SOLVENCY AND FINANCIAL CONDITION REPORT.

Reporting Year 2024

Genikes Insurance

Information linked with the Company and Reporting

Full name and legal form

General Insurance of Cyprus Ltd ("Company" or "Genikes Insurance" or "GI") was incorporated in Cyprus as a limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. The Company's mission is to be the non-life insurer of choice in Cyprus. Genikes Insurance is a wholly owned subsidiary of the Bank of Cyprus Public Company Ltd.

Regulatory framework

Genikes Insurance transitioned into the Solvency II ("SII") regulatory framework of the Directive 2009/138/EC, after implementing a comprehensive program of regulatory requirements in corporate governance, risk assessment and management, solvency and reserving as well as supervisory and public disclosure.

The purpose of the Solvency and Financial Condition Report ("SFCR" or "Report") is to satisfy the public disclosure requirements according to Article 304 (1) of the Delegated Regulation (EU) 2015/35. The Report discloses the information referred to in Articles 292 to 298 of the Regulation under the following main areas: business and performance, system of governance, risk profile, valuation for solvency purposes and capital management. In addition, technical standards issued with regards to the procedures, formats and templates for the disclosures (Regulation 2023/895 issued in April 2023) were also considered in the preparation of the Report.

Reporting year

The Report has been prepared with reference date 31 December 2024 ("Reporting Year" or "Reporting Period") and it was approved by the Company's Board of Directors on 24th March 2025.

External auditor

The information disclosed in the SFCR has been subject to external audit. An audit report is issued by external auditors and relevant opinion can be found in the Appendix C of the Report. Contact details of the Company's appointed external auditors are as follows:

PricewaterhouseCoopers Ltd
PwC Central, 43 Demostheni Severi Avenue,
CY-1080 Nicosia, Cyprus
Website: www.pwc.com.cy

Supervisory authority

The supervision of the Company is conducted by the Insurance Companies Control Service of the Cyprus Ministry of Finance ("Supervisory Authority" or "Regulator"). Contact details are as follows:

P.O. Box 23364,
1682 Nicosia, Cyprus
Tel. No: 22 602 990 / Fax. No: 22 302 938
Email: insurance@mof.gov.cy
Website: www.mof.gov.cy

Disclosure

Genikes Insurance publishes its annual comprehensive Pillar 3 Disclosures on its webpage www.genikesinsurance.com.cy. The Company's registered office is located at 4 Evrou street, Strovolos, P.C 2003, Nicosia, Cyprus.

Due to rounding, there may be minor deviations in totals and percentages in this Report.

Executive Summary

General Insurance of Cyprus Ltd is a member of the Bank of Cyprus Group of Companies ("BOC Group" or "Group"). Since its establishment, the Company has played a leading role in the development of the insurance industry and insurance awareness and gained a reputation as one of the most important and reliable insurance companies in Cyprus.

Genikes Insurance offers a wide range of non-life insurance plans including motor, fire, general liability, accident and health, engineering, marine and miscellaneous insurance. The Company is committed to continuously improving traditional non-life insurance plans, while at the same time developing new, innovative and flexible covers which satisfy the modern needs of every individual and business. It also maintains over time, a high level of client service at the time of sale as well as in claims handling.

A summary of the main highlights is noted below. More details linked with each area can be found in the relevant Sections as defined by the relevant Solvency II disclosure requirements.

A. Business and Performance
The Company's main lines of business are Motor, Fire and Liability classes, which in total account for 93% of the overall business portfolio. In 2024, the Company continued to operate in a challenging environment achieving high profitability levels.

The premium production for the year increased by 5%, with total gross written premiums amounting to €68,4m (2023: €65,0m). The Company's insurance service result amounted to €12,8m (2023: €15,6m), lower from prior year due to higher insurance claims mainly attributable to severe weather events during the year.

The Company's total net claims ratio for Cyprus operations increased from 28,1% in 2023 to 41,0% in 2024 mainly driven by the Fire and liability lines of business. Section A of the Report provides details of the overall business and performance of the Company within the reporting year.

Investment fair value changes through profit or loss decreased from €1,9m in 2023 to €1,3m in 2024. In 2024 additional gains of €0,4m from changes in fair value of investments were reported in other comprehensive income. It is noted that during 2024, the Company proceeded with changes in the composition of its investment portfolio to address the volatility in earnings arising from the adoption of IFRS 17.

B. System of Governance
In compliance with the regulatory guidelines for corporate governance the Company has established the "Three Lines of Defence" model as a framework for effective risk and compliance management and control. The Company operates in an effective system of corporate governance with is considered sufficient and adequate taking into consideration the size, nature and the complexity of its business risks. The Company's Board delegates authority to certain Committees in order to monitor and oversee specific aspects of the business. In addition, the Company has established and incorporated into its governance system the following key functions: Risk Management, Actuarial, Information Security, Data Privacy/Compliance and Internal Audit.

The Company ensures that all persons who effectively run the undertaking or hold other key functions at all times fulfil their professional qualifications, knowledge and experience and are of good repute and integrity. Genikes Insurance is committed on an ongoing basis to improve and enhance its corporate governance framework to ensure risk and compliance management. Section B of the Report provide details of the overall Company's governance system.

By the end of 2024, the BoD consisted of 7 members, of which 2 were independent non-executive Directors, 1 non-executive Director and 4 executive Directors. All Directors were members of the Board throughout the year, apart from General Manager who resigned on 20th December 2023 and a new General Manager was appointed on 4th March 2024.

C. Risk Profile

The Company uses the standard formula to estimate its Solvency Capital Requirement ("SCR") according to which the SCR calculation is divided into risk modules. The main components of the SCR (before diversification) for the reporting year ended 31 December 2024 are as follows:

The Company's SCR as at 31 December 2024 was estimated at €22,4m and was covered by €45,0m of eligible capital resources, providing a surplus of €22,6m. For the reporting year, Non-Life Underwriting risk, Counterparty Default risk and Market risk were the main components of the Company's SCR. Non-life underwriting risk components are premium, reserve risk and catastrophic events risk which are mitigated through the purchase of adequate reinsurance cover. The Company assesses and mitigates Counterparty Risk by monitoring exposures to ensure that are within its approved risk appetite limits. Also, the Company follows a defined Investment Policy which includes specific criteria and limits (qualitative and quantitative) for each category of asset in order to ensure that investments are made in a prudent manner.

As part of its risk management process, during the reporting year, the Company carried out stress and scenario testing for material risks through the annual process of Own Risk and Solvency Assessment ("ORSA"). Based on the assessment performed, the Company's risk profile lies within its defined risk appetite limits. In addition, within the reporting period the Company submitted to the Supervisory Authority its quarterly Quantitative Reporting Requirements according to the SII requirements.

Throughout the reporting year, Company achieved a strong SCR coverage ratio well within its risk appetite limits and regulatory minimum of 100%.

D. Valuation for solvency purposes

The valuation of assets and liabilities for SII purposes is the same as the Company's financial statements prepared under IFRS Accounting Standards except for:

- Differences in the valuation of technical provisions and associated reinsurance recoverables.
- Revaluation of property held for own use for Solvency purposes not accounted for under IFRS Accounting Standards.
- Intangibles and deferred acquisition costs recognised as assets under IFRS Accounting Standards but valued at zero under SII.
- Differences in deferred tax measurement.

Material differences between Solvency II and IFRS Accounting Standards financial reporting under assets and other liabilities are described in detailed in the Section D – Valuation for solvency purposes.

The statement of financial position of the Company for the current and prior reporting year is summarized as follows:

	2024		2023	
	Statutory Accounts €'000	Solvency II €'000	Statutory Accounts €'000	Solvency II €'000
Total Assets	112.223	113.718	102.420	113.129
Total Liabilities, including technical provisions	64.874	68.678	59.438	72.332
Equity /Own funds	**47.349**	**45.040**	**42.982**	**40.797**

Reconciliation adjustments (as described above) are noted as follows, for reporting and prior years, in order to calculate Own Funds under SII:

Own Funds Reconciliation	2024 €'000	2023 €'000
Equity (IFRS Accounting Standards Financial Statements)	**47.349**	**42.982**
Difference in valuation of technical provisions (net)	26	137
Deferred Acquisition Costs	-	-
Premises valuation adjustment	-	-
Intangible assets	(2.665)	(2.634)
Differences in deferred tax valuation	330	312
Own Funds (Solvency II)	**45.040**	**40.797**

Following the implementation of IFRS 17 the difference in valuation of technical provision is significantly lower since the measurement basis of insurance liabilities and assets is similar to the Solvency II basis. For the reporting year 2024, the Company's gross technical provisions were estimated at €52,7m (2023: €57,7m). The Company does not apply any matching and volatility adjustments nor any transitional measures for the valuation of technical provisions.

E. Capital Management

In terms of capital management, Genikes Insurance covered its SII Capital Requirements throughout the year 2024. The Company's SCR as at 31 December 2024 was estimated at €22,4m and was covered by €45,0m of eligible capital resources, providing a surplus of €22,6m. As at 31 December 2024, the SCR and MCR coverage ratios amounted to 201% and 773% respectively.

SCR Coverage	2024 €'000	2023 €'000
Own funds - Basic, Tier 1 Unrestricted	45.040	40.797
SCR	22.442	21.532
Surplus	**22.598**	**19.265**
SCR Coverage Ratio	**201%**	**190%**
MCR	5.825	6.076
MCR Coverage Ratio	**773%**	**671%**

The movement in the SCR ratio from the prior year arose mainly from the higher available capital resulting from higher retained earnings by the end of the reporting year. The SCR amount increased due to lower diversification effect resulting from the higher counterparty exposures.

The detailed calculated SCR by risk module, at the end of the reporting period, is as follows:

Solvency Capital Requirements by risk module	2024 €'000	2023 €'000
Market Risk	4.160	6.838
Counterparty Risk	8.484	5.737
Non-Life Underwriting Risk	13.345	13.237
Health Risk	353	406
Diversification BSCR	(5.645)	(6.258)
Basic SCR (BSCR)	**20.697**	**19.960**
Operational Risk	1.990	1.844
Loss absorbing capacity of deferred taxes	(245)	(273)
SCR	**22.442**	**21.532**
SCR coverage ratio	**201%**	**190%**
MCR	**5.825**	**6.076**
MCR coverage ratio	**773%**	**671%**

A Business and Performance

A.1 Business

General Insurance of Cyprus Ltd was incorporated in Cyprus as a limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Genikes Insurance is a wholly owned subsidiary of the Bank of Cyprus Public Company Ltd ("BOC" or "Parent" or "Bank") and is part of the BOC Group.

The principal activities of BOC involve the provision of banking, financial services and management and disposal of property predominately acquired in exchange of debt. BOC is a limited liability company incorporated in 1930 under the Cyprus Companies Law. The shares of BOC's parent company Bank of Cyprus Holdings Public Limited Company, a company incorporated in Ireland, are listed and trading on the London Stock Exchange and the Cyprus Stock Exchange. BOC remains a public company for the purposes of the Cyprus Income Tax Laws. More information on the entities of the BOC Group can be found in the Bank's Annual Financial Report published on the BOC website at www.bankofcyprus.com.

Since its establishment, Genikes Insurance has played a leading role in the development of the insurance industry and insurance awareness and gained a reputation as one of the most important and reliable insurance companies in Cyprus. Genikes Insurance is committed to continuously improving traditional non-life insurance plans, while at the same time developing new, innovative and flexible covers which satisfy the modern needs of every individual and business. It also maintains over time, a high level of client service at the time of sale as well as in claims handling.

Operations of the Company are performed through its Head Office, which is located in Nicosia and the five district branches (Nicosia, Limassol, Larnaca, Famagusta, Paphos). Each branch supports the sales activity and operates as a customer service center, in its geographical area of responsibility. By the end of the reporting period the Company employed 113 full time employees (2023: 105 employees).

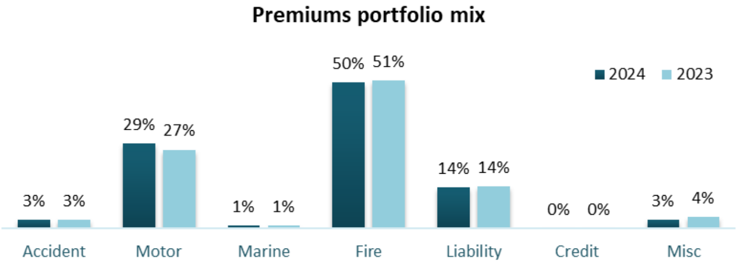
Genikes Insurance offers a wide range of non-life insurance plans including motor, fire, general liability, accident and health, engineering, marine and miscellaneous insurance and carries out business in Cyprus under the following Lines of Business ("LoB"):

<table>
<tr><th>Per Financial Statements (IFRS 17)</th><th>Per Solvency II</th></tr>
<tr><td>Accident and Health</td><td>Medical expense</td></tr>
<tr><td>Motor</td><td>Motor vehicle liability, Other motor</td></tr>
<tr><td>Marine</td><td>Marine, aviation and transport</td></tr>
<tr><td>Property</td><td rowspan="2">Fire and other damage to property</td></tr>
<tr><td>Engineering</td></tr>
<tr><td>General Third Party Liability</td><td>General liability</td></tr>
<tr><td rowspan="2">Miscellaneous financial loss</td><td>Credit and suretyship</td></tr>
<tr><td>Miscellaneous financial loss</td></tr>
</table>

The Company engaged in insurance operations in Greece via its Branch "Kyprou Asfalistiki". In 2014, the Company entered into a co-operation agreement with another insurance company in Greece regarding the placement of the insurance operations of the Branch upon expiry of insurance policies issued by the Branch. Since then, the Branch has been in a run-off status.

A.2 Underwriting Performance

Gross written premiums portfolio mix for the year ended 31 December 2024 and 2023 is presented in the following graph:



No material changes are noted in the Company's portfolio composition compared to prior year. Fire continues to be the most material LoB with a share of 50% (2023: 51%).

As per the financial statements the Company's underwriting performance is summarised as follows. The below table reflects the result of the Company as measured under IFRS 17 'Insurance contracts'.

Underwriting performance	2024 €'000	2023 €'000
Insurance revenue	69.245	63.877
Insurance expense	(38.085)	(31.908)
Insurance service result before reinsurance contracts held	**31.160**	**31.969**
Allocation of reinsurance Premium	(28.015)	(25.682)
Amounts recoverable from reinsurers for incurred claims	9.631	9.360
Net expense from reinsurance contracts held	**(18.384)**	**(16.322)**
Insurance service result	**12.776**	**15.647**
Insurance finance (expenses)/income for insurance contracts issued	(1.725)	(1.269)
Reinsurance finance income/(expenses) for reinsurance contracts issued	647	449
Net insurance financial result	**(1.078)**	**(820)**
Net insurance result	**11.698**	**14.827**
Break down by LoB:		
Insurance contracts issued		
Motor	1.827	2.796
Property	18.345	17.916
General Third Party Liability	3.281	3.667
Accident and Health	1.176	1.219
Marine	334	236
Engineering	1.857	1.507
Miscellaneous Financial Loss	2.615	3.359
Total	**29.435**	**30.700**
Reinsurance contracts held		
Motor	(112)	(1.248)
Property	(11.236)	(8.880)
General Third Party Liability	(849)	(636)
Accident and Health	(611)	(666)
Marine	(99)	(48)
Engineering	(1.766)	(1.260)
Miscellaneous Financial Loss	(3.064)	(3.135)
Total	**(17.737)**	**(15.873)**
Net insurance result	**11.698**	**14.827**
Cyprus operations	11.698	14.689
Greek operations	-	138
Net insurance result	**11.698**	**14.827**

Underwriting performance Key Performance Indicators (KPI's)	2024 €'000 2024 %	2023 €'000 2023 %
Net Claims Ratio		
Motor	61,7	58,1
Fire	29,8	15,0
Liability	38,9	19,3
Total Net Claims Ratio	**41,0**	**28,1**
Gross Expenses Ratio	**31,9**	**31,5**

The premium production for the year increased by 5%, with total gross written premiums amounting to €68,4m (2023: €65,0m).

The insurance service result decreased and amounted to €12,8m in 2024, compared to €15,6m in 2023, whilst profit before income tax decreased from €17,7m in 2023 to €9,5m in 2024. The decrease in profitability is mainly attributable to higher insurance expenses from increased net cost of claims and lower investment returns (please refer in Section A.3 – Investment Performance) in year 2024 compared to 2023. The Company has also incurred an additional insurance compensation of €1,7m in addition to €5,1m incurred in 2023, which impacted the profitability.

The Company maintains adequate reinsurance coverage at all times, to reduce the volatility of the claims and underwriting performance. The Company's total net claims ratio for Cyprus operations increased to 41,0% in 2024 from 28,1% in 2023. Net claims ratio increase was mainly driven by the Fire and Liability lines with net loss ratios of 29,8% (2023: 15,0%) and 38,9% (2023: 19,3%) respectively. The increase in claims is mainly attributed to the severe weather events during the year 2024.

A.3 Investment Performance

The Company's investments comprise mainly of cash and deposits, bond and money market funds, sovereign bonds and properties. Performance and information on income and expenses arising from investments by asset class is presented in the following table:

	Investment income		Investment expenses		Realised (losses)/gains		Unrealised (losses)/gains	
Asset Class	2024 €'000	2023 €'000	2024 €'000	2023 €'000	2024 €'000	2023 €'000	2024 €'000	2023 €'000
Cash and deposits	2	2	-	-	-	-	-	-
Investment funds	-	-	183	165	(45)	23	1.347	1.888
Bonds	53	-	-	-	-	-	351	-
Investment properties	24	24	-	-	8	-	(413)	(11)
Investment in subsidiary	16	23	-	-	-	-	(29)	2
Other	-	1	-	-	-	-	-	-
Total	**95**	**50**	**183**	**165**	**(37)**	**23**	**1.256**	**1.879**

Investment fair value changes, through profit or loss, decreased from €1,9m in 2023 to €1,3m in 2024. It is noted that during 2024, the Company proceeded with changes in the composition of its investment portfolio to address the volatility in earnings arising from the adoption of IFRS 17 through the acquisition of sovereign bonds. As a result, the Company has incurred gains of €0,4mn recognised through other comprehensive income.

