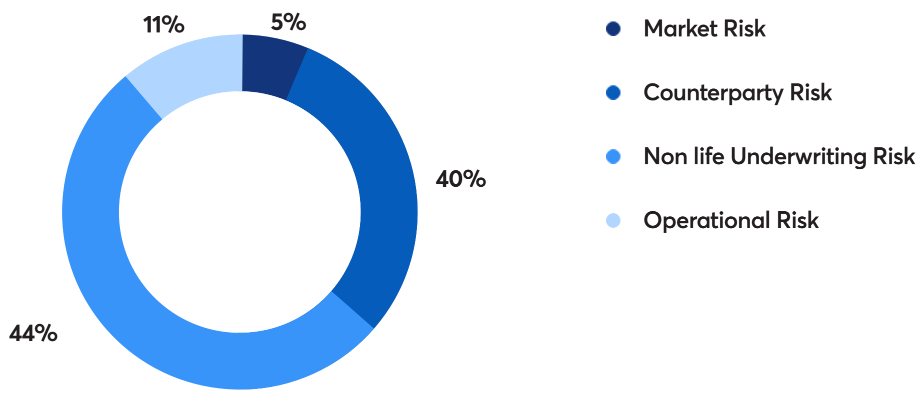
Risk Profile

The risk profile of the Company is described in Section 3 of this report. The Board of Directors is responsible for the overall governance of the Company, and the Risk Management Committee is specifically responsible for risk governance.

The Company's risk appetite is conservative. Where possible, the Company prefers to avoid unnecessary risk altogether; in cases where risk is inherent to the Company's business (e.g. insurance risk, fraud risk), strong controls are put in place to mitigate it.

The Company uses the standard formula to calculate its Solvency Capital Requirement ("SCR"). The formula divides the SCR computation into several risk modules. The allocation of SCR as at 31 December 2019 was as follows:

SCR Summary 2019



Capital Management

Effective capital management is essential for the Company to maintain the financial strength necessary to ensure financial stability even in stress scenarios, whilst securing commitments made to policyholders and other stakeholders.

The prudent deployment of capital by the Company must as far as possible meet the diverse expectations of all stakeholders:

- Clients: appropriate capitalisation to ensure client confidence;
- Financial analysts: evaluation of the Company's financial strength;
- Management (internal requirements): appropriate capital allocation to business segments to support strategy/growth; efficient capital structure to minimise cost of capital;
- Regulatory authorities: compliance with Minimum Capital Requirement and Solvency II compliance;
- Shareholders: maximise returns by optimising capital allocation and deployment.

Hellas Direct's strategic plans and budgets are prepared giving full consideration to their impact on the Company's risk profile and capital adequacy under Solvency II.

Solvency Capital Requirement at 31 December 2019 is estimated at €5,2m and is covered by €8m of eligible own funds resulting to a Solvency coverage ratio of 153.18%.

	TOTAL (€)	TIER 1 - UNRESTRICTED
Ordinary share capital	1,281,738	1,281,738
Share premium account related to ordinary share capital	22,245,204	22,245,204
Reconciliation reserve	-15,495,865	-15,495,865
Total basic own funds after adjustments	8,031,077	8,031,077
Total eligible own funds to meet the SCR/ MCR	8,031,077	
SCR	5,242,922	
MCR	3,700 ,000	
Ratio of Eligible own funds to SCR	153,18%	
Ratio of Eligible own funds to MCR	217,06%	

Operational readiness and possible implications due to Covid-19.
With the recent and rapid spread of the Coronavirus (COVID-19) pandemic, the global economy entered a period of unprecedented crisis that has already caused considerable disruption in business activities and everyday life across the world. Many countries have adopted extraordinary and economically costly containment measures. Certain countries have required companies to limit or even suspend normal business operations. Governments, including Greece and the Republic of Cyprus, have implemented restrictions on travelling as well as strict quarantine measures.

Industries such as tourism, hospitality entertainment are expected to be directly disrupted significantly by these measures. Other industries such as manufacturing and financial services are expected to be indirectly affected and their results to also be negatively affected.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the pandemic spreads and the high level of uncertainty arising from the inability to reliably predict the outcome.

The management of the Group has considered the special conditions that could have a significant impact on the business activities and main risks that the Group is exposed and has concluded that the main impact on the Group's profitability/liquidity is likely to occur from:

- Operational risk, in terms of unavailability of staff;

- Business risk, in terms of reduction of premium income due to reduced disposable income in the population as a result of the impact on other industries.

The Group's advanced digital infrastructure has thus far enabled it to manage the risks associated with the situation with minimal impact.

From the early stages of the outbreak, management established an Emergency Team to form and execute an action plan to ensure that client service could continue uninterrupted whilst providing a safe working environment for the Group's employees.

Business Continuity Planning / Operational Continuity

• All employees, including the 24/7 emergency line and customer support teams, were immediately able to work from home. Since Tuesday 17 March, 100% of the employees of HD Insurance and HD 360 have been working remotely, ensuring that neither business continuity nor customer experience were disrupted in any way.

• The work that the Group has done over the past 4 years to digitalise every aspect of its value chain ensures that it has been able to continue to sell/renew/endorse policies and pay claims to garages and policyholders through digital banking without the need for any physical interaction.

Impact on insurance production, reserving and investment portfolio

• The Group's experience from the start of the crisis to the date of approval of these financial statements has been a drop in frequency of both motor claims and road assistance usage.

• All policies are paid in full at inception through digital means hence the Group has not experienced any issues related to credit risk.

• The Company has noted an uptick in consumer appetite for purchasing insurance via digital channels.

• The Company has not experienced any delays in the claims notification, assessment or payment process. The Company has commenced the process of evaluating its claim reserves in light of the current circumstances and will continue to do so on an ongoing basis as fact patterns emerge.

• The Company's reserves are synced up on a quarterly basis with its reinsurance partners – all claims are appropriately reserved according to the latest available data.

• The Group has no asset risk (no exposure to stocks, bonds, real estate, etc.) and its risk is well diversified across three multi-year quota share agreements.

Impact on business plans and the Company's solvency position

• Management is re-examining its business plans and solvency in light of the above developments.

• The Board is cognizant of the potential downside risks and is focussed on how the Group can most appropriately respond to this situation, ensuring that the wellbeing of our policyholders remain at the forefront of the strategy.

Management is of the opinion that the Group and the Company can successfully manage the above risks, and also that it has adequate financial resources to continue its operations for the foreseeable future. As a result, the financial statements of the Group and the Company continue to be prepared on a going concern basis.

1
Business and Performance

1.1
Business

HD Insurance Limited is a Cyprus incorporated and regulated non-life insurance undertaking. The Company is a private limited liability company. The Company has one wholly-owned subsidiary, HD 360 Limited, whose principal activity is software development and data analysis.

In January 2019, HD 360 acquired 100% of the share capital of N.T. Rescueline Auto Services Limited, the leading Cypriot road assistance provider. This forms part of the Group's long term strategy to enter the wider mobility ecosystem.

The company is regulated by the Cyprus Superintendent of Insurance. Contact details are as follows:

Tonia Tsangaris, Acting Superintendent of Insurance
Insurance Companies Control Service,
PO Box 23364, Nicosia 1682, Cyprus

The contact details of the officers who directly supervise the company are as follows:

Sophocles Ioannides
sioannides@mof.gov.cy
+357 22602908

George Hadjizorzis
ghadjizorzis@mof.gov.cy
+357 22602908

The company's external auditor is PriceWaterhouseCoopers. Contact details are as follows:

George Kazamias, Partner
PricewaterhouseCoopers Ltd

PwC Central, 43 Demostheni Severi Avenue
CY1080 Nicosia, Cyprus
george.kazamias@cy.pwc.com
+357 22555797

The entities holding more than 10% of the company's share capital as at 31 December 2019 are detailed below:

NAME	%HOLDING	DESCRIPTION
Portag 3 Ventures II Investments L.P.	18.02%	Institutional investor, Cayman Islands
Moulton Goodies Limited	15.88%	Jon Moulton family office, Guernsey
Adric Holdings Limited	12.61%	Founder co, BVI

Following the January 2018 capital increase, the International Finance Corporation holds a qualifying interest in the Company. Although its shareholding is lower than the 10% threshold at 8,13%, by virtue of the provisions of a Subscription and Shareholder Agreement signed on 20th December 2017, it is considered to exercise a degree of influence over the Company's operations which lead it to be classified as a qualifying interest. The remainder of the shares are widely spread between the remaining shareholders, with no one party holding more than 10%. On 31 January 2019, Third Point Hellenic Recovery Fund, LP transferred its entire shareholding to Portag3 Ventures II International Investments Inc. which as at the date of issue of the SFCR holds 18,02% of the Company's issued share capital. The other shareholdings disclosed above remain unchanged. As the Company's share capital is spread as set out above there is no controlling or ultimate controlling party.

The Company holds a licence to transact the following non-life insurance lines of business ("LoB"):

PER "IFRS" FINANCIAL STATEMENTS	PER SOLVENCY II
Accident	Other motor insurance
Land Vehicle	Other motor insurance
Motor Vehicle Liability	Motor vehicle liability insurance
Legal Expenses	Legal Expenses Insurance
Assistance	Assistance
Property	Fire and other damage to property

Currently, only the property lines of business are transacted in Cyprus.

1.2

Underwriting Performance

The Company issued its first insurance policy on 7th August 2012.

The underwriting performance of Hellas Direct can be summarized as:

Motor Greece

	2018 (€)	2019 (€)
Number of policies	163,544	263,790
GWP	12,141,317	20,324,089
Net written premium	6,649,444	7,901,683
Net Claims incurred	(3,149,303)	(4,226,105)
Expenses	(444,633)	(513,736)
Underwriting profit	3,055,508	3,161,842

Property (Greece and Cyprus)

2019	TOTAL (€)	GREECE (€)	CYPRUS (€)
Number of policies	1,333	1,058	275
GWP	145,836	99,396	46,439
Net written premium	34,453	31,127	3,326
Net Earned Loss ratios	27%	21%	158%
Loss before tax	(270,252)	(22,115)	(248,137)

The Company grew its top line revenue by 68% compared to 2018, and closed the year with an active portfolio of over 127,000 cars and over 850 houses. The loss ratio for the full year in motor was 49% - a further drop on the already low 50% experienced in 2018. The property portfolio is too small to draw meaningful conclusions regarding loss ratios. 2019 was a period of diversification in terms of distribution channels.

1.3

Investment Performance

The company holds cash in the UK, Cyprus, Greece and Switzerland, and a small number of Bank of Cyprus shares obtained in the 2013 haircut of deposits.

The income and expenses related to these investments in each year were as follows:

	2016 (€)	2017 (€)	2018 (€)	2019 (€)
Bank balances at year end	6,841,525	9.919,752	13,675,415	9,750,338
Shares held at year end	5,476	4,777	3,010	2,330
Interest income	(2,407)	17,524	99,843	255,542
Fair value movements re shares	(272)	(699)	(1,767)	(680)

The Company's investment performance has been negatively affected by extremely low, nonexistent and in some cases, negative, interest rates. The majority of the interest income in 2019 relates to an intercompany loan receivable.

