Annual Financial Report

Eurolife FFH Life Insurance S.A.

For the year ended
31 December 2020

EUROLIFE FFH

A FAIRFAX Company

Eurolife FFH Life Insurance S.A
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BOARD OF DIRECTORS' REPORT of Eurolife FFH Life Insurance S.A.

The Board of Directors presents their report together with the Annual Financial Statements for the year ended 31 December 2020.

Developments in the Greek Insurance Market during 2020
2020 was a historic year, with the developments following the coronavirus pandemic playing a decisive role in the economic and social life of Greece. The particularly strong implications of the coronavirus pandemic negatively affected the global and Greek economies, leading economic activity in Greece to a major recession and deflation. According to the available data from the Hellenic Statistical Authority (ELSTAT), the first estimate of the recession's impact on the Gross Domestic Product (GDP) is 8,2%. Furthermore, the effects of the pandemic and restrictions imposed in order to control its spread have led to an increase in credit risk and government deficit, while an increase in non-performing loans is also expected. The mandatory cessation of economic activity in many sectors of the economy both last spring and last November, created the need to support both companies and their employees. At the same time, a large number of other economic activities were secondarily affected. Important activities, such as tourism, were severely affected during the year.

The Greek insurance market was affected, as anticipated, however it managed to limit its losses in terms of gross written premiums. The production of insurance premiums[1] , amounted to € 3,9 billion, reduced by 3.7% compared to 2019. This fact proves that citizens understand the value of insurance and maintain their insurance policies despite the adverse circumstances.

In the Greek insurance market, according to available data[1], total insurance premium production amounted to €3.924,3 mil. in 2020 (2019: €4.073,0 mil.), out of which € 2.105,9 mil. is attributed to general insurance business and €1.818,3 mil. to life insurance business. Compared to 2019, insurance premium production decreased by approximately -3,7% in 2020 (2019: +8,7%) and, more specifically, the non-life insurance premiums increased by 0,4% (2019: +2,0%) while life insurance premiums decreased by 8,0% (2019: +16,9%). Regarding the non-life insurance business, the non-motor lines of business recorded an increase of 3,9% compared to 2019, while the motor insurance business, recorded decrease of 5,7%. Regarding life insurance lines of business, life insurance policies linked with investments (unit-linked products) grew by 55,3%, while deposit administration funds products decreased by 17,5% and the traditional life insurance products decreased by 17,5%.

The following table presents the insurance premium production of the Greek market[1] per insurance line of business for the year 2020 and the respective variations compared to the year 2019.

Insurance premiums of the Greek market	2020	%	Change % compared to 2019
(amounts in € mil.)			
Life traditional	1.219	31%	-17,5%
Life insurance linked to investments (Unit-linked)	400	10%	55,3%
Management of group pension funds	199	5%	-17,5%
Motor vehicle liability	707	18%	-5,7%
Other non-life	1.398	36%	3,9%
Total gross written premiums	**3.924**	**100,0%**	**-3,7%**

[1] According to the premium production published by the Hellenic Association of Insurance companies ("H.A.I.C"). that includes information only for the insurance companies that are members of H.A.I.C (http://www1.eaee.gr/paragogi-asfalistron)

For yet another year, the Greek insurance market strengthened its capital adequacy. Equity of Greek insurance entities has more than doubled since 2012, overcoming €3,4 billion.

In addition, the adoption of two new financial reporting standards, IFRS 17 "Insurance Contracts" (IFRS 17) and IFRS 9 "Financial Instruments" (IFRS 9) effective by 01/01/2023, will play a major role. In particular, the transition to IFRS 17 will be one of the most significant changes of the last 20 years for insurance companies, as a total revision of financial statements is required. Given the magnitude of the change, businesses are already assessing the impact of the adoption of IFRS 9 and IFRS 17 in their financial results, while at the same time they are examining both personnel and infrastructure issues in order to be able to support these new standards.

Requirements differ significantly from the existing, with direct impact on the following:

- Change in the recognition of profitability.
- Increase in the complexity of valuation methods and assumptions.
- Increase in the volume of data required.

Changes imposed by the standards are expected to affect the Company as a whole and the impact will need to be disclosed to a wide range of internal and external stakeholders.

Financial Results Review

Despite the pandemic's effects on the Greek economy, 2020 was another successful year for Eurolife FFH Life Insurance S.A. (the "Company"), during which high levels of profitability were maintained for another year and further strengthening of the capital position was accomplished. Company's profit before tax amounted to €135,3 mil. in 2020 compared to €100,3 mil. in 2019.