During the year 2024 there was an increase in investment property revaluation losses which is mainly attributable to the deterioration in the value of the Company's ex-head office building. Investment income from the remaining sources is higher compared to last year, mainly due to the higher interest income during the reporting period.

A.4 Performance from other activities

A.4.1 Lease arrangements

The Company maintains various operating lease arrangements both as a lessor and a lessee, mainly for commercial real estate. The annual rent receivable in 2024 amounted to €24k (2023: €24k) and the annual rent payable amounted to €412k (2023: €418k) in respect of these arrangements.

A.5 Highlights during the reporting period

A.5.1 Strong Solvency Position

Company is compliant with the Law on Insurance and Reinsurance Services and Other Related Issue of 2016 (Law 38(I) 2016) and the Insurance and Reinsurance Services and Other Related Issues Regulations of 2016. During the reporting year, Genikes Insurance submitted to the Regulator its quarterly Quantitative Reporting Requirements according to the SII requirements. Throughout the reporting year, Company achieved a strong SCR coverage ratio well within its Risk Appetite limits and regulatory minimum of 100%.

A.5.2 Operating environment

The Cypriot economy has demonstrated remarkable resilience and growth in recent years, navigating through global uncertainties and regional challenges. In 2024, the economy achieved an estimated growth rate of 3,4% in 2024, in line with the projections by the Ministry of Finance. Growth in 2024 was driven by rising exports and strong economic activity in key sectors, primarily the information and communications sector, business and professional services, tourism and construction. The growth of the information and communications services was driven by computer software and consulting services, thus increasing economic diversification. In 2025 GDP is forecasted to continue to grow by 3,3% in real terms, outpacing Eurozone average.

The recent sovereign rating upgrades by the major rating agencies to 'A-' or equivalent, 3 notches above investment grade are the recognition of the robust growth performance, the strong fiscal dynamics and declining public debt, and the improved stability in the financial system.

Employment growth averaged 2,1% and labour productivity growth averaged 1,6% in the first three quarters of 2024. Labour productivity growth remains a strong contributor to overall growth in the economy with efficiency improving, demonstrated by the increased ability to generate output per worker. The unemployment rate, after rising in 2020 and the first half of 2021, has been declining in the period since, dropping to 5,7% in the fourth quarter of 2023 after revisions, further down to 5,3% in the first quarter of 2024, 4,8% in the second quarter, and 4,6% in the third quarter, seasonally adjusted. The unemployment rate in Cyprus is expected to average 4,8% for 2025 as per latest projections by the Ministry of Finance.

Inflation measured by the Harmonised Index of Consumer Prices, has been declining since the peak in July-August 2022 – 10,6% for headline and 7,2% core inflation. Harmonised inflation dropped to 3,9% in 2023 and dropped further to 2,3% in 2024 and is expected to remain broadly flat at 2,0% for 2025 Core inflation, which is headline inflation excluding energy and food, was a little stickier at 2,8% in the year. Services inflation – all items excluding goods – was up 4,2% in the year, compared with 3,6% in 2023.

Reduction in financial system risks, reflected in the continuous improvement of the private and banking sectors' financial position. Private sector debt in active banks' balance sheets, has more than halved over the past decade and is now among the lowest in Europe.

Total domestic loans excluding the government were €20,2 billion at the end of December 2024 or 60% of GDP. Loans to non-financial companies were about 26% of GDP and loans to households about 32%, where housing loans were about 25% of GDP.

The non-performing exposures ratio in the Cyprus banking sector dropped to 6,5% of gross loans or €1,6 billion, at the end of September 2024, while the coverage ratio of provisions, accounted for 61% of the non-performing loans. At the same time about 44% of non-performing loans consisted of restructured facilities. This steady progress in the banking sector continues to strengthen the sector's shock absorption capacity.

The Cypriot economy is largely constrained by structurally large current account deficits, reflecting high imports and low savings relative to domestic investment. The large current account deficits are driven by primary income imbalances, reflecting high repatriation of profits by foreign-owned enterprises.

Short-term risks are mostly external and skewed to the downside, including a downturn in key tourism markets, an escalation of regional conflicts, and delays in the implementation of the Recovery and Resilience Plan. Medium-term risks stem from climate change and a possible further deterioration in the global geopolitical outlook. The digital and green transitions remain key challenges in the medium term. The implementation of the Recovery and Resilience Plan requires structural reforms to further strengthen governance and economic resilience.

The sovereign risk ratings of the Cypriot government have improved significantly in recent years, reflecting reduced banking sector risks, improved economic resilience and consistent fiscal outperformance. Cyprus has demonstrated policy commitment to correcting fiscal imbalances through reform and restructuring of its banking system.

In response to the military operation of Russia in Ukraine, a number of sanctions have been imposed on Russian entities to restrict them from having access to foreign financial markets, including removing access of several Russian banks to the international SWIFT system.
The EU, UK and US (amongst others) have also imposed sanctions against the Russian central bank, restricting the access of the Russian state to foreign currency reserves, and introduced further asset freezes against designated individuals/entities and sectoral sanctions. The situation is still evolving and further sanctions and limitations on business activity of companies operating in the region, as well as consequences on the Russian economy in general, may arise but the full nature and possible effects of these are unknown.

Nonetheless, the Company is not significantly impacted from the conflict, as its operations are not affected by the situation however it will continue monitoring the situation and take action if required.

Management has taken and continues to take necessary measures to ensure minimum disruption to and sustainability of the Company's operations and support the Company's employees, customers and suppliers.

The Israel-Gaza conflict has escalated significantly after Hamas launched a major attack on 7 October 2023. Companies with material subsidiaries, operations, investments, contractual arrangements or joint ventures in the War area might be significantly exposed. Entities that do not have direct exposure to Israel and Gaza Strip are likely to be affected by the overall economic uncertainty and negative impacts on the global economy and major financial markets arising from the war. This is a volatile period and situation, however, the Company is not directly exposed. The Management will continue to monitor the situation closely and take appropriate actions when and if needed.

The Company's Management believes it's reasonably well positioned to withstand volatility that may arise from a deterioration in the geopolitical and global economic environment.

A.5.3 Digital Strategy

As Genikes Insurance is operating into an evolving insurance landscape and digital transformation is one of its main strategic pillars. During the year 2024, Company implemented and delivered a number of planned digital transformation projects like the Customer Portal Genikes Insurance, digital enhancement in claims system, maximised adoption of internal portals, and enhanced reporting tools, that will modernise further the services to be provided to customers and business partners and will allow for internal efficiencies.

A.5.4 Governance, compliance and risk management

The governance procedures and structure within the Company promote solutions so that compliance and risk management enact as business enablers in the Company's future development. The Company's aim is to proactively identify and manage risks arising from key initiatives to ensure the achievement of the strategy over the planning horizon.

A.5.5 Regulatory developments

The Company has actively addressed a range of key legal and regulatory tasks to ensure ongoing compliance and operational resilience. This includes completing pending actions related to GDPR, finalizing financial reporting for the year 2023 in line with the new IFRS: Insurance Contracts standard, and preparing for upcoming compliance with the Digital Operational Resilience Act (DORA). Additionally, the Company has conducted an assessment and initiated the application of the Supervisory Statement on the supervision of reinsurance arrangements with third-country reinsurance undertakings, reinforced compliance with sanctions and restrictive measures under Council Regulation 2022/580, and ensured alignment with the Motor Insurance Directive 2021 and the Motor Insurance Amending Law 167(I)/2023, the revised methodology for Motor Insurance Fund contributions and the EU Directive 2023/2673 on distance financial services contracts. These efforts reflect the Company's strategic focus and commitment to regulatory adherence and sound governance.

A.5.6 ESG and sustainability

The Company's Management has taken note of global awareness and concerns about the potential impact of climate change. Company has defined an ESG working team which working towards the green strategy to contribute to a sustainable industry. Management continues to monitor developments in this area and will respond as necessary to ensure the Company's strategy is in line with the sustainability principles.

A.5.7 Social Responsibility

Genikes Insurance is a socially responsible company, with initiatives to support road and home safety. In 2024, the Company sponsored a Road Safety event, organized by Support CY and Cyprus Police. During the event, members of Support CY and the Police educated the public on road safety issues. Furthermore, Genikes Insurance provided free insurance cover for the SupportCY volunteers. Another important initiative was the promotion of three impactful video clips with testimonials by staff of the Ambulance Service, Police Traffic Department, and Fire Department on road safety.

In terms of being safe-at-home, considering the need for raising children's awareness on safety issues in their home, the Company presented a theatrical performance titled "The Hero of the Home" for kindergarten and elementary students, hosted in school premises. The show presented in a creative and simple way the dangers arising at home, stemming from accidents and negligence as well as how we should cope with earthquakes. It emphasized how children can recognize and deal with these dangers safely and gave them the opportunity to practically employ the knowledge gained to prevent these risks.

Beyond this, the Company participated in the Fire Service and SupportCY initiative to educate the public on preparing for and responding to natural disasters (floods in particular).

A.6 Events after the reporting date

There were no significant events after the reporting date.

B System of Governance

B.1 General information on the system of governance

The Company complies with the regulatory guidelines for corporate governance and has established the "Three Lines of Defence" model as a framework for effective risk and compliance management and control. This framework defines the responsibilities in the management process of risk ensuring adequate segregation in the oversight and assurance of risk.

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

- Enable apportionment of responsibilities and clear accountability.
- Ensure the prudent and effective management of the Company.
- Facilitate prompt transfer of information to all persons who need it.
- Prevent any conflicts of interest.

The Company has also established and incorporated into its governance system the following key functions:

- Risk Management Function,
- Actuarial Function,
- Internal Audit Function,
- Compliance Function and
- Information Security.

First Line of Defence: This refers to functions that own and manage risks as part of their responsibility for achieving objectives and are responsible for implementing corrective actions to address process and control deficiencies (i.e Claims, Technical/Underwriting, Business Lines etc). It comprises of management and staff of business lines and functions who are directly aligned with the delivery of products and/or services. The First Line has the day-to-day responsibility for:

- Implementation of policies / procedures.
- Risk identification and effective management of risk.
- Compliance with all limits applicable to their operations.
- Smoothly operating controls within their scope of ownership/role.
- Escalation and reporting of risk issues.
- Protection of own information and information assets accordingly.

The First Line of Defence ensures controls are designed into systems and processes under the guidance of the Second Line of Defence.

Second Line of Defence: This refers to the bodies of the Company that provide challenge and oversight over the activities of the first line of defence and include the Risk Management, Actuarial Function, Information Security, Data Privacy and Compliance functions. The Second Line of Defence establish policies and guidelines that the business lines should operate within.

Third Line of Defence: This refers to bodies that provide independent and objective assurance of the effectiveness of the Company's systems of internal control established by the First and Second Lines of Defence. In practice, this is the Internal Audit Function ("IAF") and ultimately the responsible BoD Committees. The Company outsources IAF to BOC Internal Audit Division.

B.1.1 Main roles and responsibilities of the Administrative, management or supervisory body

The Company's Board of Directors ("BoD") bears the ultimate responsibility for ensuring that Corporate Governance arrangements within the Company are sufficient and appropriate to the size, nature and complexity of its business. The BoD of the Company delegates authority to certain Committees in order to monitor and oversee specific aspects of the business. Delegating to specialised Committees, does not in any way release the BoD from collectively discharging its duties and responsibilities. Specifically, the BoD has regular and robust interaction with the Committees it establishes, requesting information from them proactively and challenging it when necessary.

The BoD maintains overall responsibility for the management of the Company, including ultimate oversight of the Company's operations. The BoD organises and directs the affairs of the Company in a manner that seeks to protect its policyholders' interests, maximise the value of the Company for the benefit of its shareholder, while complying with regulatory requirements and relevant governance standards.

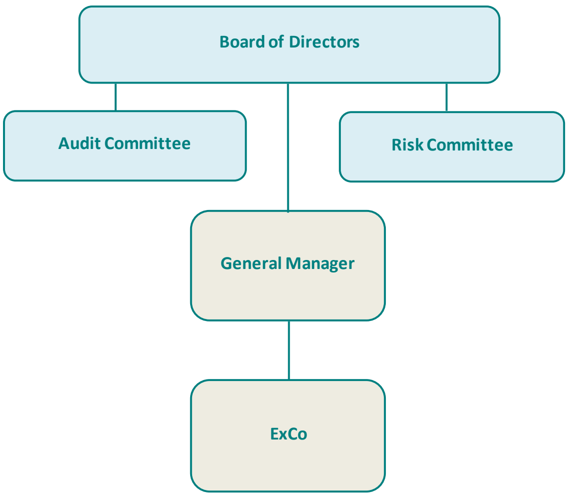
In performing its overall oversight function, the BoD reviews and assesses the Company's strategic and business planning, its solvency, as well as the Management's approach to addressing significant risks and challenges facing the business. In performing its oversight function, the BoD maintains frequent, active and open communication and discussions with Management.

The main responsibilities of the Company's BoD are as follows:

- Consider and approve the business strategy; approve and monitor the implementation of business objectives of the Company.
- Oversee the internal control functions and confirm adequacy of the control environment.
- Oversee risk management and establish appropriate and prudent risk management policies. Approve all relevant policy documentation and any exceptions to such policies.
- Understand the capital needs of the Company and oversee the Company's capital management and liquidity.
- Oversee Management. The Board selects and when necessary, replaces Management members and puts in place an appropriate plan for succession.
- Ensure high ethical standards in doing business.
- Assess the governance structure periodically to ensure that it remains appropriate in light of growth, increased complexity etc.

By the end of 2024, Company's BoD consisted of seven members, of which two were independent non-executive Directors, one non-executive Director and four executive Directors. BoD meets at regular intervals and at least 4 times a year. Within 2024, the BoD convened 4 times.

The structure of the Company's administrative, management or supervisory body at the end of the reporting period remained unchanged and was as follows:



Board Committees

The BoD has established two Committees, the Audit Committee ("AC") and Risk Committee ("RC"), to assist it in discharging its obligations. The terms of reference of the Committees define the responsibilities, composition and meeting requirements.

Audit Committee

The role of the AC is to review and monitor the effectiveness of the Company's internal control system, the integrity of the Company's financial statements, the effectiveness and adequacy of the internal and external audit processes, the Company's relationship with the external auditors and the effectiveness of the Company's Compliance Function.

The Chairperson of the AC is an independent Non-Executive Director who reports to the BoD the activities of the Audit Committee. The AC consists of three non-executive Directors and at least two members are independent. The AC shall meet at regular intervals and at least 4 times a year. During the reporting year 2024, the AC convened 4 times.

Risk Committee

The RC is an advisory Committee to the BoD which it assists with the formulation of the Company's overall risk strategies and policies for managing significant business risks and is responsible for designing and implementing the Company's Risk Management Framework.

The Chairperson of the RC is an independent Non-Executive Director who reports to the BoD the activities of the Risk Committee. The RC consists of three non-executive Directors and at least two members are independent. The RC shall meet at regular intervals and at least 4 times a year. During the reporting year 2024, the RC convened 4 times.

Executive Committee

In addition to the BoD Committees and in order to promote the effective operation of management, the Company has set up the Executive Committee ("ExCo") which consists of members of the Company's Executive Management and is chaired by the General Manager who has the overall responsibility and oversight for all business operations of the Company.

The ExCo is responsible for the implementation of the business plan and strategy set by the BoD and for the overall coordination of all internal business areas and functions within the Company. In addition, it is responsible for the regular review of the Company's performance, strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken in a timely manner.

The ExCo within the recent years and in an effort to enhance further the governance framework proceed with the establishment of the following internal committees:

- Underwriting Committee to review, discuss and approve underwriting of insurance risks.
- Claims Committees to review, discuss and determine the disposition of all insurance claims.
- Reinsurance Committee to assess and decide reinsurance subjects and issues relevant to the Company's operations.
- Technology Committee to review, monitor and prioritise major Information Technology projects.
- Business Development Committee, to review and take decisions regarding promotional and selling activities, business campaigns, launching of new products etc.

B.1.2 Material changes in the system of governance during the reporting period

All Directors were members of the Board throughout the year, apart from General Manager who resigned on 20th December 2023. New General Manager was appointed on 4th March 2024.

There have been no other material changes in the system of governance during the reporting period.

B.1.3 Remuneration Policy

The Company follows the BOC Group Remuneration Policy. The Company's objective to attract, develop, motivate and retain high value professionals is considered fundamental in achieving its goals and objectives and ensuring that the right people are in the right roles whilst managing its remuneration strategy and policies in a manner aligned with its shareholders.

The BOC Group's aim is to align its Remuneration Policy and human resources practices, with its long term objectives, its risk tolerance, capital and liquidity availability, the interests of its shareholders and ensure that they are consistent with and promote sound and effective management of risk and do not encourage excessive risk-taking.

The main form of remuneration of Executive Management and staff is fixed remuneration which comprises of salary and applicable allowances as determined by job value, individual contribution, employment contracts, collective agreements and relevant employment legislation.

Variable remuneration refers to the additional discretionary remuneration paid as an incentive for increased productivity and competitiveness. In the year 2024, the Company established a Short-Term Incentive Plan. This involves variable remuneration in the form of cash to selected employees, and will be driven by both delivery of the Company's Strategy, as well as individual performance. Within the reporting year 2024, no other variable remuneration or discretionary pension payments were granted.

The remuneration of non-executive members of the BoD is not linked to the profitability of the Company. It is related to the responsibilities and time devoted for Board meetings and for their participation in the Committees of the Board.