1.4

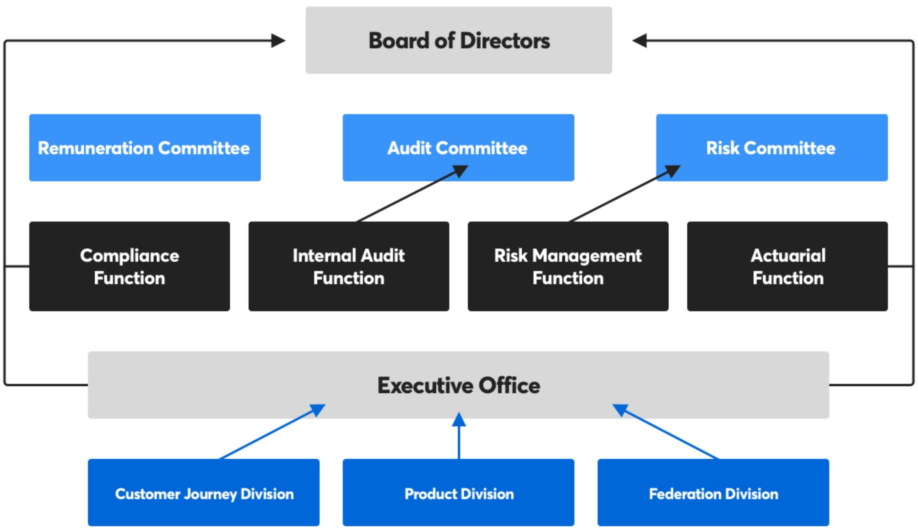
Performance of Other Activities

The Company continues to invest in technology and innovation, launching, amongst other things, a telematics product and a digital garages management platform. As of May 2018, the Company was able to in-source its Accident Care service, thus reducing reinsurance costs as well as enabling the Company to fully own the claims value chain and enhance customer experience.

2
System of Governance

2.1
General Information on the System of Governance

The current governance structure of Hellas Direct is as per the below diagram:



Responsibilities of the Board

The Board of Directors has responsibility for the overall stewardship of the Company, and for setting the highest possible standards for the Company's business conduct – 'tone at the top'. The Board's key objectives are to oversee the conduct of the business of the Company, to create and preserve long-term shareholder value and to safeguard the interests of the policyholders. The Board should also ensure that the Company meets its obligations on an ongoing basis and operates in a reliable and safe manner. As part of its duties, the Board also takes into consideration the legitimate interests of the Company's other stakeholders, such as employees, suppliers and the various government authorities in the jurisdictions in which the Company operates.

As a result of the capital increase which took place in January 2018, there were some minor changes to the Company's governance structure. The current arrangements are as follows:

- The minimum number of Directors is five.
- There is no maximum number of Directors.
- The Board of Directors meets at least 6 times per year, at intervals of at least once every 10 weeks.

The members of the Board of Directors as at 31st December 2019 were as follows:
- Adam Felesky (Chairman)
- Hélène Falchier (Non-executive Director)
- James Smouse (Non-executive Director)
- Jeremy Downward (Non-executive Director)
- Tassos Anastasiou (Independent Non-executive Director))
- Emilios Markou (Executive Director)
- Alexis Pantazis (Executive Director)

Other Committees

The Directors delegate such of their powers as are considered appropriate to the following committees of the Board:

Audit Committee

Consists of at least two Directors, both of whom should be non-executives. The audit committee meets at least once a year to approve the annual financial statements. The audit committee also meets with respect to the internal audit function of the Company.

This committee is headed by Mr Tassos Anastasiou and comprises all the non-executive directors. As a result of legislation which was passed in Cyprus in May 2017, in relation to EU corporate governance legislation affecting public interest entities, the Chairman of the Audit Committee is required to be both independent and to have an accounting or auditing qualification or experience. In 2020, the Board intends to appoint an additional fully independent non-executive director to the Board of Directors, with the aim of ensuring that a majority of the members of the Audit Committee are independent.

Remuneration Committee

Consists of at least two Directors, both of whom should be non-executives. The remuneration committee meets on an as-needed basis, to discuss and approve the salaries of the Executive Directors. This committee is headed by Mr Tassos Anastasiou and comprises all the non-executive directors.

Risk Committee

Is headed by Mrs Hélène Falchier and comprises all the Company's directors. Meetings are held on an as-needed basis.

Organizational Structure of the Company

The operational functions of the Company have been split into the following departments, each of which has its own manager, and has been assigned to the oversight of one of the

Executive Directors:
- Executive Office
- Product Division
- Federation Division
- Customer Journey Division

Conflicts of interest and segregation of duties

Appropriate controls around conflict of interest and segregation of duties have been put in place. For instance:

- invoice approval limits have been put in place for each function. Amounts in excess of the agreed limits must be approved for payment by the Executive Directors
- all invoice and claims payments are made by the finance function; each payment run is reviewed and approved by the Executive Directors before payments are made
- there is segregation of duties within the online payments systems in bank: one person inputs the payment whilst a different person authorises
- the Company requires Board approval to enter into any agreements with a value in excess of €250K

Senior Management and Committee oversight and control

The Board of Directors is responsible for overseeing and monitoring the performance of senior management during its regular meetings.

A high-level breakdown of the responsibilities of the board committees is as follows:

Committee	Role & Responsibilities
Audit	To oversee the financial reporting and disclosure process; overseeing the work of the Internal Audit function; monitoring choice of accounting policies and principles
Remuneration	To determine the appropriate level of remuneration for executive directors and other senior management
Risk	To assist the Board in its oversight of the Company's risk governance structure, risk management and risk assessment processes and policies, risk tolerance, capital liquidity and funding management

2.2

Fit and Proper Requirements

The Board is keen to ensure high standards of integrity, as well as appropriate levels of qualifications, knowledge and skills from those who are in key positions of responsibility within the Company.

The Company has established procedures that must be followed in order to ensure that the Directors, Senior Managers or persons who hold other key functions such as the appointed auditors or other key service providers of the Company are 'fit and proper'.

The Fit and Proper policy of the Company establishes procedures to ensure that the professional qualifications, knowledge and experience of those in positions of responsibility ("Responsible Persons") are adequate to enable sound and prudent management ("fit") and that the individuals themselves are of good repute and integrity ("proper"). The position of each Responsible Person is assessed on a case by case basis in order to determine whether notification to the supervisory authorities of their fitness and propriety or otherwise is required.

The Company's Fit and Proper procedures focus on ensuring that:

- A complete fit and proper assessment is prepared on an annual basis and upon appointment/hiring of Responsible People.

- Determining the matters that will be considered before deciding whether a person is fit and proper to be a Senior Manager.

- Include an assessment of the person's professional and formal qualifications, knowledge and relevant experience within the insurance sector, other financial sectors or other businesses and whether these are adequate to enable sound and prudent management.

- Include an assessment of that person's honesty and financial soundness based on evidence regarding their character, personal behaviour and business conduct including any criminal, financial and regulatory aspects relevant for the purpose of the assessment.

- Take account of the respective duties allocated to that person and, where relevant, the insurance, financial, accounting, actuarial and management skills of that person.

The Company's board and senior management should collectively possess an appropriate level of knowledge about at least:

a) Insurance and financial markets;
b) Business strategy and business models;
c) System of governance;
d) Financial and actuarial analysis;
e) Regulatory framework and requirements.

On an ongoing basis, the Company will provide training to the members of the Board of Directors in order to ensure that they are fully updated regarding the legal and regulatory environment in which the Company operates, specifically with regards to Solvency II. Such training sessions will take place on an as needed basis.

If a person is found not to be fit and proper, and the post in question is that of a Director, the person must immediately vacate the directorship (if already in place) or withdraw his/her candidacy for directorship.

If the person in question is a senior manager, the Executive Directors will, whilst having regard for the terms and conditions of that person's employment contract, either re-deploy the individual to a more suitable role, or terminate their employment with the Company.

2.3

Risk Management System including the Own Risk and Solvency Assessment

The Company has established a risk management function, under the oversight of a board level Risk Committee. The risk management function draws on the expertise of other operational functions within the Company, such as Analytics, Pricing and IT.

The Company's risk appetite is conservative. Where possible, the Company prefers to avoid unnecessary risk altogether; in cases where risk is inherent to the business (e.g. insurance risk, fraud risk), strong controls are put in place to mitigate it.

The responsibilities of the risk management function include the following:

- identifying risks,
- assessing risks,
- forecasting future frequency and severity of losses,
- finding risk mitigation solutions,
- conducting stress tests.

The Company's internal reporting cycle is a key tool in its risk management framework. The reporting detailed below allows the Company's management to effectively identify, measure, monitor, manage and report on a continuous basis, the risks on an individual and aggregated level.

ORSA process
HD Insurance Limited carried out its fifth ORSA in Q4 2019. A detailed risk register was prepared which identified the key risks faced by the Company and the steps taken to mitigate them, where appropriate. The ORSA was carried out by the Risk Management Function, with the assistance of the Finance Function, under the guidance of the Executive Directors, seeking the input of the Company's entire management team where necessary. The ORSA was reviewed and approved by the Board of Directors on 28th November 2019.

The ORSA represents the entirety of the processes and procedures employed to identify, assess, monitor, manage, and report the short and long term risks the Company faces or may face and to determine the own funds necessary to ensure that overall solvency needs are met at all times.

The ORSA documents the capital and solvency position of the Company and the results of stress testing undertaken during the period, as well as looking forward to the projected capital and solvency position over the duration of the 3-year business planning period.

The ORSA summary report is reflective of the actual ERM reporting that is overseen by the

Board of Directors. It is compiled by the Risk Management Function in conjunction with input from the other operational department heads, under the guidance of the Executive Directors and the oversight of the entire Board.

The company carries out the ORSA exercise on at least an annual basis, with the next ORSA planned for Q3 2019. If there are significant changes to the environment in which the company operates, or in the company's own risk profile, the ORSA will be revisited.

2.4

Internal Control System

The company has established a robust system of internal control, comprising appropriate controls around conflict of interest and segregation of duties. Invoice approval limits have been put in place for each function; all invoice and claims payments are made by the finance function following director approval; there is segregation of duties within the online payments systems in bank; individual payments of over certain agreed limits must be approved by the Board; the Company requires Board approval to enter into any agreements with a value over a pre-defined limit.

The Board of Directors is responsible for overseeing and monitoring the performance of senior management during its regular meetings.

The internal auditors report directly to the Audit Committee. The Compliance function reports directly to the Board.

Compliance Function role

The Compliance Function is responsible for risk control in respect of compliance risk. Compliance risk is defined as the risk of incurring legal or regulatory sanctions, significant financial loss or damage to reputation resulting from the company's failure to comply with laws or regulations.

The Company's Compliance policy is explained in detail in the Compliance Manual along with the procedures and specific requirements for its implementation. Policies, procedures, responsibilities and controls have been established in order to ensure that the Company and its employees are in compliance at all times with the applicable laws and regulations and the system of internal controls of the Company.

The Compliance Function reports directly to the Board of Directors and its principal role is to identify, assess, monitor and report the potential risks of non-compliance with the external laws and regulations and the system of internal controls established by the Company. In this respect, the Function is responsible for the screening of projected revisions and changes in the legislation and the regulatory environment of the Company, assessing their impact and ensuring full compliance by the Company.

In addition, the Company has a Compliance Plan to ensure that the systematic procedures which have been developed by the Company in order to ensure compliance with legal and regulatory requirements are being carried out.

The Company's Compliance Plan is focused on the following high-risk areas, expanding its scope into other areas as and when they are identified as potential high-risk areas:

- Non-compliance with legal and regulatory obligations, including the risk of impairment of company's compliance with regulatory obligations due to failure of outsourced functions.
- Non-compliance with the established system of internal controls
- Exposure to fraudulent activities either related to insurance claims or related to employees' behaviour at work.
- Non-compliance with tax and accounting regulations.

The legal and regulatory framework within which the Company operates is categorised into the following two areas:

- Regulations governing the insurance activities of the company. These regulations include the Solvency II framework, reporting requirements set by the national regulatory authorities, both in Cyprus and Greece, and capital requirements.

- Other laws governing company's operations in Cyprus and Greece. These include the Companies' law, the Income Tax law, the VAT law, the Social Insurance Law and data protection laws.

The objective of the Company is to be in compliance at all times with all external legal and regulatory requirements.