Financial Figures of the Company

Key Financial Figures

	2020	2019
(amounts in € mil.)		
Gross written premiums *(IFRS)*	380,9	430,7
Gross earned premiums *(IFRS)*	379,2	429,8
Total Investment Income[1]	254,3	163,7
Total Investment Income[1] *(excluding Unit-Linked)*	240,6	141,5
Administrative Expenses *(excluding interest & other investment expenses)*	(31,7)	(19,0)
Profit Before Tax	135,3	100,3
Income Tax	(32,8)	(24,7)
Profit for the year	102,5	75,6
Total Assets	3.301,3	3.114,1
Equity *(IFRS)*	658,9	641,6
Technical Reserves, Other Insurance Provisions and Liabilities for Unit-Linked products [2]	2.478,2	2.321,0
Number of Employees at 31 December	157	162

[1] Total investment income is the sum of the Income Statement lines: Investment income, Realised gains/(losses), Fair value gains/(losses), Gains/(Losses) from joint ventures, Gains/(Losses) from derivatives.

[2] Technical Reserves, Other Insurance Provisions and Liabilities for Unit-Linked products include the Mathematical reserves, other insurance provisions and liabilities for investment and insurance Unit-Linked products.

Financial Ratios

(amounts in € mil.)	2020	2019
Return on equity after tax (ROE)	15,8%	15,1%
Return on assets before tax (ROA)	4,2%	3,5%
Profit margin before tax	35,5%	23,3%
Annualized premium equivalent (APE) (amounts in € mil.)	214,9	202,6
Administrative expense ratio	14,8%	9,4%
Acquisition costs ratio	6,8%	6,3%

Financial Ratios Glossary

Return on equity after tax (ROE): Profit for the year divided by the average net assets of the year.

Return on assets before tax (ROA): Profit for the year before tax divided by the average total assets of the year.

Profit margin before tax: Profit before tax divided by the gross written premiums.

Annualized Premium Equivalent (APE): Calculated as the total life and non-life statutory gross written premium for periodic premium products plus 10% of statutory gross written premium for the single premium products.

Administrative expense ratio: Administrative expenses excluding interest and other related expenses divided by the annualized premium equivalent.

Acquisition costs ratio: Acquisition Expenses of the year divided by the gross earned premiums.

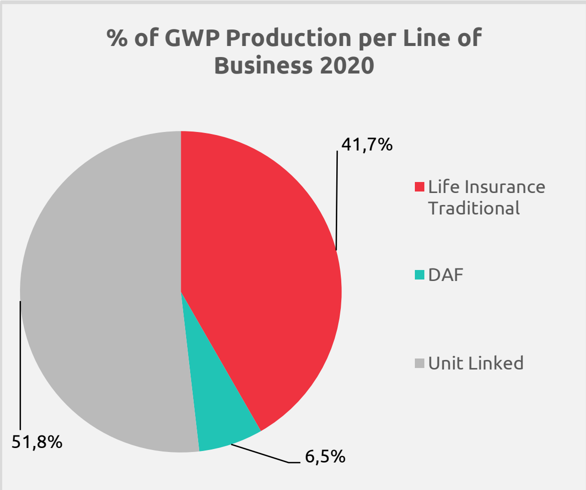
Gross written premiums

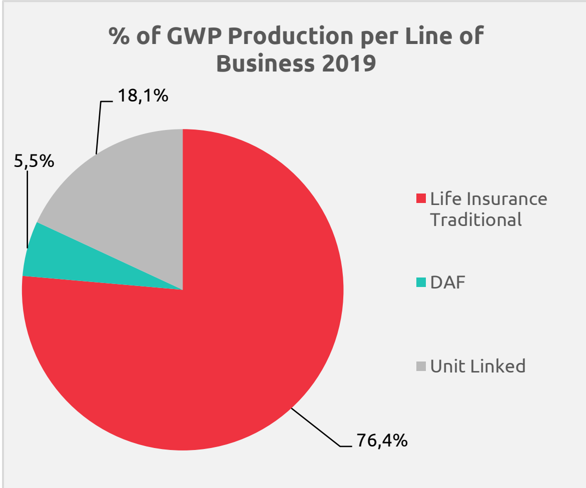
In the fiscal year 2020, the total premium production of the Company reached € 380,9 million, showing a decrease of 11,6% compared to 2019 (2019: 17,4%).