B.1.4 Material transactions with shareholders, with persons who exercise significant influence and members of the administrative, management or supervisory body

BOC is a tied insurance intermediary of the Company and accounts for a significant share of the Company's premiums that are written through the Bank's network. In return for this business the Company incurs commission expenses. Other transactions with BOC within the reporting period, include the payment of dividends, insurance and rental arrangements and interest income earned on bank deposits. In addition to the above, BOC provides general support services to the Company. Other support services received from Bank of Cyprus Public Company Limited relate to human resource services, information technology services, internal audit, and other various administrative services.

Transactions with members of the BoD and Executive Management include Directors' fees, salary and variable pay compensations and retirement benefit plan contributions, as well as the collection of insurance premiums and payment of claims in the normal course of business.

B.2 Suitability requirements

The Company ensures that all persons who effectively run the undertaking or hold other key functions at all times fulfil the following requirements:

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

A person is considered to have a good reputation if there is no reason to assume anything to the contrary. Any indications that may give rise to well-founded doubts about the ability of that person to ensure reliable and prudent management may adversely affect his good reputation.

When evaluating the experience, skills and knowledge of a person, the Company considers the nature and extent of a number of matters. Such factors include but are not limited to:

- The person's character, competence and suitability relative to the duties involved, including whether the person:
  - Possesses the necessary skills, knowledge, expertise, diligence and soundness of judgment to undertake and fulfil the particular duties and responsibilities of the particular position.
  - The level and object of the individual's education and whether it is relevant to the sector or other relevant sectors such as economics, law, management, etc.
  - Studies equivalent to a university degree or a recognised professional qualification relevant to financial matters and an adequate knowledge of the sector.
- Knowledge in financial markets, regulatory framework, strategic planning and corporate management, risk management, company organisation, governance and control, accounting, actuarial.
- Interpretation of key insurance figures.
- Adequate professional experience in corporate management or supervisory and control functions.

In addition to the above, the following governance criteria are also evaluated:
- The person does not have a conflict of interest in performing the duties of the position or, if there is a conflict of interest, the Company must conclude that the conflict will not create a material risk that the person will fail to perform properly the duties of the position.
- The individual is able to commit the necessary time to his duties.
- The individual's ability to perform his duties independently without undue influence from others.
- The composition of the BoD, the collective knowledge and experience.

The Company during the reporting year applied the following processes and procedures to ensure that individuals are suitable:
- Training: The Company ensures that all individuals receive appropriate training for maintaining their competence.
- Appraisals: Management carries out annual appraisals to review staff's current performance and establish goals for the upcoming year.
- Annual Declaration: Assessed persons (BoD members, General Manager, Key persons influencing decision making) are required to submit on an annual basis a declaration of any changes to ensure that they remain suitable.
- Board assessment: The Corporate Governance Compliance Officer ("CGCO") is responsible for assessing and evaluating the performance of the BoD, its Committees, the Directors and the Chairperson on an annual basis. For the purposes of assisting such assessment by the CGCO and providing constructive input for the improvement of the BoD as a whole, the BoD adopts a self- assessment policy on its effectiveness and performance through the completion of specific questionnaires.

B.3 Risk management system

B.3.1 Risk management framework

The Corporate Governance framework for the management of risks within the Company is based on the "Three Lines of Defence" model as described in previous sections.

The Company's risk management framework objectives are to provide:
- A clearly defined and well documented risk management strategy that:
  - Sets the Company's risk management objectives, key risk management principles, and assignment of responsibilities for risk across all the activities of the Company.
  - Defines the Risk Appetite Framework which sets the holistic approach of the Company in setting, communicating and monitoring its risk appetite. Risk appetite is defined as the aggregate level and types of risks the Company is willing and able to assume under normal course of activity, in order to achieve its strategic objectives and business plan.
  - Is consistent with the Company's overall business strategy.

- Adequate written policies that:
  - Include a definition and categorisation of the material risks faced by the Company by type, and the levels of acceptable risk limits for each risk type.
  - Implement the Company's risk strategy.
  - Facilitate control mechanisms.
  - Take into account the nature, scope and time horizon of the business and the risks associated with it.
- Appropriate processes and procedures which enable the Company to identify, assess, manage, monitor and report the risks it is or might be exposed to.

As noted above, Company's risk strategy is a core element in the overall risk management framework, as it defines the strategy that needs to be followed in order to manage the risks that the Company faces while implementing its business strategy. With this risk strategy, Genikes Insurance aims to:
- Maintain sufficient solvency to meet regulatory and internal requirements.
- Ensure that has sufficient liquidity to meet its liabilities as they fall due.
- Remain a profitable company in the non-life insurance sector and
- Protect its reputation and brand image.

B.3.2 Risk Management Function

The Risk Management Function ("RMF") is responsible for coordinating all risk management activities and comprises of the Head of Risk Management and specialised staff.

The RMF is free from influences that may compromise their ability to undertake their duties in an objective, fair and independent manner. The RMF cooperates with business functions/departments to carry out its role and has a reporting line to the BoD, through the Risk Committee, through which it is possible to escalate issues and act independently from Management. It also has a direct reporting line to the BOC Group's Risk Committee through the BOC Group's Risk Management Function in order to ensure its operational independence and safeguard its ability to escalate important issues.

The main roles and responsibilities of the RMF in the risk management framework are defined below:
- Support the BoD in the determination and implementation of the risk strategy and capital planning.
- Coordinate the implementation of the risk management framework.
- Evaluate and monitor the level of regulatory capital available to meet risk strategy and business objectives.
- Ensure that the eligible own funds are adequate to cover SCR and MCR.
- Regular reporting to Management and Risk Committee.
- Review the appropriateness of the risk strategy by reference to Company objectives, risk appetite statement and limits, and inform the Risk Committee of any changes that may be required.
- Monitor material risk exposures on an ongoing basis.
- Develop internal risk methodologies and models.
- Escalate breaches to appropriate authority.

B.3.3 Risk management methodology

Risk management methodology follows the stages below for all categories of risks:

Risk identification

Risk identification is the process followed to identify and record all material risk exposures that arise from the Company's activities. The risks are assessed based on the severity of adverse impact that they could have on the Company if they were to be crystallised.

The risk identification is performed jointly by the Business Functions/Departments and the RMF and is documented in the Company's electronic risk register. Risk identification is performed at all levels of business as listed below:
- Existing risk identification.

- Emerging risk identification.
- Risks identified following the recording of loss events.
- Risks identified through internal audit, compliance and information security reports.
- Risk and Control Self – Assessment ("RCSA") process.

Risk measurement

Once risks are identified, the measurement procedure is performed by all departments/functions on an annual basis in cooperation with the RMF. Material risks are considered more carefully, in order to measure their impact precisely using qualitative and quantitative techniques. The methodology used to classify risks (low, medium, high or critical) in terms of materiality is based on the "impact and likelihood" method. The impact is measured either in quantitative or qualitative terms (i.e economic loss, capital loss, reputational loss etc.).

Risk mitigation

The Company recognises that the prevention of the impact of new/existing risks is achieved through a solid system of internal governance and controls. The Company strives to maintain a strong system of internal controls and governance commensurate with its risk profile and in full compliance with the relevant laws and regulations. Business Functions/Departments are responsible to implement the appropriate control procedures for all business processes.

Risk monitoring

The monitoring of risk exposures is a joint responsibility between all three lines of defence in the risk management framework, consisting of prudent and regular review of both tolerance levels and exposure levels. The RMF has the responsibility to ensure that all material risk exposures are monitored on an ongoing basis and that any risks that fall outside the approved risk appetite of the Company are identified and appropriately escalated to the Risk Committee. All risk monitoring is undertaken in the context of the BoD's risk appetite.

Risk monitoring is performed through the following procedures:

- Review the progress of agreed action plans to control/mitigate identified material risks
- Analyse trends and changes in risk profile (through loss events databases)
- Review of the key risk indicators/thresholds for any identified risks
- Review the actual exposure versus limit (at an aggregate level)
- Analyse the appropriateness and assumptions of risk measurement methodologies
- Assess any unusual or material events
- Assess any early warning indicators (internal and external environment)
- Review any policy breaches.

Risk reporting

The RMF, through a set of reports prepared on a regular basis, keeps all interested and involved persons informed of its activities and the findings of the analyses it carries out. Main reports that are prepared on an ongoing basis during each year include:

- ORSA Report - to communicate outcome of the ORSA process and describe the risk profile of the Company,
- Risk Management Reports - to describe the risk profile of the Company, highlight risk monitoring results and provide suggestions for managing any exposures,
- Risk Dashboards - to highlight monitoring results for key quantitative risk metrics and
- Ad-hoc Reports – to provide an overview of any assessments performed on ad-hoc matters (i.e geopolitical developments, market risk trends etc)

B.4 Own Risk and Solvency Assessment

The Company conducts an Own Risk and Solvency Assessment ("ORSA") in order to monitor the risks it is exposed to and assess the impact of these risks on the capital adequacy (current and future) of the business. ORSA goes beyond determining the capital needs determined by solely applying standard formula and considers stress scenarios and other non-quantifiable risks and determines how these risks are translated into capital needs. The ORSA is used by the BoD to make future business decisions and to ensure that any risk remaining after controls have been applied is within the Company's risk appetite.
The Company's assessment in terms of risk and solvency is crucial for the implementation of a risk-based regime. The risk-based approach requires that the Company holds an amount of own funds commensurate with the risks which is or may be exposed to. In addition to having sufficient eligible own funds to cover the regulatory capital requirements, the Company assesses the adequacy of this regulatory capital requirement to its individual risk position. This allows the management to take into account all the risks associated with the Company's business strategies and define the required level of capital that the Company needs to cover such risks.

By the end of the reporting year 2024, the Company has prepared and submitted to the Supervisory Authority its ORSA Report following its approval by the BoD.

B.4.1 Process for performing the ORSA

The Company follows the steps below to implement its ORSA:

Driving factors

The Company defines the driving factors before ORSA planning – i.e. size and complexity, importance to the sector, proportionality issues, internal governance issues, supervisory perceptions about the Company and supervisory expectations in relation to ORSA, etc.

Risk identification

Risks are identified both formally, through the annual review of the Company's risk strategy, and informally as they arise in the course of business and all of them are documented in the risk register of the Company. The risk register includes a description of the specific risk together with any controls adopted by the Management in order to mitigate it. The risk identification includes risks considered in the SCR formula, as well as risks not included in the standard formula such as liquidity, strategic, business risks, reputational etc.

Risk measurement

Once risks are identified, the measurement of material risks through the standard formula as provided by the EIOPA is performed.

Capital allocation

Following the risk measurement results in respect of the risks identified in the risk register, the Company determines the need for any additional capital over and above the SCR based on:

- Its existing risk profile, and
- By taking into account risks that are not captured in the standard formula calculation (e.g. liquidity risk, reputational risk, strategic risk).

Link with financial plan

Based on the strategic objectives, financial projections and assumptions on future economic conditions, the Company prepares its capital planning for the next 4 years, which must be aligned with the risk appetite statement.

Stress and scenario testing

As mentioned above, the Company maintains a repository for all risks identified in its risk register. These risks mainly include discrete operational events which are considered for the purposes of the ORSA exercise and modelled onto the Company's financial outlook. This provides the Company with insight into how sensitive its financial health is to changes around individual risks. But measuring individual risks discretely does little to illuminate a more complex landscape of interrelated risks that often move together in the real world. Therefore, the Company takes the further step of coherently clustering risks together into combined scenarios and carries out reverse stress testing by assessing scenarios and circumstances that would render its business unviable, thereby identifying potential business vulnerabilities. Based on the results of stress and scenario testing, actions are developed that can be taken in case the risks are crystallised in the future.

Communication of the ORSA results

The ORSA report presents the results and findings of the ORSA exercise to the Management and BoD of the Company. The preparation of the report is coordinated by the RMF and is based on the results and calculations received by the Actuarial Function ("AF") and the Financial Control Department ("FC").

Decision making

The Company's risk and solvency assessment is crucial to the decision-making process and serves a critical role in the development, implementation and monitoring of management strategies:

- Risks assessed as high in the ORSA are also considered in the strategic planning of the Company.
- Improvements in the governance, risk and capital management processes suggested in the ORSA document are implemented by the Company.

The BoD uses the output of the ORSA exercise to review the Company's risk profile and assess whether the profile exceeds or approaches the risk appetite limits set. If this is the case, the BoD decides whether to amend the risk appetite limits or mitigate the risk.

B.5 Internal control system

B.5.1 Internal control system description

Internal Control is an important aspect of corporate governance, since a system of effective internal controls is fundamental to the safe and sound management of the Company by reducing the possibility of significant errors and irregularities and by assisting in their timely detection when they do occur. Effective internal controls help the Company to protect and enhance shareholders' value and reduce the possibility of unexpected losses or damage to its reputation.

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

- The BoD is responsible for setting the strategy, tone, culture and values of the Company.
- Management is responsible for the implementation of internal control culture and principles.
- Risk Management, Compliance and Actuarial Functions must assess both the internal and extract risks that Company faces.
- The Internal Audit Function assess the effectiveness of the internal control system through the specific engagements performed.

The Company's internal control system comprises of five interrelated components which are discussed below:

- **Control Environment:** All parts of the control environment of the Company are influenced by the actions and decisions of Management. The organisational structure of the Company sets the level of responsibility and defines appropriate and clear internal reporting relationships. Management reviews the organisational structure of the Company and identifies segregation of duties issues and takes the appropriate corrective actions before conflicts can arise. Management ensures that employees are aware of their duties and responsibilities and receive the required guidance and training to ensure proper workflow. Authority and responsibility are clearly assigned throughout the Company and are properly communicated to all employees.
- **Risk Assessment:** The Management has established a process to identify and consider the implication of external and internal risk factors concurrent with establishing entity wide objectives and plans. Management employs qualitative and quantitative methods to identify risk and determine relative risk rankings.

- **Control Activities:** The Company has appropriately documented policies and procedures, in place for each of its business areas (e.g. Underwriting, Claims, Reinsurance, Investments, etc.) and control functions (Risk, Actuarial, Data Privacy and Compliance, Information Security). Management oversees the implementation of the Company's policies and procedures and ensures that control activities are properly applied.
- **Reporting:** The Company has clear reporting and communication lines in relation to the Company's plans, objectives, control environment, risks, control activities, and performance. Personnel understand their own role in the internal control system, as well as how their individual activities relate to the work of others. The Company's management information system supports the frequent and structured reporting across all levels of the organisation. The Company's reporting framework identifies the types of internal reporting, its frequency and the Individuals/Departments responsible for their preparation.
- **Monitoring:** The Company has established the necessary monitoring mechanisms that facilitate the understanding of the Company's situation and provide the BoD with relevant information for the decision-making process. Regular monitoring occurs during normal operations and includes ongoing management activities and actions taken by all personnel when performing their duties. The Internal Audit Function maintains an audit universe with all main operations and regulatory obligations of the Company and decides which areas to audit, following a risk-based approach.

B.5.2 Compliance Function

The Compliance Function ("CF") is part of the Second Line of Defence in the Company. The mission of the CF is to effectively apply throughout the Company a corporate culture of ethics characterized by high standards of integrity, transparency, confidentiality and regulatory compliance. The CF supports the Management in managing all forms of compliance risk (including regulatory, corporate governance, data privacy, and sanctions compliance risks) and embedding and improving compliance arrangements in all levels and structures of the Company.

CF is headed by the Legal & Compliance Manager ("LCM"). In relation to her compliance duties the LCM reports to the Audit Committee of the Company. The LCM has the authority as well as the obligation to operate independently from Management and has free access at all times to BOC Group Compliance Director. The LCM also has a dotted reporting line to the BoD, through the AC, through which it is possible to escalate issues and act independently from Management. Independence of the function is ensured by written policy and by the oversight of the AC.

The CF establishes, implements and maintains appropriate mechanisms and activities to:
- Promote and facilitate a corporate culture of compliance, integrity and ethical values.
- Assist management to design, develop and implement an appropriate and effective compliance framework.
- Exercise oversight to ensure prompt and on-going compliance with legal, regulatory and business obligations.
- Manage effectively risks of non-compliance with these obligations.

Compliance activities are set out in a compliance programme prepared and monitored by the CF to ensure that all relevant areas are appropriately covered, taking into account their susceptibility to compliance risk. The compliance activities include:
- Identifying, on an on-going basis, legal, regulatory and business requirements, which govern and/or affect the operations of the Company.
- Ensuring that a fully updated register (Compliance Chart) of legal, regulatory and business requirements is maintained and that emanating compliance obligations are documented.
- Measuring and assessing the impact of these obligations on the Company's processes, procedures and operations.
- Identifying and documenting the compliance risks associated with the Company's business activities, on a pro-active basis.
- Applying appropriate practices and methodologies to measure compliance risk.

- Cooperating and exchanging information with other internal control and risk management functions on compliance matters.
- Educating, advising and responding to queries on compliance issues from staff.
- Facilitating the dissemination of compliance culture with the Company.

B.6 Internal Audit Function

The Internal Audit Function ("IAF") is an independent function responsible for providing its opinion to the BoD through the Audit Committee, through assessing the design adequacy and operating effectiveness of the Company's internal control framework, corporate governance and risk management processes. The IAF undertakes scheduled audit engagements and monitors the implementation progress of recommendations arising from internal and external reviews, the results of which are directly reported to the Audit Committee. An Annual Audit Report is submitted to the Board of Directors through the Company's Audit Committee, providing the internal audit opinion based on the work carried out in relation to the operations of the Company during the year.

The Company outsources the IAF to BOC Group's Internal Audit Division ("IA"). Notwithstanding any outsourcing, Genikes Insurance remains fully responsible for discharging all of its obligations regarding the IAF. Risks inherent in the outsourcing of the IAF are identified, monitored and appropriately mitigated and the service provider is properly supervised and managed.