The Compliance Function specifically sets the actions to be taken by the Company in order to fulfil its obligations and ensure compliance in its agreements with suppliers, promotional activities, complaints from clients, in case of conflict of interest, money laundering, public interest disclosure and in the protection of sensitive and important data.

The Compliance Function prepares an annual Compliance Report which is submitted to the Board of Directors, along with a half-yearly compliance summary.

2.5
Internal Audit Function

Internal audit is an independent, objective assurance activity which should bring a systematic, disciplined approach to evaluating and improving the effectiveness of the risk management, control and governance processes.

The role of the internal audit function is to provide extra value to the Company and this is achieved through improving the efficiency and effectiveness of the internal procedures and controls, ensuring compliance and confirming that resources and assets are economically acquired and adequately protected.

Due to the small size of the Company, there is currently no internal audit function. The Company has engaged Baker Tilly Cyprus to cover this function.

All the Company's activities are subject to internal audit and the key responsibilities of the internal audit function are as follows:

- to evaluate and provide reasonable assurance that risk management, control, and governance systems are functioning as intended and will enable the Company's objectives and goals to be met
- to report risk management issues and internal controls deficiencies identified directly to the audit committee and provide recommendations for improving the Company's operations, in terms of both efficient and effective performance
- evaluate information security and associated risk exposures
- evaluate regulatory compliance
- evaluate the organisation's readiness in case of business interruption
- maintain open communication with management and the audit committee
- provide support to the Company's anti-fraud programs.

The Company has its own 'Internal Audit Charter' that defines the scope and purpose of the Internal Audit, the roles and responsibilities of the Internal Auditors, their independence and their authorities and describes the main procedures to be followed.

The internal auditor reports directly to the Audit Committee.

The latest internal audit was carried out by Baker Tilly Cyprus during 2019 with reference to the year ended 31 December 2018. It was structured and performed as per the guidelines and responsibilities set out in the Charter. The Internal Auditors presented their draft report to the Chairman of the Audit Committee of the Board of Directors on 17th October 2019. The internal audit for 2019 is intended to be carried out on an 'in year' basis in Q4 of 2019, with the final report being presented to the Audit Committee in Q2 2020.

2.6
Actuarial Function

The Actuarial Function consists of a team of people from the Finance and Analytics departments that have actuarial, mathematical and data analysis qualifications and is supported by an external firm of actuaries, Cronje & Yiannas Actuaries & Consultants Ltd. The Head of the Actuarial Function is the Financial Controller of the Company.

The role of the Actuarial Function falls into three main areas:

- Coordination and monitoring of the evaluation of technical provisions, including methodology, assumptions and data
- Reporting
- Supporting the Risk Management Function

Members of the Actuarial Function must have a clear understanding of the individual model components, their interdependencies and the way the model depicts and takes account of the resultant diversification effects in the calculation of technical provisions.

Information on technical provisions submitted to internal or external parties by the Actuarial Function, shall include at least a reasoned analysis on the reliability and adequacy of their calculation and on the sources and the degree of uncertainty of the estimate of the technical provisions.

The Actuarial Function reports directly to the Board of Directors. The Actuarial Report is prepared on an annual basis covering the results of the underwriting activity, the effectiveness of the underwriting strategy, an analysis of the external environment, a review of the reinsurance agreements and an assessment of the technical provisions and capital requirements.
In this respect, and in compliance with the laws and regulations, the Actuarial Function must express an opinion on the Company's overall underwriting policy and on the adequacy of the reinsurance arrangements of the Company.

The Actuarial Function is responsible for supporting the Risk Management Function in respect of the calculation and modelling of underwriting risks, and also in respect of the methodology used to calculate own funds and capital requirements.
Along with the Risk Management Function, it will contribute to the preparation of the ORSA report by confirming that the technical provisions have been calculated in accordance with Solvency II requirements.

2.7
Outsourcing

Solvency II allows the outsourcing of any task or function to an external service provider. The company has outsourced its internal audit function. The outsourced service provider is located in Cyprus.

Before outsourcing any of the Company's critical functions, management must assess and ensure that the outsourcing of the function will not lead to:

- Material impairment of the quality of the system of governance
- An undue increase in the operational risk
- Impairment of the ability of the supervisory authorities to monitor the Company's compliance with its obligations
- Continuous and satisfactory service to policyholders being undermined

The outsourcing of any critical function to an external provider should be approved by the Company's Board of Directors.

Choice of outsourcing provider
The Board of Directors has the responsibility for ensuring that appropriate due diligence has taken place prior to the commencement of any outsourcing arrangement. The Board also has the responsibility for approving the written contracts between the Company and the service provider.

Appropriate due diligence includes the following:

- An assessment of the service provider's ability, capacity and authorisation required by law to carry out the relevant function
- An assessment of any conflicts of interest
- The service provider's adherence to data protection and other laws
- Whether the agreement with the service provider would undermine the safety and confidentiality of information relating to the company and its policyholders
- An assessment of the adequacy of the financial resources of the service provider and the qualifications of its staff
- The putting in place of adequate contingency plans in the case of business interruption on the part of the service provider
- A named person at the service provider must satisfy the "fit & proper" requirements applicable to the function being outsourced

In all cases where the entirety or an element of any key function is outsourced, a written agreement must be put in place setting out the respective rights and obligations of both the Company and the service provider.

Duties and responsibilities of both parties

The written agreement which shall be concluded between the Company and the service provider should cover the following matters:

- The duties & responsibilities of both parties
- The service provider's commitment to comply with all applicable laws and regulations
- The service provider's obligation to disclose any development which may materially affect its ability to fulfil its obligations under the terms of the agreement
- Provision of a notice period for the termination of the contract which is sufficiently long to enable the Company to make alternative arrangements
- The Company should be in the position to terminate the agreement without detriment to the continuity or quality of its provision of services to policyholders
- The Company has the right to be informed about the service provider's performance of its functions, and also to issue general guidelines and individual instructions relating to the outsourced activities
- The service provider shall protect any confidential information relating to the Company and its stakeholders
- The Company, its external auditor and the supervisory authority may have access to the service provider's information and business premises and can address questions directly to the service provider
- The terms & conditions under which the service provider may sub-outsource any of the outsourced activities
- The fees to be charged in respect of the services provided

Reporting and monitoring arrangements

The Company must appoint an internal member of staff to continue to be responsible for the function involved. The person concerned must be named in a written document and will be required to verify performance of the outsourced task and the quality of the service provider's work.

The internal function head should ensure on a continuous basis that:

- The service provider's risk management and internal control systems are fit for purpose
- The service provider has the appropriate financial resources and appropriately trained and qualified staff to perform the outsourced services
- The outsourcing of the relevant activities is not adversely affecting the provision of continuous and satisfactory services to policyholders
- The service provider has adequate contingency plans in place to deal with emergency situations or business disruptions
- The service provider complies with data protection regulations.

The internal function head should report to the Board of Directors (relevant committee) on a timely basis regarding any issues that may arise with regards to the outsourced function.

Termination and transition arrangements

The Company will ensure that any agreements with service providers for the outsourcing of key functions will include appropriate termination clauses. In the event of termination by the service provider, the notice period should be sufficiently long in order to enable the Company make other arrangements and either find an alternative service provider or take the function in-house. It is suggested that this notice period should not be shorter than 3 months.

Communication with regulatory authorities & other external stakeholders

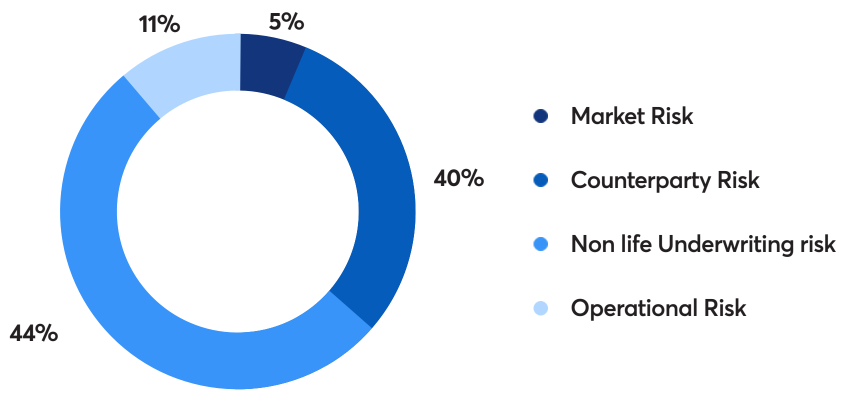
The decision to outsource one of the Company's critical functions, or changes in any outsourcing arrangements, must be notified to the supervisory authorities in a timely manner (which is defined as at least 6 weeks in advance of the commencement of such arrangements).

3
Risk Profile

The Company aims to maintain sufficient available capital to cover all risks faced by the Company and to satisfy regulatory capital requirements at all times.

The Solvency Capital Requirement ("SCR") represents the capital that needs to be held to ensure that the Company will meet its insurance obligations with certain probability. The Company applies the standard SCR formula as provided by the European Insurance and Occupational Pensions Authority ("EIOPA").

The SCR is divided into modules and sub-modules and the summary of the SCR (before diversification) for the year ended 31 December 2019 was as follows:



Non-Life Underwriting risk and Counterparty Default risk are the main components of the Company's SCR. Non-Life underwriting risks include premium, reserve and catastrophic events which are mitigated through adequate reinsurance covers that are in place.

In relation to market risk the Company follows a prudent investment policy and limits its exposure in investment products.

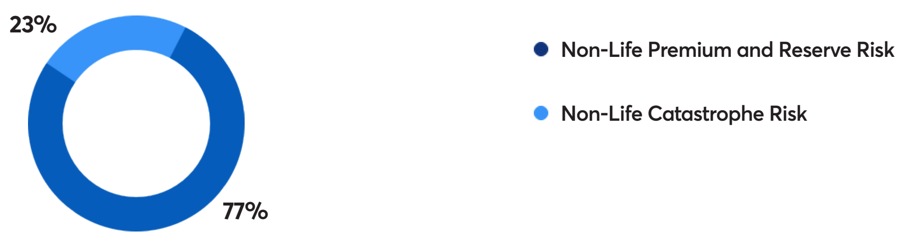
3.1 Underwriting Risk

Non-life underwriting risk is the risk arising from non-life insurance obligations, in relation to the perils covered and the processes used in the conduct of business.

Non-life underwriting risk also includes the risk resulting from uncertainty included in assumptions about exercise of policyholder options like renewal or termination options.

Non-Life Underwriting risk represents 44% of the Company's SCR. Underwriting risk is divided in two sub modules, Premium and Reserve Risk and Catastrophe Risk.

Non-life risk summary as at 31 December 2019 was as follows:



Non-life premium and reserve risk combines a treatment for the two main sources of underwriting risk, premium risk and reserve risk. The Company has a low exposure to underwriting risk, consistent with its documented risk appetite.

Its calculation of provisions complies with regulatory and actuarial professional guidance.

Additionally, as a result of its comprehensive reinsurance agreement any exposure to large losses, either through a single event or accumulation of losses is limited.

The limitation of exposure to large losses means that the Company can continue writing new business subject to its availability of capital and is not at a level that will hinder the Company from achieving its growth targets.

The main business of the Company continues to be writing private motor vehicle insurance in Greece; from May 2018, the Company also started writing residential property insurance in both Greece and Cyprus.

