



PANCYPRIAN INSURANCE

Covid-19

On 11th March 2020, the World Health Organization declared the outbreak of the novel coronavirus (Covid-2019 or 2019-nCoV) a pandemic.

The Management has considered the unique circumstances and the risk exposures of the Company and the general insurance industry and has taken action to remediate the consequences of the Covid-19 outbreak, reducing the impact on its customers, staff, business plan and solvency position.

The outbreak may lead to change in:

- the business volumes - the Company may experience restraint in premium growth as a result of the disruption in the local and global economy and in particular the tourism, hospitality and entertainment industries.
- the frequency and severity of claims - any effect will be mitigated by the reinsurance arrangements the Company has with reputable reinsurance counterparties. It is noted that pandemic and epidemic related risks are not generally covered under the products offered by the Company.
- the price and volatility of invested assets - the market uncertainty has increased due to the outbreak, however, the low risk investment profile of the Company has protected it against significant reduction in the value of its invested portfolio.

Whilst the eventual impact on the solvency position remains uncertain, the Company has considered possible impact based on the outcome of the 2019 stress testing exercise and after running a specific Covid-19 stress. Both reviews indicate that the impact on the solvency and financial condition of the Company is contained, and the solvency coverage ratio of the Company is expected to remain well above the 115% ICCS threshold.

Management monitors the situation closely and will assess the need for additional actions to be taken to remediate the consequences of the outbreak and measures announced.

S.02.01.01
Balance sheet



	Solvency II value		Statutory accounts value	
	C0010		C0020	
Assets				
Goodwill	R0010			405,222 00
Deferred acquisition costs	R0020			1,340,828 00
Intangible assets	R0030			62,951 00
Deferred tax assets	R0040	0 00		
Pension benefit surplus	R0050			
Property, plant & equipment held for own use	R0060	5,277,615 00		5,277,616 00
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	18,429,843 00		18,429,867 00
Property (other than for own use)	R0080	1,917,000 00		1,917,000 00
Holdings in related undertakings, including participations	R0090			
Equities	R0100			
Equities - listed	R0110			
Equities - unlisted	R0120			
Bonds	R0130	487,783 00		487,783 00
Government Bonds	R0140	487,783 00		487,783 00
Corporate Bonds	R0150			
Structured notes	R0160			
Collateralised securities	R0170			
Collective Investments Undertakings	R0180	15,023,082 01		15,023,107 00
Derivatives	R0190			
Deposits other than cash equivalents	R0200	1,001,978 00		1,001,977 00
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	7,662,647 00		12,447,866 00
Non-life and health similar to non-life	R0280	7,662,647 00		12,447,866 00
Non-life excluding health	R0290	7,367,158 00		11,967,004 00
Health similar to non-life	R0300	295,489 00		480,862 00
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	4,936,655 00		10,804,120 00
Reinsurance receivables	R0370	635,480 00		635,480 00
Receivables (trade, not insurance)	R0380			
Own shares (held directly)	R0390			
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400			
Cash and cash equivalents	R0410	19,472,862 00		19,472,863 00
Any other assets, not elsewhere shown	R0420	747,063 00		747,063 00
Total assets	R0500	57,162,165.00		69,623,876.00
		Solvency II value		Statutory accounts value
Liabilities		C0010		C0020
Technical provisions – non-life	R0510	29,950,009 00		41,284,734 00
Technical provisions – non-life (excluding health)	R0520	29,816,556 00		41,284,734 00
Technical provisions calculated as a whole	R0530	0 00		
Best Estimate	R0540	28,684,300 00		
Risk margin	R0550	1,132,256 00		
Technical provisions - health (similar to non-life)	R0560	133,453 00		
Technical provisions calculated as a whole	R0570	0 00		
Best Estimate	R0580	122,622 00		
Risk margin	R0590	10,831 00		
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			1,350,116 00
Pension benefit obligations	R0760			
Deposits from reinsurers	R0770			
Deferred tax liabilities	R0780	223,077 00		223,077 00
Derivatives	R0790			
Debts owed to credit institutions	R0800	58,976 00		58,976 00
Financial liabilities other than debts owed to credit institutions	R0810			
Insurance & intermediaries payables	R0820	1,765,244 00		1,765,244 00
Reinsurance payables	R0830	3,742,594 00		3,742,594 00
Payables (trade, not insurance)	R0840			
Subordinated liabilities	R0850			
Subordinated liabilities not in Basic Own Funds	R0860			
Subordinated liabilities in Basic Own Funds	R0870			
Any other liabilities, not elsewhere shown	R0880	1,162,628 00		1,162,628 00
Total liabilities	R0900	36,902,528 00		49,587,369 00
Excess of assets over liabilities	R1000	20,259,637.00		20,036,507.00