IA reports directly to the Company's BoD through the AC, as well as to the BOC Group's Audit Committee. The BOC Group's Audit Committee is responsible for monitoring the independence, adequacy, and effectiveness of the IA. The BOC Internal Audit Director ("IAD") confirms on an annual basis to the BOC Group's Board of Directors, through the BOC Group Audit Committee, the organisational independence, adequacy and effectiveness of the internal audit activity. This is in line with Principle 7 of the Global Internal Audit Standards, which states that the IAD must confirm to the Board the organisational independence of IA at least annually. Independence is defined as the freedom from conditions that impair IA's ability to carry out its responsibilities in an unbiased manner. IA informs the Company's Board of Directors on the independence, adequacy and effectiveness of the internal audit activity through the Annual Audit Report submitted to the Audit Committee of Genikes Insurance.

B.7 Actuarial Function

The AF is part of the governance of the Company and advises the BoD and Management on the valuation and adequacy of the technical provisions, the appropriateness of reinsurance arrangements and underwriting policy, and contributes to the effective implementation of the risk-management system.
The responsibilities of the AF include:

- Coordinating the calculation of technical provisions and ensuring the appropriateness of the methodologies and underlying models used as well as the assumptions made.
- Assessing the sufficiency and quality of the data used in the calculation of technical provisions.
- Expressing an opinion on the adequacy of reinsurance arrangements.
- Expressing an opinion on the overall underwriting policy and technical pricing and profitability of products.
- Contributing to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the Solvency Capital Requirements and to the ORSA exercise.

Responsibility of the Actuarial Function ("AF") falls under the Actuarial and Risk Department and comprises of the Head of the Actuarial Function and two specialised actuaries. The AF also has a direct reporting line to the BoD, through the Risk Committee through which it is possible to escalate issues and act independently from Management. The AF and the associated reporting lines are free from influences that may compromise their ability to undertake their duties in an objective, fair and independent manner.

B.8 Outsourcing

The Company adheres to requirements set out in the Insurance Companies Control Service and EIOPA Guidelines and Solvency II provisions relating to Outsourcing arrangements.

The Company's outsourcing policy is summarised as follows:

- Assessment of the risks, costs and benefits of the potential outsourcing activity.
- Selection and assessment of the outsourcing service provider (due diligence is conducted).
- Approval for outsourcing the activity is obtained.
- Notification to the Regulator regarding the outsourcing of a critical or important function.
- Establishment of a written agreement which defines all aspects of the arrangement including the rights, responsibilities and obligations of each party.
- Monitoring of the execution of the outsourcing agreement and assessing service provider's performance.

The Company secures that outsourcing critical functions or activities does not lead to a material impairment of the quality of its governance system and there is no increase in the operational risk by:

- Adequately considering the outsourced activities in its risk management and internal control systems.
- Ensuring that the service provider has in place an adequate risk management and internal control system.
- Verifying that the service provider has the necessary financial resources to perform the tasks in a proper and reliable way, and that all staff of the service provider who will be involved are sufficiently qualified and reliable.
- Ensuring that the service provider has adequate contingency plans in place to deal with emergency situations or business disruptions and periodically tests backup facilities where necessary.

When choosing a service provider for any critical or important functions or activities the Company ensures that:

- The potential service provider has the ability, capacity and license required by law to deliver the required functions or activities.
- The service provider has adopted all means to ensure that no explicit or potential conflict of interest with the Company impairs the needs of the outsourcing undertaking.
- The general terms and conditions of the agreement are authorised and understood by the Company's Management and BoD.
- The outsourcing does not represent a breach of any data protection regulation or any other laws.
- The service provider is subject to the same provisions on the safety and confidentiality of information relating to the Company or to its policyholders or beneficiaries that are applicable to the Company.
- A written agreement between both parties exists, which defines the respective rights and obligations of each party.

As at the end of 2024, the Company outsources the following critical activities:

- Investment portfolio management,
- Internal audit services – BOC intragroup arrangement,
- Information Technology services – BOC intragroup arrangement,
- Archive and scanning services and
- Medical claims services.

All the above service providers are located in Cyprus, with the exception of the medical claims service provider who is located in Greece.

B.9 Adequacy of the system of governance

The Company is committed to implementing a sound governance system that is commensurate to the nature, scale and complexity of risks inherent in its business. As such, the Company aims to continuously improve its governance by ensuring relevant systems are reviewed and evaluated with appropriate recommendations made to the Board at least on an annual basis.

The key values of corporate governance that the Company implements are the following:

- The organisational structure is designed to ensure a prudent and effective management of the Company.
- The Board consists of executive and non-executive members (two of which are independent). The Board strives to be sufficiently diverse as regards age, gender, educational and professional background.
- The Audit and Risk Committees have clearly defined responsibilities which have been delegated by the BoD. Committees are empowered to make decisions and take actions within the limits of their delegated authority.
- The ExCo, formulates a strategy in the form of a 4-year plan by taking into account the Company's risk appetite, legal and regulatory framework and the Group's strategic direction.
- The Corporate Governance Manual sets the guidelines and provides transparency on corporate governance throughout the Company.
- The Company's Corporate Governance Compliance Officer reviews on an annual basis the effectiveness and adequacy of the corporate governance policy of the Company.
- The Employee Code of Conduct governs staff obligations.
- The Internal Audit Function is independent and reports to the Board through the Audit Committee.
- Internal and external audits provide further independent evaluation of the Company's governance system and relevant recommendations are considered by the Board/Committees and implemented proportionate to the business risks.

B.10 Other material information

All material information regarding the system of governance has been addressed in the previous sections.

C Risk Profile

Solvency II is a risk-based solvency requirement framework which requires the Company to hold capital against underwriting, market, credit and operational risks. The Company aims to maintain sufficient available capital to cover all risks faced by the Company and to satisfy regulatory requirements at all times.

The Solvency Capital Requirement ("SCR") is the economic capital that should be held to ensure that the Company can meet its obligations to policyholders and beneficiaries with certain probability and should be set to a confidence level of 99.5% over a 12-month period. That requirement limits the chance of financial loss for the following year to a 1 in 200 year event. There is also a Minimum Capital Requirement ("MCR"), which represents an 85% confidence level and should not be less than 25% nor exceed 45% of the Company's SCR.

The Company uses the standard formula to calculate the SCR, as provided by the EIOPA. Risk exposure is noted for the Company, to Pillar 1 risks (underwriting, credit/counterparty default, market and operational risks), but also to other risks not fully covered by Pillar 1 (strategic, compliance, reputational and cyber). During the year, no material changes were noted in terms of risk exposures.

Throughout the reporting year, Genikes Insurance covered its SII Capital Requirements. The Company's SCR as at 31 December 2024 was estimated at €22,4m and was covered by €45,0m of eligible capital resources, providing a surplus of €22,6m. As at 31 December 2024, the SCR and MCR coverage ratios amounted to 201% and 773% respectively. The movement in the SCR ratio from the prior year arose mainly from the higher available capital resulting from higher retained earnings by the end of the reporting year. The SCR amount increased due to lower diversification effect resulting from the higher counterparty exposures.

The calculation of the SCR according to the standard formula is divided into modules and sub-modules. The components of the SCR (before diversification) for the reporting period ended 31 December 2024, are presented in the following graph:

For the reporting year 2024, Non-Life Underwriting risk, Counterparty Default risk and Market risk were the main components of the Company's SCR. Non-life underwriting risk components are premium, reserve risk and catastrophic events ("CAT") risk which are mitigated through the purchase of adequate reinsurance cover. To mitigate Market risk, the Company follows a defined Investment Policy which includes specific criteria and limits (qualitative and quantitative) for each category of asset in order to ensure that investments are made in a prudent manner. Counterparty Default risk is also one of Company's material risks and specific mitigation techniques are applied by the Company for proper mitigation.

The Company's SCR split by risk module, is presented in Section E – Capital Management. In order to assess the risk sensitivity for each risk, the Company uses the standard formula and performs stress testing scenarios to ensure it will be solvent if any of these scenarios materialise.

As part of its risk management process, during the reporting year, the Company carried out stress and scenario testing for material risks through the annual process of Own Risk and Solvency Assessment ("ORSA"). Details of the stress testing and sensitivity analysis performed for each material category of risk is presented in the following sections. The following Sections provide both quantitative and qualitative details regarding specific risk categories.

C.1 Underwriting Risk

C.1.1 Key Underwriting Risks

Underwriting risk is the risk of loss or of adverse change in the value of insurance liabilities due to inadequate pricing and/or reserving assumptions. Underwriting risk includes the fluctuations in the timing, frequency and severity of insured events, with relation to the undertaking's expectations at the time of underwriting and/or reserve setting. This risk can also refer to fluctuations in the timing and amount of claims settlements. Genikes Insurance is exposed to Non-Life Underwriting risk and Health Underwriting risk (applicable for medical line of business). More specifically, the Underwriting risk is analysed in the following sub-modules:

<u>Premium & Reserve risk</u>

The premium and reserve risk only takes into account losses that occur at a regular frequency.

- Premium risk only relates to future claims attributable to the unexpired portion of in force policies (excluding Incurred But Not Reported ("IBNR") and Incurred But Not Enough Reported ("IBNER")), and originates from claim sizes being greater than expected, differences in timing of claims payments from expected, and differences in claims frequency from those expected.
- Reserve risk only relates to the settled ultimate figure of incurred claim amounts, i.e. existing claims, (including IBNR and IBNER), and originates from the final settled claim amounts being greater than expected differences in timing of claims payments from expected, and differences in claims frequency from those expected.

<u>Lapse risk</u>

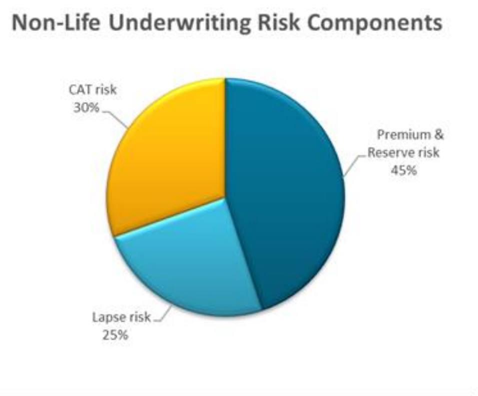
Lapse risk is the risk of a change in value caused by deviations from the actual rate of policy lapses compared to their expected rates. Lapse risk is estimated as the discontinuation of 40% of the insurance policies which would result in an increase of technical provisions. Lapse risk is applicable for non-health business.

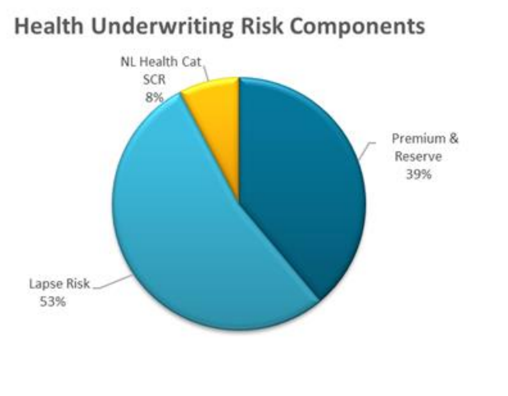
<u>CAT risk</u>

CAT risk is the risk that a single catastrophe event or series of events, of major magnitude, usually over a short period, lead to a significant deviation in actual claims from the total expected claims. It refers to the risk of loss or of adverse change in the value of insurance liabilities resulting from extreme or exceptional events whose effects are not sufficiently captured by the capital requirements from premium and reserve risks.

The non-life CAT risk consists of the natural and man-made catastrophe risk and the non-life health CAT risk from a mass accident and concentration risk arising from unusual accumulation of risks.

The Non-Life and Health Underwriting risks (before diversification) is analysed in the following sub-modules:





The SCR Non-Life and SCR Health for the reporting and prior year are calculated as follows:

Solvency Capital Requirements	2024 €'000	2023 €'000
Non – Life risk	13.345	13.237
Health risk	353	406

No material changes are noted of the underwriting risk components.

Assessment and risk mitigation techniques for underwriting risk

The Company's underwriting objective is to maximise earning levels and minimise volatility of earnings, while ensuring that the Company is appropriately compensated for the risks it assumes. The Company monitors and controls underwriting risk through various methods summarised below:

- An Underwriting Committee was established during the reporting year to review, discuss and approve insurance risks up to approved limits.
- Using reinsurance, either through proportional or non - proportional arrangements to reduce the Company's exposure. The Company maintains adequate reinsurance protection at all times, purchased both directly and through reinsurance brokers. The main reason for purchasing reinsurance is to protect the interest of the Company's policyholders as reinsurance provides liquidity, which can be in need especially in cases of large catastrophic events. Moreover, reinsurance coverage assists the Company to lower its volatility of earnings and increase capacity, allowing it to underwrite a larger volume of business and bigger risks.
- The determination of the appropriate level of EQ reinsurance protection purchased is based on the evaluation of EIOPA's CAT Risk formula and third-party market earthquake stochastic models.
- The Company's Reinsurance Unit is responsible for analysing the performance and effectiveness of reinsurance arrangements and assessing the necessity for changes including additional capacity, retention levels, wording clauses and exclusions in order to be in line with the Company's underwriting objectives, capital and risk strategies.
- Reinsurance and Underwriting Policies are currently in place regulating the approval, control, management, monitoring and reporting of reinsurance and underwriting procedures.
- Having defined underwriting authorisation limits and approval procedures.
- Regular monitoring of the Company's underwriting performance (through loss ratios) by ExCo.
- Lapse monitoring is conducted on a monthly basis.
- Performing stress and scenario testing during the ORSA process to assess the risk under stressed conditions.

Reinsurance protection

The Company maintains adequate reinsurance protection at all times, purchased both directly and through reinsurance brokers. The main reason for purchasing reinsurance is to protect the interest of the Company's policyholders as reinsurance provides liquidity, which can be in need especially in cases of large catastrophic events. Moreover, reinsurance coverage assists the Company to lower its volatility of earnings and increase capacity, allowing it to underwrite a larger volume of business and bigger risks.

The Company's Reinsurance Unit is responsible for analysing the performance and effectiveness of reinsurance arrangements and assessing the necessity for changes including additional capacity, retention levels, wording clauses and exclusions in order to be in line with the Company's underwriting objectives, capital and risk strategies.

C.1.2 Stress testing and sensitivity analysis

As insurance company, underwriting risk is considered the most material risk of the Company. A major catastrophic event is considered the most material potential exposure.

The Management defined a relevant scenario (linked with a major earthquake event) to assess the Company's ability to withstand in any potential CAT event. Details of the scenario are summarised as follows:

Scenario	Assumptions	Impact	Observations/Actions
Increased weather-related claims experience (due to climate change) combined with major earthquake in second year of event	• Increase in weather-related event resulting increased claims in the first year of the plan. • In the second year of the plan, a major earthquake occurs.	• Maximum decrease in overall SCR ratio by 78 pp. in the second year of event.	• Minimise SCR ratio impact through lower dividend distribution. • Reassessment of the Company's capital management strategy. • Liquidation of highly liquid assets in such event. • Depending on the magnum of the earthquake the Management may need to consider the activation of its business continuity plan. • Close monitoring of portfolio growth to avoid any mismatch between risk assumed and earthquake limit bought.

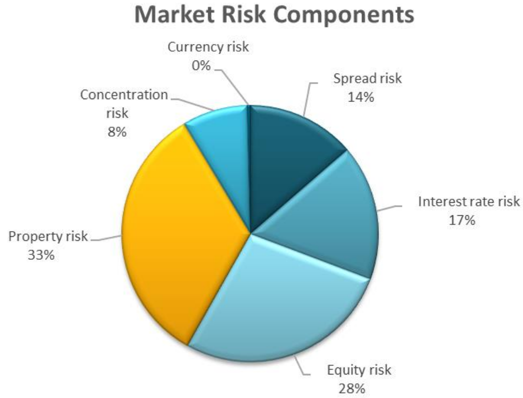
Based on the analysis performed the Company's underwriting risk profile was assessed to be resilient to withstand severe shocks by maintaining higher levels of available capital through restrictive dividend distribution to parent.

C.2 Market Risk

C.2.1 Key Market Risks

Market risk represents 15% of the Company's SCR (before diversification). Market Risk is the risk of loss or of adverse change in the financial situation, which may result directly or indirectly from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments. Exposures to Market Risk are measured by the impact of movements in the level of financial variables such as equity prices, interest rates, real estate values and exchange rates.

The Company's Market Risk consists of the following sub-risks:



Spread Risk

Spread risk reflects the change in the value of assets and liabilities caused by changes in the level or the volatility of credit spreads over the risk-free term structure. The capital charge is calculated per instrument and an SCR charge is then derived for spread risk as the sum of the SCRs for each sub-component. The Company's assets subject to spread risk are corporate bonds and term deposits. Decrease is noted to spread risk SCR to €821k (2023: €1,3m) as a result of the reduction of the term deposits.

Interest Rate Risk

Interest rate risk arises from the sensitivity of the values of assets, liabilities and financial instruments to changes in the term structure of interest rates, or in the volatility of interest rates. The Company's interest-sensitive assets are investments in bonds and term deposits. The Company's interest-sensitive liabilities are best estimates of technical provisions. The interest rate risk SCR amount increased to €1,0m (2023: 684k) due to investment of €15m in sovereign bonds during the reporting year (2023: nil).

Equity Risk

Equity risk arises from the sensitivity of the values of assets, liabilities and financial instruments to changes in the level/volatility of market prices of equities. Investments in equities are analysed between Type 1 and Type 2 equities:

- Type 1 equities comprise equities listed in regulated markets in the countries which are members of the European Economic Area ("EEA") or the Organisation for Economic Cooperation and Development ("OECD").
- Type 2 equities comprise equities listed in stock exchanges in countries which are not members of the EEA or the OECD, equities which are not listed, commodities and other alternative investments, as well as assets where a look-through approach is not possible.

By the end of year 2024, the Company estimates held Type 1 and Type 2 equities on which a 41,86% and 51,86% instantaneous decrease was applied respectively. The equity risk exposure SCR decreased to €1,6m (2023: €2,3m) due to the reduction of the Type 2 equity funds.