The Company offers cover for the following risks:

MOTOR INSURANCE	PROPERTY INSURANCE
Third Party Liability	Fire
Collision with uninsured	Electrical
Accident care	Earthquake
Road assistance	Natural Phenomena
Glass	Collision Damage
Legal protection	Malicious Damages
Personal accident	Third Party Liability
Fire	Water Damages
Natural phenomena	Personal Accident
Theft	Glass Covers
Own damages	Legal Protection
Green card scheme	Home Assistance
Loss of documents	Accidental Damages
Key replacement	Theft
Side view mirrors	Earth Movement
Car replacement	Rent Loss

The Company avoids the higher risk areas of the motor vehicle portfolio by not insuring motorbikes or vans, or cars with a value or power to weight ratio in excess of pre-defined limits. The risk profile of both the motor vehicle and property insurance businesses is intrinsically short-tail, and as the Company is a direct to consumer business, any risks around reporting or cashflow delays which might normally be an issue due to broker networks are fully avoided.

Excess of loss insurance
The Company also has excess of loss insurance for its motor portfolio provided by a consortium of four reinsurers: Munich Re (25%), Swiss Re (47%), Hannover Re (12.5%), MS Amlin (10.5%) and Maiden Re (5%). This covers losses in excess of €1m, and is currently paid for via a fixed annual fee.

The Company's management will continuously monitor its exposure to catastrophe risk in its property portfolio, to assess at what point Excess of Loss reinsurance should be purchased for the property line of business.

Key drivers of the risk profile

- Car age
- Car value
- Driver age
- Length of policy purchased
- Postcode
- Natural phenomena specific to Greece – freak weather, earthquakes etc
- Previous claims history

Comparison with risk appetite

As mentioned in the Executive Summary, the risks taken by the Company are extensively reinsured. Due to this, the Company's maximum exposure per motor claim is capped at €500K, with the exception of losses due to terrorism, or to natural phenomena >€4m, which are excluded from the Company's reinsurance programme. The property portfolio is also well reinsured, with the Company's maximum exposure per claim capped at €225,000 for the reinsured covers. On an aggregate basis, the Company is exposed on the property side if its aggregate claims from one natural peril loss event exceed €20 million. The Company is also exposed if its losses in relation to terrorism claims exceed €3 million per event and per year.

Stress Testing and sensitivity analysis

As part of the ORSA process the Company carries out stress and scenario testing for the material underwriting risks to which is exposed to.

Stress-testing is the process of determining the ability of the Company to withstand plausible severe adverse conditions. As implied by the definition given above, stress-testing is designed to identify and quantify potential vulnerabilities which the Company's operations and asset portfolio might have.

Summary of the relevant stress and scenario testing is as follows:

Scenario	Description/ Assumptions	Impact	Conclusions
High loss ratio in motor	• Increase in gross loss ratio by 5% - 8% • Current Reinsurance structure applied	•Decrease in overall SCR ratio by 3% to 11% during the budgeted period	• Reassessment of the reinsurance structure • Review and reassessment of the pricing model and policies
High growth	• The rate of organic GWP growth on the Greece Motor Digital channel assumes a revenue yearly growth of 30% in 2020, 24% in 2021 and 23% in 2022 in comparison to 23% assumed under the Baseline scenario during 2020 and 2021 and 25% assumed during 2022.	• Decrease in overall SCR ratio by 7% to 10% during the budgeted period	• Review and reassessment of the pricing model and policies • Reassessment of the capital management of the Company

CAT Risk

Under the non-life underwriting risk module, catastrophe risk is defined in the Solvency II Framework Directive (Directive 2009/138/EC) as: "the risk of loss, or of adverse change in the value of insurance liabilities, resulting from significant uncertainty of pricing and provisioning assumptions related to extreme or exceptional events."
The Company's assumption is that catastrophic events are exceptionally rare although they can have a major effect on the company mainly as regards liquidity and the operations. For this reason, it maintains reinsurance agreements that reduce the exposure of the Company to €500K per event in motor and to €225K per claim in property (excluding the risk relating to aggregate natural phenomena claims mentioned in the previous section).

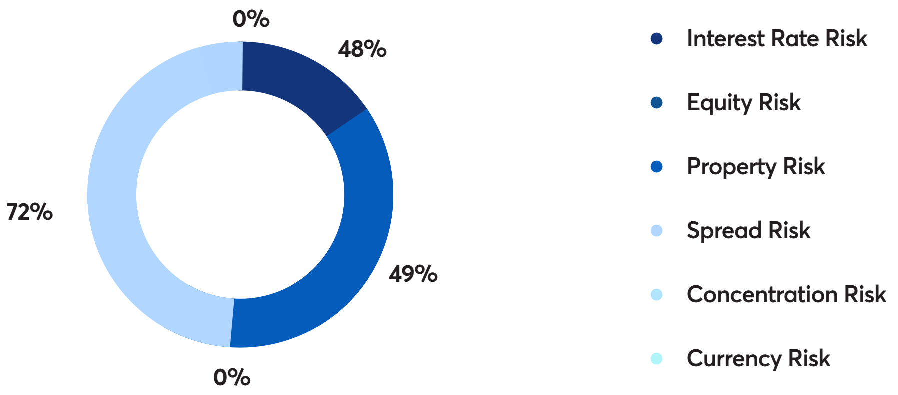
3.2

Market Risk

Market risk arises from the level or volatility of market prices of financial instruments. Exposure to market risk is measured by the impact of movements in the level of financial variables such as stock prices, interest rates, immovable property prices and exchange rates.

The Company has been successful in limiting its exposure to market risk to a negligible level, representing 5% of the total SCR (before diversification).

Market Risk Summary



Interest Rate Risk

Interest rate risk exists for all assets and liabilities which are sensitive to changes in the term structure of interest rates or interest rate volatility. The Company is only exposed to reinsurance recoverable amounts arising from the best estimates of technical provisions.

Equity Risk

Equity risk arises from the level or volatility of market prices for equities. Exposure to equity risk refers to all assets and liabilities whose value is sensitive to changes in equity prices. The Company's exposure to equity risk is limited.

Spread Risk

Spread risk results from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure. The Company's exposure to spread risk is limited since there is small exposure in fixed term deposits.

Concentration Risk

The scope of the concentration risk sub-module extends to assets considered in the equity, spread risk and property risk sub-modules, and excludes assets covered by the counterparty default risk module in order to avoid any overlap between both elements of the standard calculation of the SCR. Exposure to concentration risk is very low.

Other Risks
The Company has also been successful in substantially matching the currency of its cash inflow and outflow, thus limiting its exposure to adverse foreign exchange movements.

During 2019, the majority of assets were held as cash deposits. All expenses, with the exception of some IT consultancy costs, were incurred in Euros, which matches the currency of the Company's income. This is in accordance with the limits set in the Company's risk appetite statement.

The Company has no exposure to property risk as well.

3.3
Credit Risk

The Credit Risk (counterparty default risk) module reflects possible losses due to unexpected default of the counterparties and debtors of undertakings over the forthcoming twelve months.

The scope of the counterparty default risk module includes risk-mitigating contracts, such as reinsurance arrangements and receivables from intermediaries, as well as any other credit exposures which are not covered in the spread risk sub-module.

Exposures included in the Counterparty default module are analyses as follows:

- Type 1 exposures which include cash deposits at bank and reinsurance recoverable balances.
- Type 2 exposures which include the exposures which are usually diversified and where the counterparty is likely to be unrated.

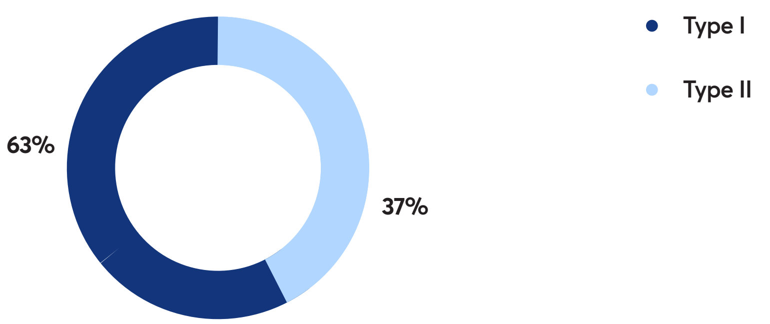
The Company is exposed to a low level of credit risk due to the fact that the majority of its counterparties (banks and reinsurers) have excellent credit ratings.

The Company has committed to holding the majority of its assets in banks rated A by international rating agencies and which hence have a low probability of default.

The Company has exposure mainly to type 1 exposures which relate to cash at bank and risk mitigation contracts including reinsurance arrangements.

Due to its direct to consumer business model and the fact that it receives all premium in advance for the whole period of the insurance contracts, the Company's exposure to type 2 receivables comes mainly from claims recoverables, a loan receivable due from its subsidiary, HD 360 and premium receivables from specific broker company.

The summary of the Counterparty risk as at 31 December 2019 was as follows:



Counterparty Risk Summary
Capital requirement for Type 1 exposures mainly arises from cash deposits with financial institutions
The high capital requirement for Type II exposure arises from a specific related party receivable balance and insurance receivable from one insurance intermediary.
In terms of concentration risk inherited by these Type II exposures the Company is currently assessing various scenarios to minimise this exposure. It is believed that exposure to Type II counterparties will be moderated in the near future.

Stress Testing and sensitivity analysis
During the ORSA process, the Company assessed the credit risk exposure to the specific related party to which is exposed to and the results are summarised as follows:

Scenario	Description/ Assumptions	Impact	Conclusions
Recoverability of receivable balance from related parties	• Write off of 10% of the receivable balance outstanding due to inability to pay	• Decrease in overall SCR ratio by 3%	• Minimal impact on the SCR ratio

3.4
Liquidity Risk

Due to the fact that the Company's assets are held almost exclusively in cash with highly creditworthy banks, the Company has a limited exposure to liquidity risk.

The extensive reinsurance arrangements also mean that the probability of needing an amount of cash in excess of reserves held at any one point is very low.

As at the year end, the majority of the Company's assets were held as instant access cash accounts, with the remainder being fixed assets for use in the business and working capital balances such as prepayments, deposits and amounts due from reinsurers.

3.5
Operational Risk

The main areas of operational risk which could be of concern are as follows:

- Downtime of its data storage systems and cloud-based IT services could result in reputational damage
- Destruction or loss of sensitive or important data would expose the company to reputational and compliance risk
- Cybersecurity around handling of privacy issues, breaches of which could lead to reputational risk.
- Cybersecurity around failure to prevent cyber-attacks (e.g. ransomware attacks) that can disrupt the operations of the Company
- Reputational risk stemming from the decision to reject some prospective policyholders such as those with vehicles which have values above the acceptable limit

Comparison with risk appetite
Operational risk is inherent in the Company's activities.
In mitigation, the Company has an appropriate infrastructure of people, systems and procedures in place to ensure that it keeps reputational risk and operational risk very low.
On the specific risks documented in the risk register:

- The Company's call centre has been available 99.999% of the time (2018: 99.999%), better than the limit set of 98%
- The Company's website has been available 99.999% of the time (2018: 99.999%), better than the limit set of 98%
- The current customer retention rate is 92% (2018: 92%), better than the limit set of 75%

Under Solvency II, Operational Risk is the risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events. Operational risk should include legal risks, as well as risks arising from strategic decisions. The operational risk module is designed to address operational risks to the extent that these have not been explicitly covered in other risk modules.

However, given that it operates mainly in a single market which is currently unstable, the Company needs to assume a level of operational risk in its pursuit of growth and profits.

3.6
Reputational Risk

A factor that would render the Company's business model unviable is reputational damage.

Reputational Risk is the risk of potential loss to the Company through deterioration of its reputation or standing due to a negative perception of the Company's image among customers, counterparties, shareholders and supervisory bodies

In order to minimise the risk of reputational damage, the Company has internal procedures and practices in place to ensure that staff are well trained and competent. The main aim is to provide the best service to clients and avoid any actions that can cause reputational damage to the Company and lead to financial losses. The same applies to the people managing the Company's online media. Management is committed to protecting and maintaining the Company's positive image and safeguarding shareholder value.