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)
Share premium account related to ordinary share capital
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings
Subordinated mutual member accounts
Surplus funds
Preference shares
Share premium account related to preference shares
Reconciliation reserve
Subordinated liabilities
An amount equal to the value of net deferred tax assets
Other own fund items approved by the supervisory authority as basic own funds not specified above

	Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
R0010	6,751,000 00	6,751,000 00			
R0030	2,878,408 83	2,878,408 83			
R0040					
R0050					
R0070					
R0090					
R0110					
R0130	10,630,228 17	10,630,228 17			
R0140					
R0160	0 00				0 00
R0180					
R0220					
R0230					
R0290	20,259,637 00	20,259,637 00			0 00
R0300					
R0310					
R0320					
R0330					
R0340					
R0350					
R0360					
R0370					
R0390					

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

Deductions

Deductions for participations in financial and credit institutions

Total basic own funds after deductions

Ancillary own funds

Unpaid and uncalled ordinary share capital callable on demand
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand
Unpaid and uncalled preference shares callable on demand
A legally binding commitment to subscribe and pay for subordinated liabilities on demand
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC
Other ancillary own funds

	Total C0010	Tier 1 - unrestricted C0020	Tier 1 - restricted C0030	Tier 2 C0040	Tier 3 C0050
R0400					
R0500	20,259,637 00	20,259,637 00			0 00
R0510	20,259,637 00	20,259,637 00			
R0540	20,259,637 00	20,259,637 00	0 00	0 00	0 00
R0550	20,259,637 00	20,259,637 00	0 00	0 00	
R0580	12,987,759 62				
R0600	3,870,400 00				
R0620	1 56				
R0640	5 24				

Total ancillary own funds

Available and eligible own funds

Total available own funds to meet the SCR
Total available own funds to meet the MCR
Total eligible own funds to meet the SCR
Total eligible own funds to meet the MCR

SCR

MCR

Ratio of Eligible own funds to SCR

Ratio of Eligible own funds to MCR

	C0060	
R0700	20,259,637 00	
R0710		
R0720		
R0730	9,629,408 83	
R0740	0 00	
R0760	10,630,228 17	
R0770		
R0780		
R0790		

Reconciliation reserve

Excess of assets over liabilities
Own shares (held directly and indirectly)
Foreseeable dividends, distributions and charges
Other basic own fund items
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds

Reconciliation reserve

Expected profits

Expected profits included in future premiums (EPIFP) - Life business
Expected profits included in future premiums (EPIFP) - Non- life business
Total Expected profits included in future premiums (EPIFP)



Article 112

Z0010

No

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	1,928,781 37	1,928,781 37	0 00
Counterparty default risk	R0020	6,965,165 02	6,965,165 02	0 00
Life underwriting risk	R0030			
Health underwriting risk	R0040	398,493 87	398,493 87	0 00
Non-life underwriting risk	R0050	7,649,892 54	7,649,892 54	0 00
Diversification	R0060	-3,513,049 09	-3,513,049 09	
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	13,429,283 71	13,429,283 71	

Calculation of Solvency Capital Requirement

		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	0 00
Operational risk	R0130	1,002,538 41
Loss-absorbing capacity of technical provisions	R0140	0 00
Loss-absorbing capacity of deferred taxes	R0150	-1,444,062 50
Capital requirement for business operated in accordance with Art 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	12,987,759 62
Capital add-on already set	R0210	
Solvency capital requirement	R0220	12,987,759 62
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0 00
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirement for ring fenced funds	R0420	0 00
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0 00
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0 00
Method used to calculate the adjustment due to RFF/MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	0 00

Approach to tax rate

Approach based on average tax rate

R0590

C0109
Approach based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

		Before the shock	After the shock
		C0110	C0120
DTA	R0600	0 00	
DTA carry forward	R0610	0 00	
DTA due to deductible temporary differences	R0620	0 00	
DTL	R0630	223,077 00	
LAC DT	R0640		
LAC DT justified by reversion of deferred tax liabilities	R0650		
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		

Calculation of loss absorbing capacity of deferred taxes

		LAC DT
		C0130
DTA	R0600	
DTA carry forward	R0610	
DTA due to deductible temporary differences	R0620	
DTL	R0630	
LAC DT	R0640	-1,444,062 50
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	-1,444,062 50
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	0 00