Additionally, the Company's fully owned subsidiary is classified as a strategic participation under the Equity Risk module in respect of which an instantaneous decrease of 22% was applied.

Property Risk

Property risk arises from the sensitivity of the values of assets, liabilities and financial instruments to changes in the level/volatility of market prices of real estate. Properties of the Company subject to property risk include land and buildings either owner-occupied or used as investment property.

Properties of the Company include land and buildings classified as owner-occupied, investment related and assets with a right of use. Property Risk reduces the market value of the Company's related properties by applying a negative shock of 25%. No material changes are noted in property risk.

Concentration Risk

Concentration risk is the level of risk in a Company's portfolio arising from concentration to a single counterparty and sector. Concentration Risk applies to assets considered under equity, spread and property risk above and excludes assets covered by the Counterparty Default Risk under Credit Risk section. Risk concentrations with the parent company are noted due to the strategic relationship with BOC Group. Concentration risk assumes that the geographical or sector concentration of the assets held by the Company is not material. Decrease is noted for concentration risk to €495k (Dec 2023: €4,4m), mainly due to the reduction in term deposits held with BOC Group.

Currency Risk

Currency risk arises from changes in the level or volatility of currency exchange rates. Company may be exposed to currency risk arising from various sources, including investment portfolios, as well as assets, liabilities and investments in related undertakings. For each foreign currency, the capital requirement for currency risk is equal to the larger of the SCR of a 25% increase or decrease in value of the foreign currency against the local currency.

Due to the increased investment in investment funds with indirect investments in financial assets denominated in currencies other than Euro, the currency risk accounts for 0,4% of the overall market risk exposure (before diversification). No material chagnes in currency risk are noted.

The market risk sub-modules for the reporting and prior year are calculated as follows:

Solvency Capital Requirements	2024 €'000	2023 €'000
Spread	821	1.347
Interest	1.024	684
Equity	1.647	2.328
Property	1.993	2.097
Concentration	495	4.424
Currency	24	75

C.2.2 Investment assets and prudent person principle

The investments of the Company meet the eligibility criteria (qualitative and quantitative) as set out in the Company's Investment Policy per type of asset. The said policy defines specific criteria and limits for each category of asset in order to ensure that investments are made in a prudent manner as follows:

- The overall policy objective is to adequately fund the Company's technical provisions and solvency margin and to contribute to the growth of surplus for the benefit of the shareholders.
- All investments qualify under applicable laws and regulations.
- The Company holds assets with sufficient values and adequate liquidity to meet all liabilities and enable payments as they fall due.
- Investment activities are appropriate so that the Company's shareholders and policyholders are not exposed to undue risks.

- Investments are sufficiently diversified across asset classes, maturities and geographical location of instruments.
- Counterparties are selected by taking into account the credit rating and reputation of each entity. Credit ratings are used as a way of properly identifying and managing the risk attached to a counterparty and Company ensures only counterparties with high credit rating are used.
- The Company does not engage in speculative investments or other high-risk investment activities. The Company does not invest in complex instruments or markets where the risks cannot be sufficiently understood, measured and managed.

C.2.3 Assessment and risk mitigation techniques for market risk

The Company follows its Investment Policy for managing the risks arising from the Company's investment decisions and practices by defining the framework for the approval, monitoring and reporting of investment activity and associated risks and establishing adequate limits and controls. The investment risk appetite is expressed in terms of acceptable asset classes for investment and the tolerance level for the risks arising from each investment. The Investment Policy is reviewed annually to ensure that the mitigation guidelines defined are still appropriate for the Company.

The RMF monitors, assesses and reports regularly on the investment risk exposures and market developments that may conduce to the generation of potential market risks. A risk register is maintained and stress and scenario testing is performed during the ORSA process to assess the risk under the stressed conditions.

The standard formula SCR includes an assessment and quantification of the market risk exposure.

C.2.4 Stress testing and sensitivity analysis

As the market risk is the second material risk of the Company in terms of capital requirements, the Management defined a relevant scenario (linked with the investment portfolio, as the most material asset) to assess the Company's ability to withstand in any potential market shocks. Details of the scenario are summarised as follows:

Scenario	Assumptions	Impact	Observations/Actions
Downgrading and impairment of investment portfolio	• Downgrading by two credit quality steps combined with an impairment loss in fair value of investment portfolio.	• Decrease in overall SCR ratio by 28pp. on average throughout the planning period.	• Use of specific approved ECAIs for counterparty selection. • Continuous application of minimum credit rating policy for selection of investments. • Monitor investment qualitative and quantitative limits through appointed investment manager. • Ongoing monitoring of market trends and developments.

Based on the analysis performed the Company's market risk profile was assessed to be resilient to withstand severe shocks and is within the Company's risk appetite.

C.3 Credit Risk

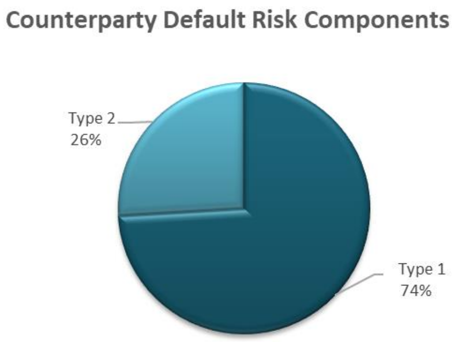
C.3.1 Key Credit Risk

Credit risk (in the form of Counterparty Default Risk) represents 30% of the Company's SCR (before diversification). Credit risk is the risk of loss, or of adverse change in the financial situation, resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors to which the Company is exposed, in the form of counterparty default risk, or spread risk, or market risk concentrations.

Counterparty Default Risk is the risk of loss due to unexpected default, or deterioration in the credit standing of the counterparties and debtors of the Company over the following 12 months.

- Type 1 exposures which include the best estimates of reinsurance outstanding amounts and cash at bank (current/sights accounts).
- Type 2 exposures which include premium receivables from agents/brokers and policyholders debtors and are assumed to be well diversified but unlikely to be rated.

Counterparty Default risk exposure of the Company is further analysed as follows:



The counterparty risk sub-modules for the reporting and prior year are calculated as follows:

Solvency Capital Requirements	2024 €'000	2023 €'000
Counterparty Type 1	6.609	3.748
Counterparty Type 2	2.314	2.362

Type 1 capital requirement was estimated at €6,6m (2023: €3,7m). The reason for this increase, is mainly driven by the increase in bank balances (current/sight accounts) to €10,2m (2023: €7,6m). Small decrease in policyholders' exposures is noted to €15,4m (2023: €15,7m) which resulted in a relatively small decrease in the related capital requirements for Type 2 exposures to €2,3m (2023: €2,4m).

C.3.2 Assessment and risk mitigation techniques for credit risk

The Company assesses, monitors and mitigates credit risk through various methods as summarised below:

- Using specific approved external credit assessment institutions (Standards & Poor's, Moody's, or Fitch) for counterparty selection.
- Selecting reinsurance counterparties with a minimum credit rating of "A-" (Standard and Poor's or equivalent).
- Monitoring the credit ratings of reinsurance counterparties on a quarterly basis.
- Regular monitoring of exposures and assessment of the adequacy of existing provisions for bad debts and evaluating of the need for further provisions.
- Selecting only highly reputable and creditworthy counterparties.
- A risk register is maintained and stress and scenario testing is performed during the ORSA process to assess the risk under stressed conditions.
- The standard formula SCR includes an assessment and quantification of the credit risk exposure.

C.3.3 Stress testing and sensitivity analysis

Counterparty risk is the third material risk of the Company in terms of capital requirement. The Management defined a relevant scenario (linked with the Company's main reinsurer) to assess the Company's ability to withstand in any potential counterparty shocks. At the same time, specific risk was assessed in the scenario of the downgrading of investment portfolio components. Details of the scenarios are summarised as follows:

Scenario	Assumptions	Impact	Observations/Actions
Downgrading and impairment of investment portfolio	• Downgrading by two credit quality steps combined with an impairment loss in fair value of investment portfolio.	• Decrease in overall SCR ratio by 28pp. on average throughout the planning period.	• Use of specific approved ECAIs for counterparty selection. • Continuous application of minimum credit rating policy for selection of investments. • Monitor investment qualitative and quantitative limits through appointed investment manager. • Ongoing monitoring of market trends and developments.
Exit of lead reinsurer from Cyprus market	• 50% of outstanding claim amounts paid by the Company in the first year, while the remaining 50% is replaced with lower credit rating reinsurance. • Full replacement of reinsurer's share in 2028.	• Decrease in overall SCR ratio by 61 pp in the first year of the financial plan.	• Reassessment of the Company's capital management and distribution strategy. • Re -assessment of the Company's reinsurance strategy and counterparties.

The results of the testing showed that the most material impact on the SCR coverage was in the event of the exit of lead reinsurer from Cyprus market. Based on the analysis performed the Company's credit risk profile was assessed to be resilient to withstand severe shocks and is within the Company's risk appetite.

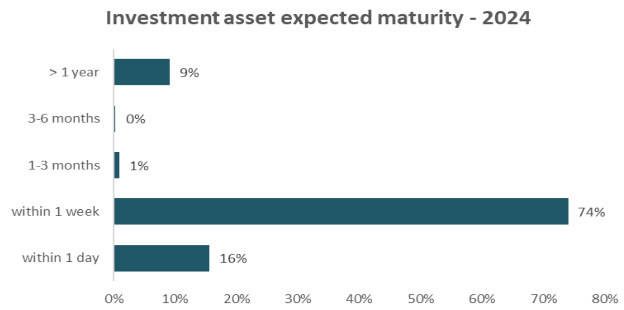
C.4 Liquidity Risk

Liquidity Risk is the risk that the Company is unable to realise investments and other assets in order to settle its financial obligations when they fall due. Liquidity Risk arises in circumstances where a Company has insufficient liquid or readily realisable assets to meet its commitments and is forced to rely on the realisation of assets that cannot be realised at short notice at a reasonable value.

The greatest threat to liquidity may occur during a catastrophic event, when a large number of claims will be received at once or there may be prospects of a significantly large claim. In case of such events, the Company has in place sufficient reinsurance cover. Generally, the Company aims to ensure that it has sufficient liquidity to meet its liabilities as they fall due, under both normal and stressed conditions, without incurring unacceptable losses.

C.4.1 Assessment and risk mitigation techniques for liquidity risk

The Investment Policy sets out specific limits to ensure that the Company maintains sufficient liquidity to manage its day-to-day operations and as sufficient buffer for covering sudden liquidity demands that may arise.



As at 31 December 2024, 74% of the Company's investment assets were placed in highly liquid assets which could be liquidated within 1 week (including within 1 day).

The Investment Policy is reviewed at least on an annual basis to ensure its contents reflect the latest regulatory requirements and any changed business processes and economic circumstances.

The RMF monitors, assesses and reports regularly on the liquidity risk exposures and market developments that may conduce to the generation of potential liquidity risks.

C.4.2 Stress testing and sensitivity analysis

As part of the ORSA process, the stress and scenario testing performed under risks mentioned above, also assesses the impact on the Company's liquidity and ability to meet its obligations as they fall due. Based on the analysis performed, the Company's liquidity risk profile was assessed to be resilient to withstand severe shocks and is within the Company's risk appetite.

C.4.3 Expected profit included in future premiums

The Expected Profit Included in Future Premiums ("EPIFP") represents the amount of profits expected to be earned in the future, on existing unexpired policies. The expected profit is calculated as the excess of expected future cash inflows over the expected future cash outflows. The EPIFP calculated by the end of the reporting period amounts to €4,2m (net of recoverables).

C.5 Operational Risk

Operational risk represents 7% of the Company's SCR (before diversification). Operational Risk is the risk of loss arising from inadequate or failed internal processes, personnel or systems, or from external events. Operational Risk excludes Strategic and Reputational Risks and is designed to address risks not been explicitly covered in other SCR risk modules. The risk calculation is based on the best estimates and the premiums earned during the previous twelve months.

The Company classifies operational risks under the following main categories:

- **Internal fraud:** Losses due to acts intended to defraud, misappropriate property or circumvent regulations, the law or Company policy, excluding diversity/discrimination events, which involve at least one internal party e.g. intentional misreporting of positions or employee theft.
- **External fraud:** Losses due to acts intended to defraud, misappropriate property or circumvent the law, by a third party e.g. robbery, forgery or hacking into systems.
- **Employment practices and workplace safety:** Losses arising from acts inconsistent with employment, health or safety laws or agreements, from payment of personal injury claims, or from diversity/discrimination events e.g. violation of health and safety rules or discrimination claims.
- **Clients, products and business practices:** Losses arising from unintentional or negligent failure to meet a professional obligation to specific clients, or from the nature or design of a product e.g. misuse of confidential customer information.
- **Damage to physical assets:** Losses arising from damage to physical assets from natural disasters or other events such as floods, fires, terrorism or vandalism.
- **Business disruption and system failures:** Losses arising from disruption of business or system failures e.g. electricity outages.
- **Execution, delivery and process management:** Losses from failed transaction processing or process management, from relations with trade counterparties and vendors e.g. data entry errors or incomplete legal documentation.

The operational risk SCR for the reporting and prior year are calculated as follows:

Solvency Capital Requirements	2024 €'000	2023 €'000
Operational Risk	1.990	1.844

No material changes are noted for operational risk exposure.

C.5.1 Assessment and risk mitigation techniques for operational risk

The Company employs a specific methodology and a number of tools to identify, assess, mitigate and monitor operational risks.

- **Risk Control and Self – Assessment ("RCSA"):** The most important tool for identifying and assessing operational risk is the RCSA workshops, which allows business-owners to identify and measure (based on likelihood and impact) the exposure to operational risk through estimates by managers and staff. The RCSA process is repeated annually or in the event of significant developments or changes in the organisational structure, processes or systems of the Units/Departments or at the occurrence of any other event that may affect the risk profile of the Company. Every month the progress and status of the risk mitigation action plans are updated by the Units/Departments and the RMF, with the progress achieved towards meeting the actions and deadlines originally set.
- **Key risk indicators ("KRIs"):** In addition, metrics which are commonly known as KRIs are established in order to monitor variables which indicate the possibility of losses. KRIs are monitored by the RMF and are reported to the RC on a regular basis. KRIs are established from a pool of business data/indicators considered useful for the purpose of risk tracking.

- **Operational loss events:** The Company records data on operational risk events (actual and potential losses as well as near misses) with a set threshold per loss and aggregate thresholds. An operational risk event is defined as any incident where, through a failure or lack of control, the Company could actually or potentially have incurred a loss. This enables the identification of weaknesses or vulnerabilities and potential threats, which in turns supports the specification of actions to minimise the risk of similar incidents occurring in the future.
- **Business Continuity Plan/Disaster Recovery Plan:** The Company has in place continuity plans to ensure that any business continuity and disaster recovery risks are managed properly. This enables the Company to operate on an ongoing basis and limit any losses in case of disruption of operations. These plans are reviewed and tested on a regular basis.
- **Outsourcing:** The Company is outsourcing the provision of certain services to external service providers, and as such is exposed to any potential failure on their part. The Company secures that outsourcing critical functions does not lead to a material impairment of the quality of its governance system and there is no increase in the operational risk.

C.5.2 Stress testing and sensitivity analysis

As part of the ORSA process, the stress and scenario tests performed also assess the impact on the Company's operational risk. Based on the analysis performed, the Company's risk profile was assessed to be resilient to withstand severe shocks and is within the Company's risk appetite.

C.6 Other risks

C.6.1 Cyber risk and security threats

Cyber risk refers to risks of cyber-attacks, which are deliberate exploitation of computer systems, technology-dependent processes and networks in the cyber realm. Cyber-attacks use manual and automated means to alter or execute computer code, logic or data, resulting in disruptive consequences that can compromise data in terms of its confidentiality, integrity or availability and lead to cybercrimes, such as data exfiltration and modification or unavailability of systems.

The Company aims for strong internal processes and the development and continuous improvements of robust technology controls. Policy and associated Security Standard of BOC Group are applicable to the Company.

C.6.1.1 Assessment and risk mitigation techniques for cyber risk

The Company assesses, monitors and mitigates cyber risk through various methods as summarised below:

- Training regarding Information Security awareness is provided to all employees.
- On-going fishing tests are performed.
- Penetration tests are performed on all active systems, in regular intervals.
- All new systems implemented are assessed by the Information Security officer.
- Critical and High-Risk Information and Communication Technology (“ICT”) Third Party providers are assessed by the Information Security officer.
- System monitoring is in place and updates are scheduled monthly or sooner in case of critical security updates.
- An Information security framework is in place and enforced within the Company which covers all information security domains of the ISO27001 and is aligned with EIOPA ICT Guidelines on Governance and Security, Digital Operational Resilience Act (DORA).

C.6.1.2 Stress testing and sensitivity analysis

The escalation of the geopolitical conflicts in the nearby area, as described in Section C.6.5 Strategic Risk, and the cyber security attacks noted in the past in Cyprus (financial institutions, governmental authorities etc), increases the cyber risk. Taking into consideration the recent developments, the Management performed a cyber scenario to assess the Company’s ability to withstand in any potential cyber-attack event, summarised as follows:

Scenario	Assumptions	Impact	Observations/Actions
Company subject to cyber-attack in 2025 with malicious email attachments sent to employees	• Attackers managed to obtain personal data of customers. • Regulatory fine and legal costs imposed to Company.	• No major impact in terms SCR %throughout the planning period.	• Ensure that cyber insurance cover is in place. • On-going training and awareness of security awareness to all employees. • Penetration testing on all active systems. • Information security assessment for any new products/services.

C.6.2 Reputational risk

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 authorities.

The Company monitors early warning indicators of reputational risk that arise from business as usual activities, through the monitoring of its reputation in the market (e.g. through market research) and the testing of its ability to respond quickly to a deterioration to its reputation. Based on market and internal surveys performed, Genikes Insurance receive high performance, confirming that there are no indications for deterioration in the reputational image of the Company.