3.7
Strategic Risk

The Company's management assesses, on a continuous basis, opportunities that may arise during this volatile economic period regarding potential acquisitions of insurance portfolios/ entities. This dynamic capital modelling can be used to help the Company's management make well-informed decisions about strategic and capital risk management.

The company invests in the development of systems, databases and procedures that in the short run, can enhance the Company's sales without additional costs. The Company focuses on organic growth by investing mainly in promotional and marketing activities as needed in order to purse more sales.

The Company has the capacity to monitor its pricing compared with that of the competition on a real-time basis, and, if necessary, to adjust its prices in order to remain competitive.

Scenario	Description/ Assumptions	Impact	Conclusions
Yearly motor premium growth is lower relative to the 3-year budget	• Yearly premium growth is 6%, 4% and 3% lower compared to 3-year budgeted period	• Decrease in overall SCR ratio by 32% - 14% over the budgeted period	• Review and reassessment of the pricing model and policies • Control over overhead and capital expenditure

4

Valuation for Solvency Purposes

4.1

Assets

The primary objective for valuation requires an economic, market-consistent approach to the valuation of assets and liabilities. According to the risk-based approach of Solvency II, when valuing balance sheet items on an economic basis, undertakings need to consider the risks that arise from a particular balance sheet item, using assumptions that market participants would use in valuing the asset or the liability.

The default reference framework for valuing assets and liabilities, other than technical provisions, should be, unless otherwise stated, the international accounting standards as adopted by the European Commission.

If those standards allow for more than one valuation method, only valuation methods that are consistent with Article 75 of Directive 2009/138/EC shall be used. In most cases those international accounting standards, herein referred to as "IFRSs", are considered to provide a valuation consistent with principles of Solvency II.

Also, the IFRSs' accounting bases, such as the definitions of assets and liabilities as well as the recognition and derecognition criteria, are applicable as the default accounting framework, unless otherwise stated.

On this basis, the following hierarchy of high level principles for valuation of assets and liabilities should be used in the valuation of the Solvency II balance sheet:

i. Quoted market prices in active markets for the same or similar assets or liabilities.

ii. Where the use of quoted market prices for the same assets or liabilities is not possible, quoted market prices in active markets for similar assets and liabilities with adjustments to reflect differences shall be used.

iii. If there are no quoted market prices in active markets available, should use mark-to-model techniques, which are alternative valuation techniques that must be benchmarked, extrapolated or otherwise calculated as far as possible from a market input.

iv. Must make maximum use of relevant observable inputs and market inputs and rely as little as possible on undertaking-specific inputs, minimising the use of unobservable inputs.

Description of valuation bases, methods and main assumptions as at 31 December 2019:

	SOLVENCY II BALANCE SHEET		FINANCIAL STATEMENTS ("IFRS")	
NAME OF ASSET	VALUE - €	VALUATION METHODOLOGY	VALUE - €	VALUATION METHODOLOGY
Plant and equipment	991,695	Cost less accumulated depreciation. Management assumes cost model to be representative of fair value as at year end.	991,696	Cost less accumulated depreciation.
Intangible assets	-	No active market for asset hence zero value under Solvency II	70,164	Cost less accumulated depreciation.
Financial assets at fair value through profit and loss	2,330	Same as IFRS. Market value listed equities.	2,330	Fair Value (IAS 39)
Investment in subsidiary	1,000	Equity method	1,000	Cost less impairment
Investments in fixed term deposits	14,030	Market value – Difference due to reclassification of short-term fixed deposits shown in cash and cash equivalents as per IFRS Financial Statements	-	-
Insurance and intermediaries receivables	2,367,251	Valuation as per IFRS, some differences in classification	-	Amortised cost less impairment (IAS 39)
Trade and other receivables	9,048,591	Valuation as per IFRS, some differences in classification	2,470,331	Amortised cost less impairment (IAS 39)
Loan receivable	-	-	9,207,099	Amortised cost less impairment (IAS 39)
Reinsurance recoverables	7,359,496	Valuation as per IFRS, some differences in classification	8,853,338	Share of insurance contracts liabilities (IFRS 4)
Cash and cash equivalents	9,799,751	Same as IFRS. Difference due to reclassification of short term fixed deposits (€14.043) shown in cash and cash equivalents as per IFRS and due to reclassification of customer c/a (€97.869) shown in any other assets, not elsewhere shown as per IFRS.	9,750,338	Amortised cost less impairment (IAS 39)
Any other assets, not elsewhere shown	48,497	Valuation as per IFRS, some differences in classification		

Differences in Valuation Bases between IFRS accounting and solvency purposes:

Intangible Assets
The Company's intangible assets relate to software licenses that have been paid up front. For the IFRS financial statements, these are recorded as assets and amortised over three years.

According to the Solvency II intangible assets, other than goodwill, can be recognised and measured at a value other than zero only if they can be sold separately and if there is a quoted market price in an active market for the same or similar intangible assets." Since there is no active market for the assets in question, they have been valued at zero for Solvency II purposes.

Reinsurance recoverable
Reinsurance recoverable relate to the amounts recoverable from Company's reinsurance treaties in relation to the Technical Provisions as at 31.12.2019 (see Section 4.2 below).
In general, the reinsurance recoverable amounts are recognised on a cash flow basis in the Solvency II balance sheet, where us the valuation basis in Statutory accounts is based on the Share of insurance contacts liabilities as per IFRS 4.

4.2
Technical Provisions

Technical provisions correspond to the current amount which the Company would have to pay if it were to transfer its insurance obligations immediately to another undertaking. The value of technical provisions is equal to the sum of a best estimate and a risk margin.

The Actuarial Function is responsible for the calculation of Technical provisions according to Solvency II Regulation and Cyprus Insurance Law.

The Company segments the insurance obligations by line of business which represent homogeneous risk groups, when calculating technical provisions.

Technical Provisions consist of the best estimates of claims provisions, the best estimates of premium provisions and the risk margin.

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

Summary of technical provisions as at 31st December 2019:

	GROSS PROVISIONS DISCOUNTED - €	REINSURANCE PROVISIONS DISCOUNTED - €	NET PROVISIONS DISCOUNTED - €
"Third Party Liability" Cover	8,703,957	3,855,836	4,848,121
"Other" Cover	2,027,186	858,872	1,168,314
"Legal" Cover	174,638	10,965	163,672
Direct - Motor Insurance Total	**10,905,781**	**4,725,673**	**6,180,108**
Cyprus	22,031	18,726	3,306
Greece	65,942	56,048	9,894
Property Insurance Total	**87,973**	**74,773**	**13,200**
"Third Party Liability" Cover	3,140,381	2,363,777	776,604
"Other Ceded"	266,288	195,273	71,016
"Retained"	42,002	-	42,002
Other distribution channels - Motor Insurance Total	**3,448,671**	**2,559,049**	**889,622**
Total	**14,442,425**	**7,359,496**	**7,082,929**

Summary of the risk margin as at 31st December 2019:

	MOTOR VEHICLE LIABILITY INSURANCE	OTHER MOTOR INSURANCE	FIRE AND OTHER DAMAGE TO PROPERTY INSURANCE	LEGAL EXPENSES INSURANCE	TOTAL
Risk margin	434,104	204,097	2,158	4,705	**645,063**

Claims Provision
The claims provision is the discounted best estimate of all future cash flows (claims payments, expenses and future premiums) relating to claim events prior to the Reporting date.

This section provides an overview and the methodology for calculating the following elements of the claims cost:

- •Outstanding Claims
- •Incurred But Not Reported Claims («IBNR»)
- •Allocated Loss Adjustment Expenses («ALAE»)

For motor insurance the above elements are shown for separate types of cover, gross of reinsurance:

- Third Party Liability ("TPL")
- Other Covers ("Other")
- Legal Cover ("Legal")

For property insurance the above elements are shown for separate types of cover, gross of reinsurance:

- Fire & Other ("Fire")
- Liability Covers ("Liability")
- Miscellaneous Covers ("Misc")
- Legal Cover ("Legal")

HD Motor Insurance Outstanding Claims (Reported But Not Settled)
Outstanding Claims relate to the claims provision for claims that, at the Reporting date, have been reported but not yet settled.

The amount of outstanding claims cost for each reported but not settled claim was set equal to the case reserve for the claim.

There is some evidence that historically, the initial case reserves over-estimated the eventual settlement amount. However, as the case estimates for the outstanding claims represent the latest estimate for each claim (including adjustments for partial payments, reimbursements and revised reserve estimates. As such, the case estimates were adopted unadjusted in all cases and for all types of claims.

Property Insurance Outstanding Claims (Reported But Not Settled)
Outstanding Claims relate to the claims provision for claims that, at the Reporting Date, have been reported but not yet settled.

Since the inception of the property insurance offer in May 2018, there have only been 13 claims (4 in Cyprus and 9 in Greece) and the case estimate was used.

In order to project the full run-off of claims, the link-ratios implied by the industry claims development from the Statistical Yearbook for Property Insurance 2017 from the Greek Insurance Association showing an 80% run-off after 6 years were investigated. The run-off pattern has been extrapolated by 3 years to imply a full run-off after 9 years.

HD Motor Insurance Allocated Loss Adjustment Expenses («ALAE»)
Allocated Loss Adjustment Expense are expenses that can be attributed to the settlement of an individual claim. The costs can occur either when the claim is reported, processed or finally settled. The claims provision must include an allowance for ALAE in respect of both outstanding and IBNR claims.

The ALAE for the Company includes:

- Claims assessor fees
- Medical fees
- Other expenses that can be directly attributed to each claim
- Administration expense payable to Friendly Settlement for all «Own Blame» claims
- Administration expense reimbursement receivable from Friendly Settlement

The ALAE are calculated as loading on the claims cost for both outstanding and IBNR claims. In order to derive a suitable loading, the historic ALAE are analysed for closed and open claims. Analysis was also carried out by type of claim (bodily injury, damage, glass etc.) and size of claim. However, given the limited data available, this categorisation did not yield robust results and aggregation at cover level was retained. The impact of the Friendly Settlement Arrangement on third party claims was significant.

Property Insurance Allocated Loss Adjustment Expenses («ALAE»)
The claims provision must include an allowance for ALAE in respect of both outstanding and IBNR claims.

There is limited claims or expense history to analyse for the Company. We have referenced the industry data from the Greek Insurance Association and included a 15% ALAE loading until more data is available.

Motor Insurance - Reinsurance Claims Provision
The Reinsurance Claims Provision is the discounted best estimate of all future cash flows (claims payments, expenses and future premiums) relating to claim events prior to the Reporting Date due from and payable to the reinsurance providers.

In the case of the reinsurance claims provision, the 50% quota share agreement means that the quota share reinsurance partners reimburse the Company for half of all claims' costs. The only exception is the legal cover and personal accident, which are ceded at 37.5%. Given the limited personal accident claims amounts no reinsurance recoveries were anticipated in reserves.

Property Insurance – Reinsurance Claims Provision
In the case of the reinsurance claims provision, the 85% quota share agreement means that the quota share reinsurance partners reimburse the Company for 85% of most claims' costs. The only exception is the legal cover, home assurance and personal accident, which are fully borne by the Company.

Reinsurer Counterparty Default
Allowance for counterparty default of the reinsurer was made in the reinsurance claims and premium provisions using the following simplification with parameters consistent with the Solvency Capital Requirement calculation for the reinsurer default in respect of receivables.

Given the very low probability of default and relatively short duration of the cash flows, this adjustment had a limited impact on the provisions.

Premium Provision
The premium provision is the discounted best estimate of all future cash flows (claims payments, expenses and future premiums) relating to claim events after the Reporting date in respect of policies in force at the Reporting date.

This section provides an overview and the methodology for calculating the following elements of the claims provision:

- Future Claims Cost
- Allocated Loss Adjustment Expenses («ALAE»)

The impact of the cancellation of policies before the expiration of the contracts was considered, however the conclusion is that no explicit allowance for policy lapses is required.