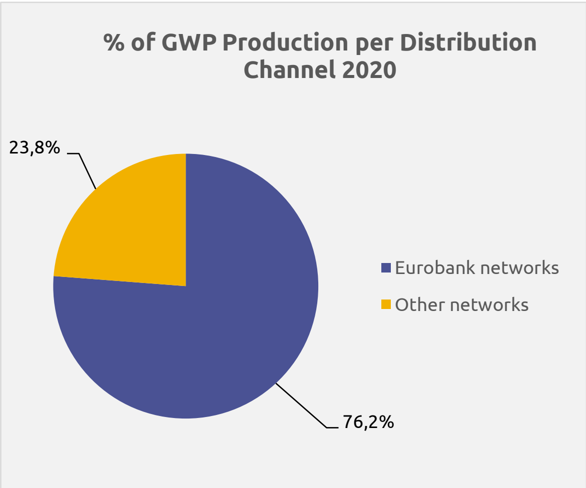
In terms of market shares, the Company gathered in 2020 21,0%[1] of the total market, confirming its leading position and its growth course.

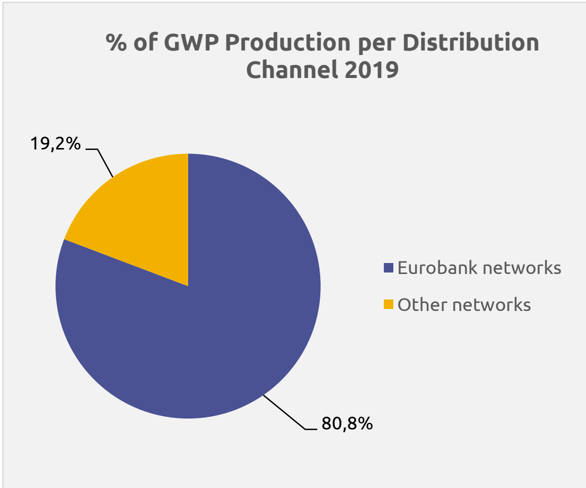
The following charts show the gross written premiums per insurance branch and per distribution network for the years 2020 and 2019, respectively:

[1] Based on the premium production published by the Hellenic Association of Insurance Companies ("HAIC"), which includes data only for insurance companies that are members of HAIC. (http:// www1.eaee.gr/paragogi-asfalistron)









Total Investment Income

The total investment income of the Company amounted to € 254,3 million in the year 2020 compared to € 163,7 million in the previous year, showing an increase of 55,3%.

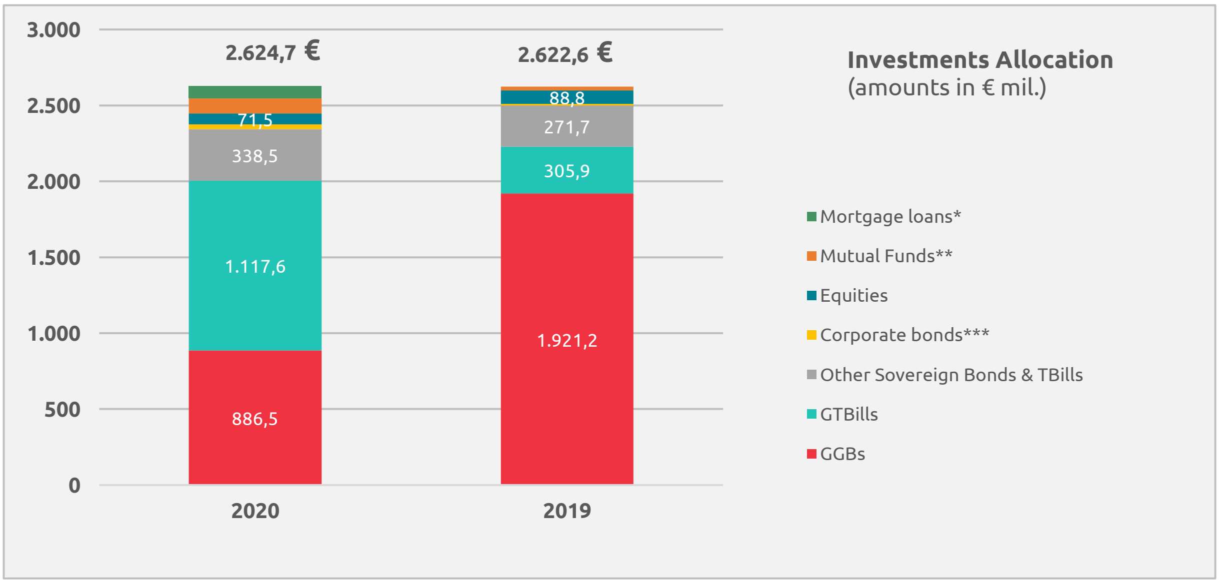
The following tables present the analysis of total investment income by category of financial data in the fiscal year 2020 and 2019:

31 December 2020 (amounts in € thousand)	Investment Income	Realised gains / (losses)	Fair value gains / (losses)	Gains/Losses from Derivatives	Total
Bonds	64.922	193.461	(14.325)	-	244.058
Equities	1.152	(9)	(2.775)	-	(1.632)
Mutual Funds	5	-	-	-	5
Loans	343	-	-	-	343
Deposits[1]	(2.291)	-	-	-	(2.291)
Other	40	-	-	101	142
Total Investment Income (excluding Unit-Linked)	**64.171**	**193.453**	**(17.101)**	**101**	**240.624**
Unit-Linked	-	8.313	5.382	-	13.695
Total Investment Income	**64.171**	**201.766**	**(11.718)**	**101**	**254.320**

31 December 2019 (amounts in € thousand)	Investment Income	Realised gains / (losses)	Fair value gains / (losses)	Total
Bonds	66.522	59.202	2.167	127.891
Equities	1.175	11.032	71	12.279
Mutual Funds	1	60	-	61
Deposits[1]	1.193	-	-	1.193
Other	46	-	-	46
Total Investment Income (excluding Unit-Linked)	**68.939**	**70.293**	**2.238**	**141.470**
Unit-Linked	-	4.948	17.331	22.280
Total Investment Income	**68.939**	**75.242**	**19.569**	**163.750**

[1] Includes foreign exchange differences of amount € (2.879) thousand as at 31 December 2020 and € 205 thousand as at 31 December 2019.

The allocation of the Company's investment portfolios per asset class at 31 December 2020 and 31 December 2019 is as follows:



* Mortgage loans: 2020: 78,6 million (2019: 0)
** Mutual Funds: 2020: € 99,5 million (2019: 24,5 million)
*** Corporate Bonds: 2020: € 32,6 million (2019: 10,4 million)

Financial Results

Profits before taxes amounted to € 135,3 million in 2020, showing an increase of 34,9% compared to 2019 (2019: € 100,3 million). The increase is mainly attributed to the increased realized gains recorded in 2020 due to the sale of Greek Government Bonds.

Furthermore, the acquisition cost ratio was equal to 6,8% (2019: 6,3%).

Share capital – Equity – Main shareholders

The share capital of the Company on December 31, 2020 amounts to € 29.134 thousand, divided into 843.000 common registered voting shares with a nominal value of € 34,56 each. All common registered shares have been issued and the share capital is fully paid. The Company is a subsidiary of Eurolife FFH Insurance Group SA. Holdings which holds 100% of its share capital.

On 22 December 2015, an agreement was reached between Eurobank Ergasias S.A. ("Eurobank") and Fairfax Financial Holdings Limited to sell 80% of Eurobank's participation in Eurolife FFH Insurance Group Holdings S.A. (the "Transaction"), following a competitive bidding process involving international investors. On 4 August 2016, after having acquired all required approvals by the supervisory and regulatory authorities, the transaction was completed with the sale of 80% of the share capital of Eurolife FFH Insurance Group Holdings S.A. to Costa Luxembourg Holding S.à r.l. which is based in Luxembourg.

Following the completion of the Transaction, the control of Eurolife FFH Insurance Group Holdings S.A. passed to Costa Luxembourg Holding S.à r.l., which is jointly controlled by Colonnade Finance S.à.r.l, a member of the Fairfax Financial Holdings Limited Group, and OPG Commercial Holdings (Lux) S.à.r.l.. The remaining 20% of the share capital was held by Eurobank Ergasias S.A. until the 20th of March 2020. On the 20th of March 2020, the Ministry of Development and Investments approved the demerger of Eurobank Ergasias S.A. ("Demerged Entity" or "Eurobank"), through sector's hive down and the establishment of a new company-credit institution under the corporate name "Eurobank S.A." (the "Beneficiary"). According to the Demerger Deed, the participation of the Demerged Entity in the Company is included in the transferred assets of the Beneficiary.