C.6.3 Compliance risk

Compliance Risk is defined as the risk arising from the failure to comply with the overall regulatory and supervisory environment governing the conduct of the Company's business. The Company monitors all regulatory developments very closely and despite the regularly changing regulation environment, Management ensures that Genikes Insurance remains compliant on a continuous basis.

The Company has established a Compliance Function in order to pro-actively facilitate the management of compliance risk and to assist the Company to carry on its business successfully and in conformity with regulatory and ethical standards. The Compliance Function of the Company is responsible for the establishment and application of suitable procedures for the purpose of achieving a timely and on-going compliance of the Company with the existing legal and regulatory framework.

C.6.4 Climate change risk

Climate change is the risk that arises from the potential adverse impacts and consequences of global climate change on the environment, economies, and societies. These risks can be categorized into physical and transition risk. Physical risk involves the direct impact of climate change, such as extreme weather events and long-term changes in temperature and sea levels. Transition risk arises from the shift towards a low-carbon and climate-resilient economy and can affect companies through reputational and legal concerns.

The effects of climate change can be materialized in both the asset and liability side of the balance sheet through Market and Underwriting risk. Management continues to monitor developments in this area and considering the importance of the climate chance effect, relevant scenario was performed during the ORSA exercise to assess the Company's ability to withstand in any potential climate change effects. Results of the scenario performed are presented in Section C.1 Underwriting Risk.

C.6.5 Strategic risk

Strategic Risk is the risk of the current and prospective impact on earnings or capital arising from adverse business conditions, improper implementation of decisions, or lack of responsiveness to industry changes.
The existing and potential for growth that the Company aims creates inevitably strategic risk. Within the Company the external and internal financial and competitive environment are monitored and assessed in terms of impact on the overall strategy at regular intervals. Management monitors all business targets versus actual experience and is very agile in adjusting its business goals in response to changes in the market, competitive or regulatory environment.

Cyprus is a small, open, services-based economy, with a large external sector and high reliance on tourism and international business services. As a result, external factors which are beyond the control of the Company, including developments in the European Union and in the global economy, or in specific countries with which Cyprus maintains close economic and investment links, or regions, can have a significant impact on domestic economic activity. A number of macro and market-related risks, including weaker economic activity, a higher interest rate environment for longer, and higher competition in the financial services industry, could negatively affect the Company's business environment, results, and operations.

The Company is closely monitoring the situation developing in the Middle East. The conflict may last long, and may spread regionally, involving many more powers. The Middle East is a particularly important region in the world because of its oil resources, and as a result it has been and remains a focal point where conflicts and geopolitical strategies in the world are increasingly converging.

In addition, the recent mergers took place in the local insurance industry are also monitoring by the Management and are part of the overall strategy risk.

C.6.5.1 Stress testing and sensitivity analysis

Considering the above implications, Management has performed a relevant scenario during its ORSA exercise for the year 2024, in order to assess the impact on its business operations and solvency position. Results of the scenario performed are presented in the following section.

Scenario	Assumptions	Impact	Observations/Actions
Advese impact on strategy plan	• Impact on profitability (premiums/expenses).	• Maximum decrease in overall SCR ratio between 15 pp throughout the planning period.	• On-going monitoring of strategy linked with premium production and expense control.

Based on the analysis performed, the Company's risk profile was assessed to be resilient to withstand severe shocks and is within the Company's risk appetite.

The Company also took the further step of coherently clustering risks together into combined scenarios and carried out reverse stress testing by assessing scenarios and circumstances that would render its business unviable, thereby identifying potential business vulnerabilities.

D Valuation for Solvency Purposes

D.1 Assets and Other Liabilities

D.1.1 Base and assumptions

The Solvency II framework requires an economic and market-consistent approach for the valuation of assets and other liabilities. According to this approach assets and other liabilities should be valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction.

The default reference framework for valuing assets and other liabilities, are the IFRS Accounting Standards as adopted by the European Union ("EU"). If IFRS Accounting Standards allow for more than one valuation method, only valuation methods that are consistent with Article 75 of the Solvency II Directive are used. In most cases, IFRS Accounting Standards are considered to provide a valuation consistent with Solvency II principles. Also, the IFRS Accounting Standards accounting bases, such as the definitions of assets and other liabilities, as well as the recognition and derecognition criteria, are applicable as the default accounting framework, unless otherwise stated. IFRS Accounting Standards also refer to a few basic presumptions, which are equally applicable:

- The going concern assumption.
- Individual assets and liabilities are valued separately.
- The application of materiality.

The following hierarchy of high level principles for the valuation is used:

- Quoted market prices in active markets for the same or similar assets/liabilities.
- Quoted market prices in active markets for similar assets/liabilities with adjustments to reflect differences.
- Mark-to-model techniques that are benchmarked, extrapolated or otherwise calculated as far as possible from a market input.
- Maximum use of relevant observable inputs and market inputs and as little reliance as possible on undertaking-specific inputs, minimising the use of unobservable inputs.

D.1.2 Valuation

The material classes of assets and other liabilities on the Solvency II Balance sheet, the Solvency II values and the values for the corresponding items shown in the Company's financial statements, as well as the valuation methods used and major differences in valuation are summarised in the table below:

	Solvency II			Financial Statements			
31 December Assets	**2024 €'000**	**2023 €'000**	**Valuation basis**	**2024 €'000**	**2023 €'000**	**Valuation basis**	**Major Differences**
Intangible assets	-	-	Valued at zero	2.665	2.634	Cost less accumulated amortisation and impairment losses (IAS 38)	Zero value for Solvency II as they cannot be sold separately and there is no value for the same or similar assets from quoted market prices in active markets
Property and equipment held for own use	4.320	4.413	Same as IFRS Accounting Standards	4.320	4.413	- Fair value less accumulated depreciation (IAS 16) - Right of use asset (IFRS 16)	-
Investment property	6.385	6.975	Same as IFRS Accounting Standards	6.385	6.975	Fair value (IAS 40)	-
Investment in Subsidiary	714	743	Same as IFRS Accounting Standards	714	743	Fair value (IAS 27)	-

31 December Assets	Solvency II 2024 €'000	Solvency II 2023 €'000	Solvency II Valuation basis	Financial Statements 2024 €'000	Financial Statements 2023 €'000	Financial Statements Valuation basis	Major Differences
Investment in equities	3	3	Same as IFRS Accounting Standards	3	3	Fair value (IFRS 9)	-
Investment in government bonds	15.338	-	Same as IFRS Accounting Standards	15.338	-	Fair value (IFRS 9)	-
Investment in collective investment undertakings	42.223	46.367	Same as IFRS Accounting Standards	42.223	46.367	Fair value (IFRS 9)	-
Deferred acquisition costs	-	-	Valued at zero	-	-	Insurance acquisition cash flows (IFRS 17)	Zero value for Solvency II. Included in Liability for Remaining Coverage (LRC) under IFRS17
Reinsurance recoverables – non life/health technical provisions	18.586	20.293	Cash flow basis (Best Estimates)	24.509	22.745	Share of insurance contract liabilities (IFRS 17)	Refer to Section D.2 below
Insurance and intermediaries receivables	10.693	16.441	Same as IFRS Accounting Standards	637	730	Amortised cost less impairment (IFRS 9)	Premium receivables are included in Liability for Remaining Coverage (LRC) under IFRS 17.
Reinsurance receivables	27	85	Same as IFRS Accounting Standards	-	-	Amortised cost less impairment (IFRS 9)	Included in Asset for Remaining Coverage (ARC) and Asset for Incurred Claims (AIC) under IFRS 17.
Receivables (trade, not insurance)	44	39	Same as IFRS Accounting Standards	44	39	Amortised cost less impairment (IFRS 9)	-
Any other assets	2.267	1.093	Same as IFRS Accounting Standards	2.267	1.093	Asset recognised for the excess of the amount paid over the amount due for current and prior periods (IAS 12)	-
Cash and deposits	13.118	16.677	Same as IFRS Accounting Standards	13.118	16.677	Fair value (IFRS 9)	-
Total Assets	**113.718**	**113.129**		**112.223**	**102.420**		
Other Liabilities							
Insurance and intermediaries payables	2.993	2.749		291	269	Amortised cost (IFRS 9)	Insurance payables (e.g. commissions) are included in Liability for Remaining Coverage (LRC) under IFRS 17.
Reinsurers' current accounts	5.508	3.586		-	-	Reinsurance contract assets (IFRS 17)	Included in Asset for Remaining Coverage (ARC) and Asset for Incurred Claims (AIC) under IFRS 17
Other payables	2.519	2.255	Same as IFRS Accounting Standards	2.519	2.255	- Best estimate of the expenditure required to settle obligation (IAS 37) - Amortised cost (IFRS 9)	-
Deferred tax liability	822	834	Valued in relation to all	1.152	1.146	Recognised on all temporary differences	Different valuation basis of assets/

31 December Assets	Solvency II 2024 €'000	Solvency II 2023 €'000	Solvency II Valuation basis	Financial Statements 2024 €'000	Financial Statements 2023 €'000	Financial Statements Valuation basis	Major Differences
			assets and liabilities, including technical provisions that are recognised for Solvency or tax purposes.			between the tax bases of assets/liabilities and their carrying amounts in the IFRS Balance Sheet (IAS 12)	liabilities between IFRS and Solvency II balance sheet.
Any other liabilities	4.103	5.238	Same as IFRS Accounting Standards	4.103	5.238	- Best estimate of the expenditure required to settle obligation (IAS 37) - Lease liability (IFRS 16) - Liability recognised for the excess of the amount due over the amount paid for current and prior periods (IAS 12)	-
Debts owed to credit institutions	-	-	Same as IFRS Accounting Standards	-	-	Fair value (IFRS 9)	-
Total Liabilities	**15.945**	**14.662**		**8.065**	**8.908**		

D.2 Technical provisions

D.2.1 Valuation for Solvency purposes

The Solvency II Technical Provisions consist of the best estimates of claims provisions, the best estimates of premium provisions and the risk margin. The AF calculates technical provisions according to Solvency II requirements and in line with Cyprus Laws and Regulations.

Claims Provisions

The provision for claims outstanding relates to claim events that have already occurred, regardless of whether the claims arising from those events have been reported or not. Thus, the components of the claims provision are the outstanding case estimates, the incurred but not reported, the incurred but not enough reported and the unallocated claims management expenses. Under Solvency II, the reserves are discounted to allow for the time value of money. The claim provisions are estimated as a total for the Cyprus and Greek Branch (Kyprou Asfalistiki) portfolios, given the low number of outstanding claims for the Greek branch which is currently at a run-off status.

The AF performs projections using various deterministic techniques to quantify the undiscounted claims reserves. The main methods used to calculate the claims reserves are the Average Cost per claim ("ACPC"), the Chain Ladder on paid and incurred claims the Expected Loss Ratio, the Bornhuetter-Ferguson and the case by case methods:

- ACPC method forecasts the ultimate number of claims and the average cost per claims separately. The ultimate loss per accident year (cost of settling all claims) is calculated by multiplying the ultimate number of claims to the average cost per claim.
- The Chain Ladder method is appropriate for relatively stable historical development patterns. It uses actual loss data and the historical development profiles of older accident years to project more recent, less developed years to their ultimate position.
- The Expected Loss Ratio method forecasts the ultimate losses by applying an expected loss ratio to the earned premium of the specific accident year.

- The Bornhuetter-Ferguson method is essentially a blend of the Chain Ladder and Expected Loss Ratio methods combining both an independent Loss ratio with the historical development pattern.
- The case by case method refers to when a specific claim is reserved individually by assessing at the claim's specific characteristics and circumstances. This is method usually utilises feedback from the Claims and Underwriting departments as well any bespoke commentary by the claim assessor (if there is one).

The above methods are used interchangeably for each accident year in each line of business depending on the development pattern and on the information gathered by the Claims Department related to large claims and court cases. Large losses may exhibit a different development pattern to that of attritional claims which can cause distortions to the overall reserving process. By separating the large from the attritional claims and individually projecting these, it is possible to evaluate the impact that the large losses may have to the overall reserving calculation.

Allocated claims handling expenses connected with claims that have occurred and reported at or before the valuation date are included in the claims data and therefore implicitly projected as part of the claims projection. Unallocated claims management expenses or unallocated loss adjustment expenses ("ULAE") are also part of the estimate of claims provisions. These are the estimated cost of all activity (not directly allocated to individual claims) that is to arise in the process of settling the outstanding and IBNR claims as at the valuation date.

Premium provisions

The calculation of the best estimate of the premium provision relates to all future cash flows arising from future events, in relation to unexpired policies and for policies which have been agreed to but have not yet incepted. Such cash flows relate to future claims, future premium inflows, administration expenses, reinsurance cost and expected cancellation premiums and commissions.

The expected cash flows were estimated by applying an appropriate prospective combined ratio to the unearned premium reserve adjusted for the expected cancellation rate. Reinsurance cost associated with the non-proportional treaties is also factored into the calculation as well as future expected inflow of premium. The combined ratio is defined as the sum of the expense and the claims ratios.

Discounting

Claim and premium provisions best estimates are discounted using the December 2024, euro risk free interest rate curve, published by EIOPA.

Risk Margin

The risk margin is defined as the amount of future cash flows, in excess of the best estimate, that an insurer would require in order to take over and meet the insurance obligations covered by the technical provisions. It is calculated using a cost of capital approach. The risk margin is calculated using one of the simplification methods suggested by EIOPA.

The Company does not apply any matching and volatility adjustments nor any transitional measures for the valuation of technical provisions.

Assumptions

The Solvency II Technical Provisions are calculated based on the following key assumptions:

- Future management actions are assumed to be consistent with the Company's current business practice and business strategy.
- Future mix of business, claims handling processes and underwriting guidelines are assumed to remain unchanged.
- Future external environment and policyholder behaviour is assumed to remain the same if there is no indication of the opposite.
- The historic loss development and trend experience is assumed to be indicative of future loss development and trends. Inflation associated with prior claims is implicitly allowed for in the data. Inflation will have a

greater impact on the future losses so adjustments were made for the calculations of the reporting year, to lines of business that were deemed appropriate, to future outflows of expected claims and expenses to factor in this impact.

- The information developed from internal sources can be used to develop meaningful estimates of the initial expected ultimate loss ratios. Moreover, historical claims and exposure base (earned premium) are not greatly affected by other systematic influences and therefore no trend adjustment is applied beyond the one implied in the historical data for deriving the initial expected ultimate loss ratios (applicable for claim provisions).
- Significant losses or types of losses will emerge that are not represented in either the initial expected loss ratios or the historical development patterns (applicable for claim provisions).
- Premium cancellation rates of the previous twelve months are assumed to be the same as the next twelve months (applicable for premium provisions).
- Expense allocations to lines of business and by policy stage, as provided by the various Departments and Branches, are appropriate and are applicable for the next year.
- 50% of the Unallocated Loss Adjustment Expense ("ULAE") is incurred when the claim is first reported and the remainder until it is settled.
- Reinsurance structure is assumed to be the same for the next twelve months (applicable for premium provisions).
- The Company's risk appetite is assumed to be consistent.

Reasonableness and validation

In addition, the AF compares best estimates against experience and uses the insights gained from this assessment to improve the quality of current calculations. This is performed by carrying out Actual vs Expected ("AvE") analyses and via back testing the projection models. The AF interprets any material deviations between best estimates and experience, by identifying their causes and, when applicable, makes appropriate changes in the assumptions underlying the model in order to attenuate such differences. No material changes were made in the assumptions used in the calculation of the technical provisions compared to the previous reporting period.

Although the AF performs various reasonableness checks, reconciliation exercises and validation tests as well as removes data elements that could create obvious distortions in the data, we caution against any uncertainties in the valuation of technical provisions caused by the following:

- Economic, legal, social and political changes
- Distortions caused by "large losses"
- One-off large claims reviews
- Random claim fluctuations
- Fluctuations in the time, frequency and severity of claim events
- Fluctuations in the amount of expenses
- Changes in legislation
- Changes in claims handling processes and procedures
- Uncertainty in policyholder behaviour.

The causes of uncertainty outlined above are taken into consideration in the estimation of the best estimates, provided that credible information is available to the AF. The AF aims to quantify the level of uncertainty via AvE analyses which compares how the projected results tend to compare with the actual results. Model back testing also provides some insight into uncertainty associate with model chosen. The level of uncertainty varies by LoB with the longer tail lines having higher uncertainty that the short tail lines.

D.2.2 Valuation in Financial Statements

Insurance contract liabilities for the purposes of the Company's financial statements are measured in accordance with IFRS 17 Insurance Contracts.

Insurance contracts – initial measurement

The Company applies the Premium Allocation Approach ("PAA") to all the insurance contracts that it issues and reinsurance contracts that it holds.

The carrying amount of a group of insurance contracts issued at the end of the reporting year is the sum of:

- the remaining coverage ("LRC"); and
- the incurred claims ("LIC"), comprising the future cash flows ("FCF") related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of the reporting year is the sum of:

- the remaining coverage ("ARC"); and
- the incurred claims ("AIC"), comprising the FCF related to past service allocated to the group at the reporting date.

For a group of contracts that is not onerous at initial recognition, the Company measures the liability for remaining coverage as:

- The premiums, if any, received at initial recognition,
- Minus any insurance acquisition cash flows at that date,
- Any other asset or liability previously recognised for cash flows related to the group of contracts that the Company pays or receives before the group of insurance contracts is recognised.

The Company does not apply an allowance for time value of money as the premiums are due and received within one year of the coverage period.

Reinsurance contracts held – initial measurement

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows.