All of the above elements are shown for separate types of cover, both gross and net of reinsurance:

- Third Party Liability («TPL»)
- Other Covers («Other»)
- Legal Cover («Legal»)

HD Motor Insurance - Future Claims Cost
The future claims cost is the reserve in respect of claims from unexpired periods of risk.

Claims Ratios
The expected future claims cost can be derived by applying a claims ratio to the earned premium for each future period. The claims ratio can be set with reference to historic claims ratios for each cover, with more weight to recent underwriting periods given that claims ratios fluctuate over time, due to, amongst other factors, changes in underwriting. This is particularly true for the Company, since a flexible and dynamic pricing policy is in place to adapt swiftly to market pricing.

Property Insurance - Future Claims Cost
The future claims cost is the reserve in respect of claims from unexpired periods of risk.

Claims Ratios
Industry benchmarks indicate modest claims ratios for property insurance, although this varies greatly by company, and up to 40% for both Cyprus and Greece. The claims ratio for 2019 on the aggregate property portfolio of the Company was 41%.

The Company's property insurance policies include an extensive range of covers and the claims ratios may not be directly comparable.

Given the small level of unearned premium as at 31 December 2019 of €89,309, a claims ratio of 40% was applied to establish the future claims cost for both Greece and Cyprus which will be reviewed as more Company specific claims experience emerges.

Motor Insurance Allocated Loss Adjustment Expenses («ALAE»)
Allocated Loss Adjustment Expenses are expenses that can be attributed to the settlement of an individual claim. The costs can occur either when the claim is reported, processed or finally settled. The claims provision must include an allowance for ALAE in respect of both outstanding and IBNR claims.

The ALAE for the Company includes:

- Claims assessor fees
- Medical assessment fees
- Other expenses that can be directly attributed to each claim
- Administration expense payable to Friendly Settlement for all «Own Blame» claims
- Administration expense reimbursement receivable from Friendly Settlement

Based on the historical data, a loading of 1.0% of claims cost was applied.

Property Insurance Allocated Loss Adjustment Expenses («ALAE»)
The premium provision must include an allowance for ALAE in respect of both future claims cost.

There is no expense history to analyse for the Company, and as such we have referenced the industry data from the Greek Insurance Association and included a 15% ALAE loading until more data is available.

HD Motor Reinsurance Premium Provision
In the case of the reinsurance premium provision, the 50% quota share agreement means that the quota share reinsurance partners reimburse the Company for half of all claims' costs. The only exception is the legal cover and personal accident, which are ceded at 37.5%. Given the limited personal accident claims amounts no reinsurance recoveries were anticipated in reserves.

Since 1 October 2016 in respect of direct claims handling expenses, the reinsurance partners reimbursed the Company a fixed amount of €20 per claim for "factory" claims (routine claims with a reserve of less than €5.000). For "firm" claims (bigger claims including deaths and bodily injury) 50% of the actual claims handling expenses will be reimbursed to the Company by its reinsurance partners.

Property Insurance – Reinsurance Premium Provision
In the case of the reinsurance premium provision, the 85% quota share agreement means that the quota share reinsurance partners reimburse the Company for 85% of most claims' costs. The only exception is the legal cover, home assurance and personal accident, which are fully borne by the Company.

Given the limited number of claims and policies in force, the reinsurance premium provision was set equal to 85% of all claims and expenses. This will be refined as the portfolio increases in size. Also, it is noted that no excess of loss cover is currently in place for property insurance.

Expenses (Motor Insurance only)
The technical provisions should allow for all future expenses that will be incurred in servicing existing insurance obligations. These expenses include:

- Overheads
- Administrative expenses (incl. salaries, rent, IT costs and management)
- Claims management expenses

All acquisition expenses and provisional reinsurance ceding commission income are recognised on the payment of the premium by the client. Since premiums are received in advance of the contract start, acquisition expenses have been excluded altogether from this assessment. In this section, the other expenses are considered.

Level of uncertainty associated with the value of technical provisions
it should be noted that the Company commenced operations in 2011 and issued its first policy in 2012.

Furthermore, property insurance was launched in May 2018.

Given the relatively unique distribution model of the majority of the portfolio of the Company in the Greek & Cypriot market, the limited claims experience and lack of directly comparable industry benchmarks, it is expected that the methodologies may be adjusted from time to time and calculation of the claims and premium provisions may exhibit some volatility between assessments.

The data provided for the calculation of the Technical provisions was suitable and provided in sufficient detail for the calculation of the technical provisions, substantially reflecting the underlying risks being underwritten and reflecting some Company-specific trends.

For property insurance, very little Company data was available, and we have mainly referenced data from the 2018 report from the Greek Insurance Association. In addition, for the Brokins portfolio was only launched in April 2019, with very limited data available in respect of run-off patterns and loss ratios.

In respect of motor insurance, it should be noted that during the latter part of 2016, the Company adopted a new claims IT system. The way in which claims are captured and the speed at which claims are being settled has therefore changed. The Company transposed the data into a more consistent format to aid the comparability of the data for different periods.

In addition, the claims handling team has been expanding over the last couple of years to enable the team to deal internally with the assessment of claims, resulting in a substantial reduction in the external cost of allocated loss adjustment expenses. Therefore, only the more recent data was considered in the assessment of appropriate loadings for this type of expense.

Generally, the data have been consistent and recorded in a timely manner for the purposes of the Technical provision calculation.

4.3

Other Liabilities

Other liabilities include short term trading balances arising from the Company's ordinary activities. These are recognised as liabilities in the Solvency II and IFRS balance sheets and are valued based on the expected value of resources required to settle the liability over the lifetime of that liability.

Description of valuation bases, methods and main assumptions:

LIABILITY	VALUE AS PER SOLVENCY II - €	VALUATION METHODOLOGY	VALUE AS PER IFRS - €
Reinsurance Payables	3,318,531	Same as IFRS. Any difference arises due to reclassification of receivable balances from Reinsurers.	3,318,531
Any other liabilities, nor elsewhere shown	3,195,546	Same as IFRS. Any difference arises due to reclassification of receivable balances from Reinsurers.	3,345,197

Reinsurance contracts

The contracts entered into by the Company with the reinsurers under which the Company is compensated for losses on one or more insurance contracts issued by the Company and that meet the classification requirements for insurance contracts, as detailed in the accounting policy "Insurance contracts-classification" above, are classified as reinsurance contracts held.

The insurance contracts entered into by the Company, under which the contract holder of the insurance contract is another insurer (inwards reinsurance), are included in reinsurance contracts.

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

Any amounts recoverable from reinsurers that derive from the reinsurance contracts of the Company are recognised in the assets of the Company as "Claims outstanding-reinsurers' share". The amounts recoverable from or payable to reinsurers are calculated based on the amounts related to the reinsurance contracts and based on the terms of each reinsurance contract. The reinsurance liabilities are mainly premiums payable for reinsurance contracts and are recognised as expenses on an accrual basis.

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

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Trade payables

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.
Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

5
Capital Management

5.1
Own Funds

According to Solvency II, Company's capital is defined as own funds. The Company has three components of own funds, all of which are tier 1 basic own funds; ordinary share capital, share premium and retained earnings. Capital of the highest quality is categorised as Tier 1 and capital of lower quality is categorised either as Tier 2 or Tier 3.

The Company has developed a capital planning process which is performed through a collaboration between the finance department and the Risk Management function of the Company. The finance department is responsible for preparing Company's budget based on the business plan set by the management of the Company, which is then approved by the Board of Directors. The Risk Management function is responsible for assessing the risks inherent in the Company's operations, the Company's business plan and its assets in order to mitigate excess risks.

Capital planning encompasses financial projections, forecasted own funds and solvency capital and the forecast future solvency position in order to ensure that the Company will be able to execute its business plan, finance new growth opportunities and protect Company's economic viability.

Total available own funds to meet the Solvency Capital Requirement (SCR) amounted to €8,031,076 as at 31st December 2019.

Total assets according to the Solvency II valuation amounted to € 29,632,642. Cash and cash equivalents and fixed term deposits amounted to € 9,799,751.

The structure and quality of basic own funds is driven by the Company's investment strategy which aims for minimum risk position and the liquidity management strategy driven by Solvency II considerations.

	TOTAL- €	TIER 1- UNRESTRICTED- €
Ordinary share capital	1,281,738	1,281,738
Share premium account related to ordinary share capital	22,245,204	22,245,204
Reconciliation reserve	(15,495,867)	(15,495,867)
Total basic own funds after adjustments	8,031,077	8,031,077
Total eligible own funds meet the MCR	8,031,077	
SCR	5,242,922	
MCR	3,700,000	
Ratio of eligible own funds to SCR	**153,18%**	
Ratio of eligible own funds to MCR	**217,06%**	

5.2

Solvency Capital Requirement and Minimum Capital Requirement

The Company calculates the Solvency Capital Requirement (SCR) according to the standard formula.

Through the risk assessment exercise, the Company's management determines which risks are material and for which it is committed to assign additional capital.

Those risks not captured or not considered under the quantification analysis of Solvency II and the standard formula are still assessed by the Company's management and then if found to be significant, appropriate measures are put into place to reduce the Company's exposure to those risks.

A summary of the Solvency Capital Requirement (SCR) can be found in the following table:

RISK TYPE	2019 SOLVENCY CAPITAL REQUIREMENTS	2018 SOLVENCY CAPITAL REQUIREMENTS
Interest Rate Risk	156,192	66,573
Equity Risk	158,056	122,840
Spread Risk	1,052	1,054
Currency Risk	-	5
Concentration Risk	233,333	178,700
Diversification within Market Risk module	(225,031)	(141,903)
TOTAL CAPITAL REQUIREMENT FOR MARKET RISK	**322,602**	**227,268**
Type I	964,884	1,085,524
Type II	1,627,696	640,158
Diversification within Counterparty Risk Module	(156,148)	(103,793)
TOTAL CAPITAL REQUIREMENT FOR COUNTERPARTY RISK	**2,436,433**	**1,621,889**
Non-Life Premium and Reserve Risk	2,458,182	2,147,848
Non-Life Lapse Risk	0	0
Non-Life Catastrophe Risk	714,976	554,000
Diversification within Non-Life Risk module	(446,875)	(353,418)
TOTAL CAPITAL REQUIREMENT FOR NON-LIFE RISK	**2,726,283**	**1,968,731**

Diversification within modules	(908,414)	(668,090)
Basic Solvency Capital Requirements	4,576,905	3,529,497
Operational Risk	666,018	363,362
Total Solvency Capital Requirements	5,242,922	3,892,860
Loss Absorbing Capacity	-	-
NET SOLVENCY CAPITAL REQUIREMENTS	**5,242,922**	**3,892,860**
MINIMUM CAPITAL REQUIREMENTS	**3,700,000**	**3,700,000**
TOTAL OWN FUNDS	**8,031,077**	**9,703,174**
Total Tier 1 - Unrestricted	8,031,077	9,703,174
Eligible Own Funds for SCR	8,031,077	9,703,174
SCR RATIO (%)	**153.18**	**249.26**
MCR RATIO (%)	**217.06**	**262.25**

Minimum Capital Requirement
The Minimum Capital Requirement of the Company equals the relevant absolute floor as defined for its business lines i.e. €3,700,000.

Summary of the Minimum Capital Requirement at 31st December 2019:

AS AT 31 DECEMBER 2019	AMOUNT (€)
SCR	5,242,922
MCR Cap	2,359,315
MCR Floor	1,310,731
Combined MCR	1,407,098
Absolute floor of the MCR	3,700,000
Minimum Capital Requirement	3,700,000

5.3
Differences

Differences between the standard formula and any internal model used

The Company uses the standard formula.