Insurance contracts – subsequent measurement

The Company measures the carrying amount of the liability for remaining coverage at the end of each reporting period as the liability for remaining coverage at the beginning of the period:

- Plus premiums received in the period,
- Minus insurance acquisition cash flows,
- Plus any amounts relating to the amortisation of the insurance acquisition cash flows recognised as an expense in the reporting period for the group,
- Minus the amount of expected premium receipts recognised as insurance revenue for the services provided in the period.

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the Company and include an explicit adjustment for non-financial risk (the risk adjustment). The Company adjusts the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims for all its portfolios.

The risk adjustment for non-financial risk is applied to the present value of the estimated future cash flows, and it reflects the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts. For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

Where, during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation.

Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium to profit or loss.

Reinsurance contracts held – subsequent measurement
The subsequent measurement of reinsurance contracts held follows the same principles as those for insurance contracts issued and has been adapted to reflect the specific features of reinsurance held.

In essence, for reinsurance contracts held, at each of the subsequent reporting dates, the LRC is:
- increased for ceding premiums paid in the period;
- increased for broker fees paid in the period; and
- decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.

The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less. The Company adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance.

Where the Company has established a loss-recovery component, the Company subsequently reduces the loss-recovery component to zero in line with reductions in the onerous group of underlying insurance contracts in order to reflect that the loss-recovery component shall not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the entity expects to recover from the group of reinsurance contracts held.

D.2.3 Solvency II and Financial Statements valuation of technical provisions

Solvency II valuation
An overview of the technical provisions, including best estimates and risk margin used for Solvency II purposes and the corresponding information shown in the Company's financial statements are summarised in the table below both for 2024 and 2023:

Solvency II Valuation Net - Portfolio	2024			2023		
	Best estimates	Risk Margin	Total Technical Provisions	Best estimates	Risk Margin	Total Technical Provisions
	€'000	€'000	€'000	€'000	€'000	€'000
Medical expense	310	103	413	566	92	658
Motor vehicle liability	9.711	218	9.929	10.146	190	10.336
Other motor	4.409	151	4.560	4.090	124	4.214
Marine, aviation and transport	129	117	246	223	90	313
Fire and other damage to property	8.950	565	9.515	9.972	429	10.401
General liability	8.860	287	9.147	10.785	250	11.035

Solvency II Valuation Net - Portfolio	2024 Best estimates	2024 Risk Margin	2024 Total Technical Provisions	2023 Best estimates	2023 Risk Margin	2023 Total Technical Provisions
	€'000	€'000	€'000	€'000	€'000	€'000
Credit and suretyship	15	99	114	17	88	105
Miscellaneous finance loss	117	106	223	222	94	316
Total	**32.501**	**1.646**	**34.147**	**36.021**	**1.357**	**37.378**

The value of the Company's technical provisions for Solvency II purposes is equal to the sum of the best estimate and the risk margin which are calculated separately. The Solvency II technical provisions are calculated by line of business on a discounted best estimate basis removing any margin for implicit or explicit prudence and therefore with equal probability that the estimated values will go up or down.

Overall, the technical provisions for 2024 reduced from prior year, driven by a change in the calculation of the premium provision. During the reporting year, the premium provision calculation was adjusted to better align with Solvency II regulation. The adjustment concerned the deduction of expected premium inflow from the premium provision which was previously captured in the balance sheet as an asset (i.e. premium receivable). This is merely a reporting adjustment which resulted in no impact to the SCR ratio (provided that no other changes in place). More specifically, the movement for each component is noted as follows:

- Net claim provisions increased by 3%, driven by increased claim experience in the motor, liability and fire classes. The overall increase was offset by a reduction in the ULAE reserve.
- Premium Provision would have had an increase of 7% like for like from increase UPR, Loss and expense ratios. The change in calculation, as described above, offset this increase thus resulting to an overall reduction of 17%.
- Risk margin increased year on year due to increased counterparty default risk as a result of increased reinsurance recoverables.
- All metrices had less discounting effect for 2024 valuation, due to the reduction in interest rates.

IFRS Accounting Standards Valuation

The insurance contract liabilities as valued in the Company's financial statements are calculated in accordance with IFRS 17 'Insurance Contracts' and consist of the LRC, the LIC and the Risk Adjustment. Similarly for the reinsurance portfolios are the ARC and AIC.

It is important to note that the policy grouping guidelines differs between Solvency II and IFRS 17 so a direct comparison between the two bases is not appropriate. Furthermore, within the IFRS 17 framework, the lowest level of aggregation for both direct and reinsurance portfolios is the contract. This results to a mismatch between the direct portfolios and the reinsurance portfolios as direct insurance contracts which are grouped under one direct portfolio would be applicable to more than one reinsurance contract and thus more than one reinsurance portfolio. This results to one-to-many matching of Direct portfolios to Reinsurance portfolios. For this reason, the net position at the portfolio level cannot be evaluated at the portfolio level.

In addition to the difference in portfolio aggregation there are also other variances with respect to the inputs factored for each component under each base (Solvency II and IFRS 17). Some of them are noted as follows:

- The unallocated loss adjustment expense for the outstanding claims uses a different expense base between Solvency II and IFRS 17, as per IFRS 17 certain expenses are deemed non-attributable to insurance service result.
- Insurance receivables/payables and reinsurers' current account balances are not part of the Solvency II TPs and are reported separately on the face of the Balance Sheet, while under IFRS 17 they are incorporated within reinsurance contract assets and insurance contract liabilities.

2024 - Direct Portfolios	IFRS 17 valuation			
	LRC[1]	LIC	Risk Adjustment	Total
	€'000	€'000	€'000	€'000
Motor	5.823	18.144	813	24.780
Property	3.993	10.720	489	15.202
General liability	957	7.781	439	9.177
Accident and health	999	147	1	1.147
Marine	(71)	326	12	267
Engineering	1.126	970	47	2.143
Miscellaneous finance loss	2.162	1.829	102	4.093
Total	**14.989**	**39.917**	**1.903**	**56.809**

[1] Including loss component

2023 - Direct Portfolios	IFRS 17 valuation			
	LRC[1]	LIC	Risk Adjustment	Total
	€'000	€'000	€'000	€'000
Motor contracts	4.851	15.744	705	21.300
Property contracts	2.950	9.872	442	13.264
General liability contracts	747	7.707	449	8.903
Accident and health contracts	917	336	1	1.254
Marine contracts	(128)	384	14	270
Engineering contracts	1.131	662	33	1.826
Miscellaneous finance loss contracts	1.752	1.847	114	3.713
Total	**12.220**	**36.552**	**1.758**	**50.530**

[1] Including loss component

The relevant breakdown for reinsurance contracts held consist of Asset for Remaining Coverage ("ARC"), the Asset recoverable on incurred claims ("AIC") and the Risk Adjustment.

2024 - Ceded Portfolios	IFRS 17 valuation			
	ARC[1]	AIC	Risk Adjustment	Total
	€'000	€'000	€'000	€'000
Motor	674	9.135	350	10.159
Property	(86)	5.418	225	5.557
General liability	523	1.221	50	1.794
Accident and health	244	38	-	282
Marine	(188)	161	8	(19)
Engineering	1.210	1.163	46	2.419
Miscellaneous finance loss	2.685	1.536	96	4.317
Total	**5.062**	**18.672**	**775**	**24.509**

[1] Including loss recovery

2023 - Ceded Portfolios	IFRS 17 valuation			
	ARC[1]	AIC	Risk Adjustment	Total
	€'000	€'000	€'000	€'000
Motor	697	7.531	266	8.494
Property	223	4.895	195	5.313
General liability	164	1.381	52	1.597
Accident and health	177	143	0	320
Marine	(125)	251	9	135
Engineering	1.730	1.033	39	2.802

2023 - Ceded Portfolios	IFRS 17 valuation			
	ARC[1]	AIC	Risk Adjustment	Total
	€'000	€'000	€'000	€'000
Miscellaneous finance loss	1.858	2.098	129	4.085
Total	**4.724**	**17.332**	**690**	**22.746**

[1] Including loss recovery

D.2.4 Reinsurance

The risk of an insurance policy arises from the uncertainty of the amount and time of presentation of the claim. Therefore, the level of risk is determined by the frequency of such claims, the severity and their evolution from one period to the other. For the non-life insurance industry, the major risks arise from severe catastrophic events such as natural disasters. These risks vary depending on location, type and nature.

The exposure of the Company to insurance risks is also mitigated by the following measures:

- Application of strict underwriting policies
- Strict review of all claims that occur
- Immediate assessment and processing of claims to minimise the possibility of negative development in the long run and
- Purchase of adequate catastrophe reinsurance protection as per Solvency II requirement to limit the exposure arising out of catastrophic events.

The Company maintains a conservative reinsurance program consisting of proportional and non-proportional contracts. All participating reinsurers in the treaty contracts have at least an A rating from Standard & Poor's or another internationally approved rating agency. The main purpose of the Company's reinsurance program is to reduce the exposure of insurance risk to the desired level. The Company's reinsurance program is evaluated on an annual basis and any suggestions for significant changes are approved by the Company's BoD. Reinsurance recoverables represent the difference between gross and net technical provisions.

With regards to claims reserves the approach used for the valuation of reinsurance recoverables may differ by line of business depending on its characteristics. The main methodologies used are gross to net techniques and claims development techniques. With regards to premium provisions, the reinsurer has been assumed to have a share in the reserves, as we expect future in flows to arise as a result of having reinsurance with respect to the unexpired policies.

D.3 Other material information

All material information regarding the valuation of assets and liabilities for solvency purposes has been addressed in the previous sections.

E Capital Management

E.1 Own funds

For Solvency II purposes, the Company's capital is defined as "Own Funds" and this is divided into "Basic Own Funds" (such as paid share capital and retained earnings) and "Ancillary Own Funds" (such as unpaid share capital and letters of credit). Own funds are further subdivided into three "Tiers" depending on the quality of the capital. Capital of the highest quality is categorised as Tier 1 and capital of a lower quality is categorised either as Tier 2 or Tier 3. Tier 1 is also further divided into "Restricted" and "Unrestricted". Unrestricted Tier 1 basic own funds include paid-in ordinary share capital, paid-in initial funds, members' contributions, the reconciliation reserve and surplus funds that meet certain criteria. Restricted Tier 1 own funds include Tier 1 own funds items which are not suitable to be classified as unrestricted Tier 1 own funds.

The Company manages its own funds to ensure that it has capital of sufficient value and quality to cover the Capital Requirements (both SCR and MCR). There are restrictions in place in relation to the amount of capital from each tier that can be used to cover Solvency Capital Requirements. These restrictions aim to ensure that the Company possesses capital of sufficient value and quality to absorb losses that may arise in the future due to unforeseen loss events.

The Company has developed and documented a Capital Management Policy which sets out the Company's methodology, policies and procedures in place to manage its capital base, with the purpose of ensuring the maintenance of sufficient capital to:

- Protect the shareholders and the Company's creditors against excess volatility of returns
- Cover all risks faced by the Company
- Protect the Company's economic viability
- Finance new growth opportunities
- Meet regulatory requirements at all times.

Through active capital management the Company aims to ensure that capital satisfies all internal limits. The Company follows the processes describing below for managing its own funds:

- **Business plan:** The Company is preparing its 4-year strategic plan which includes business and financial projections that will allow a strong financial strength position. The 4-year strategy plan is approved by the BoD.
- **Capital planning:** The Company's 4-year plan is fed into the ORSA in order to enable the Company to form an opinion on its future overall solvency needs and own funds. Projected capital requirements are compared with own funds so that the Company is able to observe whether the forecasted available own funds of the Company will be adequate to cover any future strategic actions that the Management intends to take, whilst maintaining its SCR/MCR ratios within desired levels.
- **Monitoring of SCR/MCR:** The Company's Management monitors on a quarterly basis the calculated SCR/MCR and any material changes arising, in order to detect trends and early warning signals and ensure the maintenance of sufficient capital to cover its capital and solvency requirements.
- **Prospective changes in risk profile:** Prospective changes in the Company's risk profile and how they affect its current and projected level of solvency requirements are taken into account during the capital planning process. The quality and profile of the Company's own funds over the planning period is also taken into consideration.
- **On-going monitoring of risk profile:** In addition to the above, a Risk Appetite Framework ("RAF") is currently in place and defines the internal limits that the Company should be operating within.
- **Dividends distribution:** To maintain the required capital the Company may adjust the amount of dividends paid to the Parent company.

The Company's own funds are all classified as Basic Own Funds Tier 1 Unrestricted. Tier 1 Unrestricted capital consist of Ordinary share capital and Reconciliation Reserve and both are available to cover the Company's SCR and MCR as follows:

Basic Own Funds – Tier 1 Unrestricted	2024 €'000	2023 €'000
Ordinary share capital	5.130	5.130
Reconciliation Reserve	39.910	35.667
Own funds eligible to cover SCR/MCR	**45.040**	**40.797**

The increase in own funds during the reporting period is mainly attributable to increased retained profits for the year.

The excess of assets over liabilities as calculated for Solvency purposes is different than the amount of equity as reported in the Company's audited financial statements. The following table presents a reconciliation of own funds between IFRS Accounting Standards financial statements and Solvency II:

Own Funds Reconciliation	2024 €'000	2023 €'000
Equity (IFRS Accounting Standards Financial Statements)	**47.349**	**42.982**
Difference in valuation of technical provisions (net)	26	137
Deferred Acquisition costs	-	
Premises valuation adjustment	-	-
Intangible assets	(2.665)	(2.634)
Differences in deferred tax valuation	330	312
Own Funds (Solvency II)	**45.040**	**40.797**

E.2 SCR and MCR

The SCR consist of the Basic Solvency Capital Requirement ("BSCR"), the operational SCR and any applicable adjustments for the loss absorbing capacity of deferred taxes. As already mentioned, the SCR is the amount of funds that the Company is required to hold in accordance with the Solvency II. The BSCR consist of market risk, counterparty risk, non-life underwriting risk, health risk solvency capital requirements following the diversification between the risk modules. There is also an MCR, which represents an 85% confidence level and should not be less than 25% of the SCR.

The Company calculates the SCR based on the risk modules and sub-modules of the standard formula without using any simplified calculations or undertaking specific parameters. Based on the calculations performed the Company's SII SCR (overall and by risk module), at the end of the reporting period the Company's SCR was €22,4m (2023: €21,5m) and the MCR was €5,8m (2023: €6,1m).

Solvency Capital Requirements by risk module	2024 €'000	2023 €'000
Market Risk	4.160	6.838
Counterparty Risk	8.484	5.737
Non-Life Underwriting Risk	13.345	13.237
Health Risk	353	406
Diversification BSCR	(5.645)	(6.258)
Basic SCR (BSCR)	**20.697**	**19.960**
Operational Risk	1.990	1.844
Loss absorbing capacity of deferred taxes	(245)	(273)
SCR	**22.442**	**21.532**
SCR coverage ratio	**201%**	**190%**
MCR	**5.825**	**6.076**
MCR coverage ratio	**773%**	**671%**

In terms of capital management, Genikes Insurance covered its SII Capital Requirements throughout the year 2024. The Company's SCR as at 31 December 2024 was estimated at €22,4m and was covered by €45,0m of eligible capital resources, providing a surplus of €22,6m. As at 31 December 2024, the SCR and MCR coverage ratios amounted to 201% and 773% respectively. The movement in the SCR ratio from the prior year arose mainly from the higher available capital resulting from higher retained earnings by the end of the reporting year. The SCR amount increased due to lower diversification effect resulting from the higher counterparty exposures.

The inputs used to calculate the MCR are the net premiums written amounts in the previous 12 months and the net best estimate technical provisions both split by Solvency II class of business. The charge for premium and technical provisions elements are then summed to create a total charge.

Line of business	Net best estimate €'000	Net written premiums (last 12 months) €'000
Medical expense	310	858
Motor vehicle liability	9.712	5.423
Other motor	4.409	4.644
Marine, aviation and transport	129	445
Fire & other damage to property	8.950	11.372
General liability	8.860	7.608
Credit and suretyship	15	11
Miscellaneous financial loss	117	421

E.3 Other material information

All material information regarding capital management has been addressed in the previous sections.