5.4
Non-compliance

Non-compliance with the Minimum Capital Requirement and non-compliance with the Solvency Capital Requirement

The Company was fully compliant with the Minimum Capital Requirement throughout 2019.

5.5
Any Other Information

Capital planning is performed in collaboration between the finance department and the Risk Management function of the Company.

The finance department is responsible for preparing Company's budget based on the business plan set by the management of the Company, which is then approved by the Board of Directors.

The Risk Management function is responsible for assessing the risks inherent in the Company's operations, the Company's business plan and its asset in order to mitigate excess risks.

Capital planning encompasses financial projections, forecasted own funds and solvency capital and the forecast future solvency position in order to ensure that the Company will be able to execute its business plan.

Appendix I

Balance sheet

Annex I
S.02.01.02
Balance sheet

		Solvency II value
Assets		**C0010**
Intangible assets	**R0030**	0
Deferred tax assets	**R0040**	0
Pension benefit surplus	**R0050**	0
Property, plant & equipment held for own use	**R0060**	991,695
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	17,361
Property (other than for own use)	**R0080**	0
Holdings in related undertakings, including participations	**R0090**	1,000
Equities	**R0100**	2,330
Equities - listed	**R0110**	2,330
Equities - unlisted	**R0120**	0
Bonds	**R0130**	0
Government Bonds	**R0140**	0
Corporate Bonds	**R0150**	0
Structured notes	**R0160**	0
Collateralised securities	**R0170**	0
Collective Investments Undertakings	**R0180**	0
Derivatives	**R0190**	0
Deposits other than cash equivalents	**R0200**	14,030
Other investments	**R0210**	0
Assets held for index-linked and unit-linked contracts	**R0220**	0
Loans and mortgages	**R0230**	0
Loans on policies	**R0240**	0
Loans and mortgages to individuals	**R0250**	0
Other loans and mortgages	**R0260**	0
Reinsurance recoverables from:	**R0270**	7,359,496
Non-life and health similar to non-life	**R0280**	7,359,496
Non-life excluding health	**R0290**	7,359,496
Health similar to non-life	**R0300**	0
Life and health similar to life, excluding health and index-linked and unit-linked	**R0310**	0
Health similar to life	**R0320**	0
Life excluding health and index-linked and unit-linked	**R0330**	0
Life index-linked and unit-linked	**R0340**	0
Deposits to cedants	**R0350**	0
Insurance and intermediaries receivables	**R0360**	2,367,251
Reinsurance receivables	**R0370**	0
Receivables (trade, not insurance)	**R0380**	9,048,591
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**	9,799,751
Any other assets, not elsewhere shown	**R0420**	48,497
Total assets	**R0500**	29,632,642
Liabilities		
Technical provisions – non-life	**R0510**	15,087,488
Technical provisions – non-life (excluding health)	**R0520**	15,087,488
Technical provisions calculated as a whole	**R0530**	0
Best Estimate	**R0540**	14,442,425
Risk margin	**R0550**	645,063
Technical provisions - health (similar to non-life)	**R0560**	
Technical provisions calculated as a whole	**R0570**	
Best Estimate	**R0580**	
Risk margin	**R0590**	
Technical provisions - life (excluding index-linked and unit-linked)	**R0600**	
Technical provisions - health (similar to life)	**R0610**	
Technical provisions calculated as a whole	**R0620**	
Best Estimate	**R0630**	
Risk margin	**R0640**	
Technical provisions – life (excluding health and index-linked and unit-linked)	**R0650**	
Technical provisions calculated as a whole	**R0660**	
Best Estimate	**R0670**	
Risk margin	**R0680**	
Technical provisions – index-linked and unit-linked	**R0690**	
Technical provisions calculated as a whole	**R0700**	
Best Estimate	**R0710**	
Risk margin	**R0720**	
Contingent liabilities	**R0740**	
Provisions other than technical provisions	**R0750**	
Pension benefit obligations	**R0760**	
Deposits from reinsurers	**R0770**	
Deferred tax liabilities	**R0780**	
Derivatives	**R0790**	
Debts owed to credit institutions	**R0800**	
Financial liabilities other than debts owed to credit institutions	**R0810**	
Insurance & intermediaries payables	**R0820**	
Reinsurance payables	**R0830**	3,318,531
Payables (trade, not insurance)	**R0840**	0
Subordinated liabilities	**R0850**	0
Subordinated liabilities not in Basic Own Funds	**R0860**	0
Subordinated liabilities in Basic Own Funds	**R0870**	0
Any other liabilities, not elsewhere shown	**R0880**	3,195,546
Total liabilities	**R0900**	21,601,565
Excess of assets over liabilities	**R1000**	8,031,077

Appendix II

Premiums, Claims and Expenses by Line of Business

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

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of Business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written																		
Gross - Direct Business	**R0110**				11,653,507	4,560,601	0	130,463	4,889		701,563.66	3,415,746.19	3,156					20,469,925
Gross - Proportional reinsurance accepted	**R0120**																	
Gross - Non-proportional reinsurance accepted	**R0130**																	
Reinsurers' share	**R0140**				6,818,349	2,437,477	0	105,071	3,766	0	0	1,639,043	2,545					11,006,251
Net	**R0200**				4,835,157	2,123,124	0	25,392	1,122	0	701,564	1,776,703	611					9,463,673
Premiums earned																		
Gross - Direct Business	**R0210**				9,434,327	3,965,974	0	92,757	3,083	0	659,018	2,984,541	1,956					17,141,655
Gross - Proportional reinsurance accepted	**R0220**																	0
Gross - Non-proportional reinsurance accepted	**R0230**																	0
Reinsurers' share	**R0240**				5,047,961	2,011,058	0	77,836	2,452	0	0	1,420,379	1,642					8,561,328
Net	**R0300**				4,386,366	1,954,916	0	14,921	631	0	659,018	1,564,162	314					8,580,327
Claims incurred																		
Gross - Direct Business	**R0310**				7,643,859	3,593,810	0	37,992	0	0	82,851	0	0					11,358,512
Gross - Proportional reinsurance accepted	**R0320**																	0
Gross - Non-proportional reinsurance accepted	**R0330**																	0
Reinsurers' share	**R0340**				4,503,363	1,815,154	0	32,374	0	0	3,909	0	0	0	0	0	0	6,354,800
Net	**R0400**				3,140,496	1,778,656	0	5,618	0	0	78,942	0	0	0	0	0	0	5,003,712
Changes in other technical provisions																		
Gross - Direct Business	**R0410**																	
Gross - Proportional reinsurance accepted	**R0420**																	
Gross - Non- proportional reinsurance accepted	**R0430**																	
Reinsurers' share	**R0440**																	
Net	**R0500**																	
Expenses incurred	**R0550**				4,977,630.74	1,823,629.08	0.00	52,282.27	1,959.08	0.00	265,164.61	1,380,465.24	1,264.62	0	0	0	0	8,502,396
Other expenses	**R1200**																	
Total expenses	**R1300**																	

Appendix III

Premiums, Claims and Expenses by Country

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

		Home Country	Top 5 countries (by amount of gross premiums written) - non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0010							
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	46,439	20,423,485					20,469,925
Gross - Proportional reinsurance accepted	R0120		0					0
Gross - Non-proportional reinsurance accepted	R0130		0					0
Reinsurers' share	R0140	43,113	10,963,139					11,006,251
Net	R0200	3,327	9,460,347					9,463,673
Premiums earned								0
Gross - Direct Business	R0210	28,426	17,113,229					17,141,655
Gross - Proportional reinsurance accepted	R0220		0					0
Gross - Non-proportional reinsurance accepted	R0230		0					0
Reinsurers' share	R0240	29,147	8,532,181					8,561,328
Net	R0300	-721	8,581,048					8,580,327
Claims incurred								0
Gross - Direct Business	R0310	8,152	11,350,360					11,358,512
Gross - Proportional reinsurance accepted	R0320		0					0
Gross - Non-proportional reinsurance accepted	R0330		0					0
Reinsurers' share	R0340	7,010	6,347,790					6,354,800
Net	R0400	1,142	5,002,570					5,003,712
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	0	8,502,396					8,502,396
Other expenses	R1200							
Total expenses	R1300	0	8,502,396					8,502,396

Appendix IV

Non-life Technical Provisions

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance									Accepted non-proportional reinsurance				
		Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010														
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050														
Technical provisions calculated as a sum of BE and RM															
Best estimate															
Premium provisions															
Gross	R0060	3,822,274	1,268,334	0	41,169	0	0	47,708	0	0					5,179,486
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	1,995,773	528,259	0	34,992	0	0	7,121	0						2,566,144
Net Best Estimate of Premium Provisions	R0150	1,826,502	740,076	0	6,177	0	0	40,587	0						2,613,342
Claims provisions															
Gross	R0160	8,021,540	1,067,651	0	46,804	0	0	126,944	0	0	0	0	0	0	9,262,939
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	4,223,840	525,886	0	39,781	0	0	3,844	0	0	0	0	0	0	4,793,351
Net Best Estimate of Claims Provisions	R0250	3,797,700	541,765	0	7,023	0	0	123,100	0	0	0	0	0	0	4,469,588
Total Best estimate - gross	R0260	11,843,814	2,335,985	0	87,973	0	0	174,652	0	0	0	0	0	0	14,442,425
Total Best estimate - net	R0270	5,624,201	1,281,840	0	13,200	0	0	163,687	0	0	0	0	0	0	7,082,929
Risk margin	R0280	434,104	204,097	0	2,158	0	0	4,705	0	0	0	0	0	0	645,063
Amount of the transitional on Technical Provisions															
Technical Provisions calculated as a whole	R0290														
Best estimate	R0300														
Risk margin	R0310														
Technical provisions - total															
Technical provisions - total	R0320	12,277,918	2,540,082	0	90,131	0	0	179,358	0	0	0	0	0	0	15,087,488
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	6,219,613	1,054,145	0	74,773	0	0	10,965	0	0	0	0	0	0	7,359,495
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	6,058,305	1,485,937	0	15,358	0	0	168,393	0	0	0	0	0	0	7,727,992

Appendix V

Non-life Insurance Claims

Annex I
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	Z0010	Motor vehicle liability insurance

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											
N-9	R0160											
N-8	R0170											
N-7	R0180											
N-6	R0190	164861.01	90607.39	-3294.1	-766.7	0	70653	7464.9				
N-5	R0200	949,577	-16,862	177,464	-2,052	15,079	15940					
N-4	R0210	857,084	569,945	13,430	5,248	30,281						
N-3	R0220	1,482,137	481,493	377,061	265,278							
N-2	R0230	1,874,475	820,998	581,397								
N-1	R0240	2,346,645	761,336									
N	R0250	3,036,578										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0160		
	R0170		
	R0180		
	R0190	7,465	329,525
	R0200	15,940	1,139,145
	R0210	30,281	1,475,988
	R0220	265,278	2,605,969
	R0230	581,397	3,276,871
	R0240	761,336	3,107,981
	R0250	3,036,578	3,036,578
Total	R0260	4,698,275	14,972,057

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											
N-9	R0160											
N-8	R0170											
N-7	R0180											
N-6	R0190	6,634	0	0	0	0	0	0				
N-5	R0200	59,946	3,317	0	0	0	0					
N-4	R0210	82,124	0	0	0	0						
N-3	R0220	384,680	580	9,398	0							
N-2	R0230	747,660	4,312	0								
N-1	R0240	1,513,257	8,690									
N	R0250	5,157,542										

		Year end (discounted data)
		C0360
	R0100	
	R0160	0
	R0170	0
	R0180	0
	R0190	6,634
	R0200	63,263
	R0210	82,124
	R0220	394,657
	R0230	751,971
	R0240	1,521,947
	R0250	5,157,542
Total	R0260	7,978,138

Annex I
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	Z0010	Other motor insurance

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											
N-9	R0160											
N-8	R0170											
N-7	R0180											
N-6	R0190	133887.58	45079.36	0	0	0	0	0				
N-5	R0200	253,212	105,844	-160	0	0	1,402					
N-4	R0210	439,787	121,309	1,709	1,700	161						
N-3	R0220	848,724	189,170	183	-55							
N-2	R0230	754,192	175,168	4,647								
N-1	R0240	1,275,820	155,529									
N	R0250	2,076,906										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0160		
	R0170		
	R0180		
	R0190	0	178,967
	R0200	1,402	360,299
	R0210	161	564,665
	R0220	-55	1,038,022
	R0230	4,647	934,007
	R0240	155,529	1,431,350
	R0250	2,076,906	2,076,906
Total	R0260	2,238,589	6,584,215

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											
N-9	R0160											
N-8	R0170											
N-7	R0180											
N-6	R0190	885	0	0	0	0	0	0				
N-5	R0200	7,998	443	0	0	0	0					
N-4	R0210	10,956	0	0	0	0						
N-3	R0220	51,321	77	1,254	0							
N-2	R0230	99,748	575	0								
N-1	R0240	201,889	1,159									
N	R0250	688,085										

		Year end (discounted data)
		C0360
	R0100	
	R0160	0
	R0170	0
	R0180	0
	R0190	885
	R0200	8,440
	R0210	10,956
	R0220	52,653
	R0230	100,323
	R0240	203,048
	R0250	688,085
Total	R0260	1,064,391

Annex I
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	**Z0010**	Legal expenses insurance

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**
Prior	**R0100**											
N-9	**R0160**											
N-8	**R0170**											
N-7	**R0180**											
N-6	**R0190**	0	0	0	211.96	-150	43.4	0				
N-5	**R0200**	0	0	0	-300	-200	512.4					
N-4	**R0210**	0	968.47	515.84	2305.05	737.72						
N-3	**R0220**	9,324	25,011	23,254	11,188							
N-2	**R0230**	11,577	37,857	15,145								
N-1	**R0240**	9,165	33,381									
N	**R0250**	25,413										

		In Current year	Sum of years (cumulative)
		C0170	**C0180**
	R0100		
	R0160		
	R0170		
	R0180		
	R0190	0	105
	R0200	512	12
	R0210	738	4,527
	R0220	11,188	68,776
	R0230	15,145	64,580
	R0240	33,381	42,546
	R0250	25,413	25,413
Total	**R0260**	86,377	205,960

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											
N-9	R0160											
N-8	R0170											
N-7	R0180											
N-6	R0190	105	0	0	0	0	0	0				
N-5	R0200	950	53	0	0	0	0					
N-4	R0210	1,301	0	0	0	0						
N-3	R0220	6,094	9	149	0							
N-2	R0230	11,844	68	0								
N-1	R0240	23,972	138									
N	R0250	81,701										

		Year end (discounted data)
		C0360
	R0100	
	R0160	0
	R0170	0
	R0180	0
	R0190	105
	R0200	1,002
	R0210	1,301
	R0220	6,252
	R0230	11,912
	R0240	24,109
	R0250	81,701
Total	R0260	126,382

Annex I
S.19.01.21
Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	**Z0010**	Fire and other damage to property insurance

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											
N-9	R0160											
N-8	R0170											
N-7	R0180											
N-6	R0190											
N-5	R0200											
N-4	R0210											
N-3	R0220											
N-2	R0230											
N-1	R0240	1,422	3,670									
N	R0250	9,727										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100		
	R0160		
	R0170		
	R0180		
	R0190		
	R0200	0	0
	R0210	0	0
	R0220	0	0
	R0230	0	0
	R0240	3,670	5,092
	R0250	9,727	9,727
Total	R0260	13,397	14,819

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											
N-9	R0160											
N-8	R0170											
N-7	R0180											
N-6	R0190											
N-5	R0200											
N-4	R0210											
N-3	R0220											
N-2	R0230											
N-1	R0240	513										
N	R0250	46,193										

		Year end (discounted data)
		C0360
	R0100	
	R0160	0
	R0170	0
	R0180	0
	R0190	0
	R0200	0
	R0210	0
	R0220	0
	R0230	0
	R0240	513
	R0250	46,193
Total	R0260	46,706

Appendix VI

Own Funds

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	**R0010**	1,281,738	1,281,738			
Share premium account related to ordinary share capital	**R0030**	22,245,204	22,245,204			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	**R0040**					
Subordinated mutual member accounts	**R0050**					
Surplus funds	**R0070**					
Preference shares	**R0090**					
Share premium account related to preference shares	**R0110**					
Reconciliation reserve	**R0130**	-15,495,867	-15,495,867			
Subordinated liabilities	**R0140**					
An amount equal to the value of net deferred tax assets	**R0160**					
Other own fund items approved by the supervisory authority as basic own funds not specified above	**R0180**					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	**R0220**					
Deductions						
Deductions for participations in financial and credit institutions	**R0230**					
Total basic own funds after deductions	**R0290**	8,031,076	8,031,076			
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	**R0300**					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	**R0310**					
Unpaid and uncalled preference shares callable on demand	**R0320**					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	**R0330**					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	**R0340**					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	**R0350**					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0360**					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	**R0370**					
Other ancillary own funds	**R0390**					
Total ancillary own funds	**R0400**					
Available and eligible own funds						
Total available own funds to meet the SCR	**R0500**	8,031,076	8,031,076			
Total available own funds to meet the MCR	**R0510**	8,031,076	8,031,076			
Total eligible own funds to meet the SCR	**R0540**	8,031,076	8,031,076			
Total eligible own funds to meet the MCR	**R0550**	8,031,076	8,031,076			
SCR	**R0580**	5,242,922				
MCR	**R0600**	3,700,000				
Ratio of Eligible own funds to SCR	**R0620**	153.18%				
Ratio of Eligible own funds to MCR	**R0640**	217.06%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	**R0700**	8,031,076	
Own shares (held directly and indirectly)	**R0710**	0	
Foreseeable dividends, distributions and charges	**R0720**	0	
Other basic own fund items	**R0730**	23,526,942	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	**R0740**	0	
Reconciliation reserve	**R0760**	-15,495,867	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	**R0770**		
Expected profits included in future premiums (EPIFP) - Non- life business	**R0780**		
Total Expected profits included in future premiums (EPIFP)	**R0790**		

Appendix VII

Solvency Capital Requirement - for undertakings on Standard Formula

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

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	322,602		
Counterparty default risk	R0020	2,436,433		
Life underwriting risk	R0030	0		
Health underwriting risk	R0040	0		
Non-life underwriting risk	R0050	2,726,283		
Diversification	R0060	-908,414		
Intangible asset risk	R0070	0		
Basic Solvency Capital Requirement	R0100	4,576,905		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	666,018
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	5,242,922
Capital add-on already set	R0210	0
Solvency capital requirement	R0220	5,242,922
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

Appendix VIII

Minimum Capital Requirements - Only Life or Only non-life Insurance or Reinsurance Activity

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

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	1,407,098

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	0	0
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	5,624,201	4,835,157
Other motor insurance and proportional reinsurance	R0060	1,281,840	2,123,124
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0
Fire and other damage to property insurance and proportional reinsurance	R0080	13,200	25,392
General liability insurance and proportional reinsurance	R0090	0	1,122
Credit and suretyship insurance and proportional reinsurance	R0100	0	0
Legal expenses insurance and proportional reinsurance	R0110	163,687	701,564
Assistance and proportional reinsurance	R0120	0	1,776,703
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	610.71
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	

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

Overall MCR calculation

		C0070
Linear MCR	R0300	1,407,098
SCR	R0310	5,242,922
MCR cap	R0320	2,359,315
MCR floor	R0330	1,310,731
Combined MCR	R0340	1,407,098
Absolute floor of the MCR	R0350	3,700,000

		C0070
Minimum Capital Requirement	R0400	3,700,000

Annex I
S.28.02.01
Minimum Capital Requirement - Both life and non-life insurance activity

		Non-life activities MCR$_{(NL,NL)}$ Result	Life activities MCR$_{(NL,L)}$Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	1407097.99	

		Non-life activities: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Non-life activities: Net (of reinsurance) written premiums in the last 12 months	Life activities: Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Life activities: Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020	0	0		
Income protection insurance and proportional reinsurance	R0030	0	0		
Workers' compensation insurance and proportional reinsurance	R0040	0	0		
Motor vehicle liability insurance and proportional reinsurance	R0050	5,624,201	4,835,157		
Other motor insurance and proportional reinsurance	R0060	1,281,840	2,123,124		
Marine, aviation and transport insurance and proportional reinsurance	R0070	0	0		
Fire and other damage to property insurance and proportional reinsurance	R0080	13,200	25,392		
General liability insurance and proportional reinsurance	R0090	0	1,122		
Credit and suretyship insurance and proportional reinsurance	R0100	0	0		
Legal expenses insurance and proportional reinsurance	R0110	163,687	701,564		
Assistance and proportional reinsurance	R0120	0	1,776,703		
Miscellaneous financial loss insurance and proportional reinsurance	R0130	0	611		
Non-proportional health reinsurance	R0140	0	0		
Non-proportional casualty reinsurance	R0150	0	0		
Non-proportional marine, aviation and transport reinsurance	R0160	0	0		
Non-proportional property reinsurance	R0170	0	0		

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

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

Overall MCR calculation

		C0130
Linear MCR	R0300	1,407,098
SCR	R0310	5,242,922
MCR cap	R0320	2,359,315
MCR floor	R0330	1,310,731
Combined MCR	R0340	1,407,098
Absolute floor of the MCR	R0350	3,700,000

		C0130
Minimum Capital Requirement	R0400	3,700,000.00

Notional non-life and life MCR calculation

		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	1,407,098	
Notional SCR excluding add-on (annual or latest calculation)	R0510	5,242,922	
Notional MCR cap	R0520	2,359,315	
Notional MCR floor	R0530	1,310,731	
Notional Combined MCR	R0540	1,407,098	
Absolute floor of the notional MCR	R0550	3,700,000	
Notional MCR	R0560	3,700,000	

Appendix IX

Independent Auditor's Report

Independent Auditor's Report

To the Board of Directors of HD Insurance Limited

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

Opinion

We have audited the following Solvency II Quantitative Reporting Templates ("QRTs") contained in Annex I to Commission Implementing Regulation (EU) No 2015/2452 of 2 December 2015, of HD Insurance Limited (the "Company"), prepared as at 31 December 2019:

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

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

In our opinion, the information in the relevant QRTs of the Solvency and Financial Condition Report as at 31 December 2019 is prepared, in all material respects, in accordance with the Insurance and Reinsurance Services and other Related Issues Law of 2016, the Commission Delegated Regulation (EU) 2015/35, the Commission Delegated Regulation (EU) 2016/467, the relevant EU Commission's Implementing Regulations and the relevant Orders of the Superintendent of Insurance (collectively "the Framework").

Basis for opinion

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

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial statements, which indicates that the Group and the Company incurred a net loss of €4.369.691 and €1.338.404 respectively during the year ended 31 December 2019 and, as of that date, the Company's solvency capital ratio was 153%. Furthermore, due to losses incurred in the post balance sheet period the Company's reported solvency capital ratio was further reduced as disclosed in Note 7(i) of the financial statements. We further draw attention to Note 36 to the financial statements which describes the uncertainties related to the possible impact of the COVID-19 pandemic on the Group's and the Company's operations, risks and future financial performance. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's and Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

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

Narrative sections:

- Business and Performance
- Valuation for Solvency Purposes
- Capital Management

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Other Matter

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

PricewaterhouseCoopers

PricewaterhouseCoopers Limited
Certified Public Accountants and Registered Auditors

Nicosia, 28 May 2020