Appendices

Appendix	Description
A	Glossary

The following applicable Solo Quantitative Reporting Templates ("QRTs") are publicly disclosed as part of the SFCR:

Appendix	Table code	Table Label
B1	S.02.01.02	Balance Sheet
B2	S.05.01.02	Premiums, claims and expenses by line of business
B3	S.17.01.02	Non-life Technical Provisions
B4	S.19.01.21	Non-life insurance claims
B5	S.23.01.01	Own Funds
B6	S.25.01.21	SCR - for undertakings on Standard Formula
B7	S.28.01.01	MCR

Appendix	Description
C	Independent Auditor's Report

Appendix A: List of abbreviations

AC	Audit Committee
ACPC	Average Cost per Claim
AF	Actuarial Function
AIC	Asset for Incurred Claims
ARC	Asset for Remaining Coverage
AvE	Actual vs Expected
BOC or Bank or Parent	Bank of Cyprus Public Company Ltd
BoD	Board of Directors
BSCR	Basic Solvency Capital Requirement
CAT	Catastrophic Event
CF	Compliance Function
CGCO	Corporate Governance Compliance Officer
DORA	Digital Operational Resilience Act
ECAI	External Credit Assessment Institutions
EEA	European Economic Area
EIOPA	European Insurance and Occupational Pensions Authority
EPIFP	Expected Profit included in Future Premiums
EU	European Union
ExCo	Genikes Insurance Executive Committee
FC	Financial Control Department
FCF	Future Cash Flows
Group or BOC Group	BOC Group of Companies
Genikes Insurance/Company/GI	General Insurance of Cyprus Ltd
IA	BOC Group's Internal Audit Division
IAC	Insurance Association of Cyprus
IAD	BOC Internal Audit Director
IAF	Internal Audit Function
IBNR/IBNER	Incurred But Not Reported/Incurred But Not Enough Reported
ICT	Information and Communication Technology
IFRSs	International Financial Reporting Standards
KRIs	Key Risk Indicators
LCM	Legal & Compliance Manager
LIC	Liability for Incurred Claims
LoB	Line of Business
LRC	Liability for Remaining Coverage
MCR	Minimum Capital Requirement
OECD	Organisation for Economic Cooperation and Development
ORSA	Own Risk & Solvency Assessment
PAA	Premium Allocation Approach
QRTs	Quantitative Reporting Templates
RC	Risk Committee
RCSA	Risk and Control Self-Assessment
RMF	Risk Management Function
SCR	Solvency Capital Requirement
SFCR / Report	Solvency and Financial Condition Report
SII Directive	Solvency II regulatory framework - Directive 2009/138/EC
Supervisory Authority or Regulator	Insurance Companies Control Service
TPs	Technical Provisions
ULAE	Unallocated Loss Adjustment Expense

Appendix B1 - S.02.01.02: Balance Sheet

		Solvency II value
Assets		C0010
Goodwill	R0010	-
Deferred acquisition costs	R0020	-
Intangible assets	R0030	-
Deferred tax assets	R0040	-
Pension benefit surplus	R0050	-
Property, plant & equipment held for own use	R0060	4.319.695
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	65.615.717
Property (other than for own use)	R0080	6.385.000
Holdings in related undertakings, including participations	R0090	714.236
Equities	R0100	3.238
Equities - listed	R0110	-
Equities - unlisted	R0120	3.238
Bonds	R0130	15.338.419
Government Bonds	R0140	15.338.419
Corporate Bonds	R0150	-
Structured notes	R0160	-
Collateralised securities	R0170	-
Collective Investments Undertakings	R0180	42.222.847
Derivatives	R0190	-
Deposits other than cash equivalents	R0200	951.977
Other investments	R0210	-
Assets held for index-linked and unit-linked contracts	R0220	-
Loans and mortgages	R0230	-
Loans on policies	R0240	-
Loans and mortgages to individuals	R0250	-
Other loans and mortgages	R0260	-
Reinsurance recoverables from:	R0270	18.586.053
Non-life and health similar to non-life	R0280	18.586.053
Non-life excluding health	R0290	18.543.769
Health similar to non-life	R0300	42.284
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	-
Health similar to life	R0320	-
Life excluding health and index-linked and unit-linked	R0330	-
Life index-linked and unit-linked	R0340	-
Deposits to cedants	R0350	-
Insurance and intermediaries receivables	R0360	10.693.212
Reinsurance receivables	R0370	26.584
Receivables (trade, not insurance)	R0380	43.606
Own shares (held directly)	R0390	-
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	-
Cash and cash equivalents	R0410	12.166.200
Any other assets, not elsewhere shown	R0420	2.266.779
Total assets	R0500	113.717.845

		Solvency II value
Liabilities		C0010
Technical provisions - non-life	R0510	52.732.763
Technical provisions - non-life (excluding health)	R0520	52.278.047
Technical provisions calculated as a whole	R0530	-
Best Estimate	R0540	50.734.899
Risk margin	R0550	1.543.148
Technical provisions - health (similar to non-life)	R0560	454.716
Technical provisions calculated as a whole	R0570	-
Best Estimate	R0580	352.156
Risk margin	R0590	102.560
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	-
Other technical provisions	R0730	-
Contingent liabilities	R0740	-
Provisions other than technical provisions	R0750	-
Pension benefit obligations	R0760	-
Deposits from reinsurers	R0770	-
Deferred tax liabilities	R0780	822.068
Derivatives	R0790	-
Debts owed to credit institutions	R0800	-
Financial liabilities other than debts owed to credit institutions	R0810	-
Insurance & intermediaries payables	R0820	2.993.096
Reinsurance payables	R0830	5.507.875
Payables (trade, not insurance)	R0840	2.518.585
Subordinated liabilities	R0850	-
Subordinated liabilities not in Basic Own Funds	R0860	-
Subordinated liabilities in Basic Own Funds	R0870	-
Any other liabilities, not elsewhere shown	R0880	4.103.357
Total liabilities	R0900	68.677.744
Excess of assets over liabilities	R1000	45.040.101

Appendix B2 - S.05.01.02: Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**												Line of Business for: **accepted non-proportional reinsurance**				Total
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0010	**C0020**	**C0030**	**C0040**	**C0050**	**C0060**	**C0070**	**C0080**	**C0090**	**C0100**	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written																		
Gross - Direct Business	**R0110**	1.772.484	-	-	12.036.394	9.115.905	774.169	35.480.215	10.072.642	30.147	-	-	2.473.617					71.755.573
Gross - Proportional reinsurance accepted	**R0120**	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0130**													-	-	-	-	
ers' share	**R0140**	864.576	-	-	5.167.590	4.466.089	343.418	22.444.026	2.321.714	11.791	-	-	2.038.970	-	-	-	-	37.658.173
	R0200	907.908	-	-	6.868.803	4.649.817	430.751	13.036.190	7.750.928	18.356	-	-	434.647	-	-	-	-	34.097.400
Premiums earned																		
Gross - Direct Business	**R0210**	1.812.855	-	-	11.667.144	8.530.821	761.684	34.159.296	9.770.257	35.142	-	-	2.488.955					69.226.154
Gross - Proportional reinsurance accepted	**R0220**	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0230**													-	-	-	-	
ers' share	**R0240**	864.308	-	-	4.882.625	4.083.125	337.666	21.367.855	2.295.945	12.109	-	-	2.083.176	-	-	-	-	35.926.808
	R0300	948.547	-	-	6.784.519	4.447.696	424.019	12.791.441	7.474.312	23.034	-	-	405.779	-	-	-	-	33.299.346
Claims incurred																		
Gross - Direct Business	**R0310**	(6.991)	-	-	7.808.819	5.891.703	255.521	6.777.185	2.037.771	265	-	-	(41.083)					22.723.190
Gross - Proportional reinsurance accepted	**R0320**	-	-	-	-	-	-	-	-	-	-	-	-					-
Gross - Non-proportional reinsurance accepted	**R0330**													-	-	-	-	
ers' share	**R0340**	29.497	-	-	3.921.412	3.145.032	181.428	3.137.698	(255.660)	411	-	-	(85.611)	-	-	-	-	10.074.206
	R0400	(36.488)	-	-	3.887.408	2.746.671	74.093	3.639.488	2.293.430	(146)	-	-	44.529	-	-	-	-	12.648.984
Expenses incurred	**R0550**	311.165	-	-	917.657	1.748.023	110.632	4.072.984	1.606.718	2.303	-	-	40.743	-	-	-	-	8.810.225
Balance - other technical expenses/income	**R1210**																	142.273
Total expenses	**R1300**																	8.952.498

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**	-	-	-	-	-	-	-	-	-
ers' share	**R1420**	-	-	-	-	-	-	-	-	-
	R1500	-	-	-	-	-	-	-	-	-
Premiums earned										
Gross	**R1510**	-	-	-	-	-	-	-	-	-
Reinsurers' share	**R1520**	-	-	-	-	-	-	-	-	-
Net	**R1600**	-	-	-	-	-	-	-	-	-
Claims incurred										
Gross	**R1610**	-	-	-	-	-	-	-	-	-
ers' share	**R1620**	-	-	-	-	-	-	-	-	-
	R1700	-	-	-	-	-	-	-	-	-
Expenses incurred	**R1900**	-	-	-	-	-	-	-	-	-
Balance - other technical expenses/income	**R2510**									-
Total technical expenses	**R2600**									-
Total amount of surrenders	**R2700**									-

Appendix B3 - S.17.01.02: Non-life Technical Provisions

		Direct business and accepted proportional reinsurance												Accepted non-proportional reinsurance				
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance	Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	**R0010**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0050**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Technical provisions calculated as a sum of BE and RM																		
Best estimate																		
Premium provisions																		
Gross	**R0060**	204.582	-	-	2.911.893	2.433.252	34.441	4.420.690	410.044	9.115	-	-	69.108	-	-	-	-	10.493.126
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0140**	-	-	-	1.002.397	824.946	2.563	-	-	-	-	-	-	-	-	-	-	1.829.905
Net Best Estimate of Premium Provisions	**R0150**	204.582	-	-	1.909.497	1.608.306	31.879	4.420.690	410.044	9.115	-	-	69.108	-	-	-	-	8.663.221
Claims provisions																		
Gross	**R0160**	147.574	-	-	13.264.607	5.150.474	329.370	10.397.887	11.055.476	30.761	-	-	217.781	-	-	-	-	40.593.929
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	**R0240**	42.284	-	-	5.462.415	2.349.900	231.953	5.868.766	2.605.817	25.095	-	-	169.917	-	-	-	-	16.756.147
Net Best Estimate of Claims Provisions	**R0250**	105.291	-	-	7.802.192	2.800.574	97.417	4.529.121	8.449.659	5.665	-	-	47.864	-	-	-	-	23.837.781
Total Best estimate - gross	**R0260**	352.156	-	-	16.176.500	7.583.726	363.811	14.818.577	11.465.520	39.876	-	-	286.889	-	-	-	-	51.087.055
Total Best estimate - net	**R0270**	309.872	-	-	9.711.688	4.408.880	129.295	8.949.811	8.859.703	14.781	-	-	116.972	-	-	-	-	32.501.002
Risk margin	**R0280**	102.560	-	-	218.045	151.151	117.428	565.679	286.033	99.058	-	-	105.754	-	-	-	-	1.645.708
Technical provisions - total																		
Technical provisions - total	**R0320**	454.716	-	-	16.394.545	7.734.876	481.240	15.384.256	11.751.553	138.934	-	-	392.644	-	-	-	-	52.732.763
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	**R0330**	42.284	-	-	6.464.812	3.174.846	234.516	5.868.766	2.605.817	25.095	-	-	169.917	-	-	-	-	18.586.053
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0340**	412.432	-	-	9.929.733	4.560.030	246.724	9.515.490	9.145.736	113.838	-	-	222.727	-	-	-	-	34.146.710

Appendix B4 - S.19.01.21: Non-life insurance claims

Total Non-Life Business

Accident year / Underwriting year	Z0010	Accident year [AY] {s2c_AM:x4}

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

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+		In Current year	Sum of years (cumulative)
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											256.731	R0100	256.731	31.536.243
N-9	R0160	10.168.077	2.427.965	300.109	132.901	4.932	13.850	74.035	148.453	175.767	143.180		R0160	143.180	13.589.269
N-8	R0170	7.646.758	4.011.442	330.674	137.163	105.075	18.331	32.544	393.957	83.797			R0170	83.797	12.759.741
N-7	R0180	8.500.168	3.095.411	581.951	216.139	172.072	15.937	202.455	561.764				R0180	561.764	13.345.897
N-6	R0190	8.919.943	4.805.868	492.154	467.203	211.045	86.489	109.102					R0190	109.102	15.091.804
N-5	R0200	7.866.724	4.964.978	446.125	209.848	142.799	165.456						R0200	165.456	13.795.930
N-4	R0210	6.052.125	5.576.509	1.597.681	91.032	211.465							R0210	211.465	13.528.812
N-3	R0220	6.919.130	4.216.295	1.303.294	391.615								R0220	391.615	12.830.334
N-2	R0230	6.563.205	4.978.241	1.160.725									R0230	1.160.725	12.702.171
N-1	R0240	8.860.365	6.525.926										R0240	6.525.926	15.386.291
N	R0250	9.103.423											R0250	9.103.423	9.103.423
												Total	R0260	18.713.184	163.669.915

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

Development year

Year		0	1	2	3	4	5	6	7	8	9	10&+		Year end (discounted data)
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											2.159.439	R0100	2.099.285
N-9	R0160	-	-	-	-	-	-	-	-	-	582.120		R0160	560.533
N-8	R0170	-	-	-	-	-	-	-	-	638.031			R0170	614.200
N-7	R0180	-	-	-	-	-	-	-	986.382				R0180	948.789
N-6	R0190	-	-	-	-	-	-	1.058.442					R0190	1.023.291
N-5	R0200	-	-	-	-	-	1.664.605						R0200	1.624.580
N-4	R0210	-	-	-	-	4.097.828							R0210	3.981.496
N-3	R0220	-	-	-	2.590.329								R0220	2.517.341
N-2	R0230	-	-	4.154.533									R0230	4.031.218
N-1	R0240	-	5.973.464										R0240	5.818.807
N	R0250	15.700.898											R0250	15.337.281
												Total	R0260	38.556.821

Appendix B5 - 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	5.130.000	5.130.000		-	
Share premium account related to ordinary share capital	R0030	-	-		-	
Iinitial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	-	-		-	
Subordinated mutual member accounts	R0050	-		-	-	-
Surplus funds	R0070	-				
Preference shares	R0090	-		-	-	-
Share premium account related to preference shares	R0110	-		-	-	-
Reconciliation reserve	R0130	39.910.101	39.910.101			
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	45.040.101	45.040.101	-	-	-
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	45.040.101	45.040.101	-	-	-
Total available own funds to meet the MCR	R0510	45.040.101	45.040.101	-	-	
Total eligible own funds to meet the SCR	R0540	45.040.101	45.040.101	-	-	-
Total eligible own funds to meet the MCR	R0550	45.040.101	45.040.101	-	-	
SCR	R0580	22.441.914				
MCR	R0600	5.825.175				
Ratio of Eligible own funds to SCR	R0620	201%				
Ratio of Eligible own funds to MCR	R0640	773%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	45.040.101	
Own shares (held directly and indirectly)	R0710	-	
Foreseeable dividends, distributions and charges	R0720	-	
Other basic own fund items	R0730	5.130.000	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	-	
Reconciliation reserve	R0760	39.910.101	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	-	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	4.180.530	
Total Expected profits included in future premiums (EPIFP)	R0790	4.180.530	

Appendix B6 - S.25.01.21: Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	Simplifications
		C0110	C0100
Market risk	R0010	4.160.447	
Counterparty default risk	R0020	8.484.014	
Life underwriting risk	R0030	-	
Health underwriting risk	R0040	353.246	
Non-life underwriting risk	R0050	13.344.807	
Diversification	R0060	(5.645.748)	
Intangible asset risk	R0070	-	
Basic Solvency Capital Requirement	R0100	20.696.766	

Basic Solvency Capital Requirement (USP)

		USP
		C0090
Life underwriting risk	R0030	-
Health underwriting risk	R0040	-
Non-life underwriting risk	R0050	-

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	1.990.085
Loss-absorbing capacity of technical provisions	R0140	-
Loss-absorbing capacity of deferred taxes	R0150	(244.936)
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	-
Solvency Capital Requirement excluding capital add-on	R0200	22.441.914
Capital add-on already set	R0210	-
of which, capital add-ons already set - Article 37 (1) Type a	R0211	-
of which, capital add-ons already set - Article 37 (1) Type b	R0212	-
of which, capital add-ons already set - Article 37 (1) Type c	R0213	-
of which, capital add-ons already set - Article 37 (1) Type d	R0214	-
Solvency capital requirement	R0220	22.441.914
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	-

Approach to tax rate		C0109
Approach based on average tax rate	R0590	Approach not based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
LAC DT	R0640	(244.936)
LAC DT justified by reversion of deferred tax liabilities	R0650	(244.936)
LAC DT justified by reference to probable future taxable economic profit	R0660	-
LAC DT justified by carry back, current year	R0670	-
LAC DT justified by carry back, future years	R0680	-
Maximum LAC DT	R0690	-

Appendix B7 - 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	5.825.175

		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	309.872	857.974
Income protection insurance and proportional reinsurance	R0030	-	-
Workers' compensation insurance and proportional reinsurance	R0040	-	-
Motor vehicle liability insurance and proportional reinsurance	R0050	9.711.688	5.423.382
Other motor insurance and proportional reinsurance	R0060	4.408.880	4.644.084
Marine, aviation and transport insurance and proportional reinsurance	R0070	129.295	444.827
Fire and other damage to property insurance and proportional reinsurance	R0080	8.949.811	11.372.202
General liability insurance and proportional reinsurance	R0090	8.859.703	7.608.312
Credit and suretyship insurance and proportional reinsurance	R0100	14.781	11.263
Legal expenses insurance and proportional reinsurance	R0110	-	-
Assistance and proportional reinsurance	R0120	-	-
Miscellaneous financial loss insurance and proportional reinsurance	R0130	116.972	420.886
Non-proportional health reinsurance	R0140	-	-
Non-proportional casualty reinsurance	R0150	-	-
Non-proportional marine, aviation and transport reinsurance	R0160	-	-
Non-proportional property reinsurance	R0170	-	-

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_{L} Result	R0200	-

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

Overall MCR calculation

		C0070
Linear MCR	R0300	5.825.175
SCR	R0310	22.441.914
MCR cap	R0320	10.098.862
MCR floor	R0330	5.610.479
Combined MCR	R0340	5.825.175
Absolute floor of the MCR	R0350	4.000.000
		C0070
Minimum Capital Requirement	R0400	5.825.175

Appendix C - Independent Auditor's Report

To the Board of Directors of General Insurance of Cyprus Limited

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

Opinion

We have audited the following Solvency II Quantitative Reporting Templates ("QRTs") contained in Annex I to Commission Implementing Regulation (EU) No 2023/895 of 4 April 2023, of General Insurance of Cyprus Limited (the "Company"), prepared as at 31 December 2024:

- S.02.01.02 – Balance sheet
- S.17.01.02 – Non-Life Technical Provisions
- S.23.01.01 – Own funds
- S.25.01.21 – Solvency Capital Requirement – for undertakings on Standard Formula
- S.28.01.01 – Minimum Capital Requirement – Only life or only non-life insurance activity 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 2024 is prepared, in all material respects, in accordance with the Insurance and Reinsurance Services and other Related Issues Law of 2016 as amended, the Commission Delegated Regulation (EU) 2015/35 as amended, 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.

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.

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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 2023/895 of 4 April 2023):

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

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

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

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

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

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

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

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

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism 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

PwC Central, 43 Demostheni Severi Avenue
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24 March 2025