Equity of company for the year ended 31 December 2020 is €658,9 mil compared to €641,6 mil in 2019.

Dividend Distribution

On 23 April 2019 the Annual Shareholders' General Meeting of the Company approved the distribution of the interim dividend decided on 16 October 2018 and the distribution of additional dividend of € 834 thousand to the shareholder Eurolife FFH Insurance Group. The dividend was derived from the profits of the fiscal year ended on 31 December 2018. The dividend was paid to the shareholder on 24 April 2019 and 22 May 2019.

On 23 September 2019, the Board of Directors of the Company approved an interim dividend distribution of €25.000 thousand to the shareholder Eurolife FFH Insurance Group. The interim dividend was paid to the shareholder on 18 December 2019.

On 18 May 2020 the Annual Shareholders' General Meeting of the Company approved the distribution of the interim dividend decided on 23 September 2019 and the distribution of additional dividend of € 217 thousand to the shareholder Eurolife FFH Insurance Group. The dividend was derived from the profits of the fiscal year ended on 31 December 2019. The dividend was paid to the shareholder on 25 May 2020.

Subsidiaries

In the year 2020, the subsidiary in Romania under the name Eurolife FFH Asigurari De Viata SA, which started operating in September 2007 and sells its products through a banking network, recorded premiums amounting to € 3.2 million (2019: € 3.7 million). For the year 2020, the losses before taxes amounted to € 270 thousand (2019: profits of € 440 thousand).

In 2015, the Company bought 100% of the shares of International Real Estate SA. International Real Estate SA. operates in the real estate sector and owns the property at 33-35 Panepistimiou and Korai, Athens, which houses the Company's offices. Profits before taxes amounted to € 748 thousand (2019: € 757 thousand) and profits after taxes for the current year amounted to € 563 thousand (2019: € 519 thousand).

Investment in Joint Venture

GH was established from Grivalia Properties REIC ("Grivalia") on 26 June 2015 with initial paid capital of €2mil. The core activities of GH are the acquisition, development and management of hospitality property mainly in Greece. On 19 February 2017, the Company participated as strategic investor in the share capital increase of Grivalia Hospitality S.A ("GH"), headquartered in Luxemburg.

More specifically, the share capital of GH increased by €58mil, €30mil out of which were paid by the Company, while the remaining €28mil were paid by Grivalia. Following the completion of the share capital increase, the share capital of GH amounts to €60 mil with an equal participation by the two shareholders.

On the same date, a relative agreement between the two shareholders was signed, which requires unanimous consent for all important decisions.

On July 27 2017, it was announced that a fund ("the New Investor") managed by the investment firm M&G Investment Management Limited, established in London, would participate in the share capital of GH through a share capital increase of €60 mil that was fully covered by the New Investor.

Following the completion of the transaction, the total share capital of GH amounts to €120 mil., divided into 120.000.000 shares of (amount in €) €1 per share, out of which, 25% are owned by Grivalia, 25% by the company and 50% by the New Investor.

On July 25 2018, the Company participated in the new share capital increase of GH of €60 mil. The increase was fully covered by GH's existing shareholders in proportion to their share capital. Of the €60mil, €15 mil were paid by Grivalia, €15mil were paid by the Company and €30 mil by the New Investor. Following this share capital increase, the paid in share capital of GH amounted to €180 mil to be used for the implementation of its investment plan.

Furthermore, it is noted that on 17 May 2019 the Ministry of Economy and Development approved the merger by absorption of Grivalia Properties by Eurobank and therefore from this date onwards the share of Grivalia Properties is owned by Eurobank.

On June 10, 2020, the Company participated in the new share capital increase of GH, amounting to € 20 million. The increase was fully covered by the existing shareholders of GH in proportion to its share capital. Specifically, the Company paid € 5 million and the additional € 15 million was paid by the other shareholders of GH. After the completion of the increase, the paid share capital of GH now amounts to € 200 million and will be used for the implementation of its investment plan.

The Company assessed the nature of the investment and considering that the three shareholders make all important decisions unanimously, concluded that all the conditions were met for the investment to be classified as a 'joint venture' and therefore to be accounted at cost less any impairment losses.

The total assets and labilities of GH Group amount to €355.948 thousand as at December 31st 2020 (2019: €338.522 thousand) and €139.848 thousand (2019: €110.145 thousand), respectively. The equity of GH Group net of non-controlling interests amounts to €181.118 thousand (2019: €187.038 thousand).

The most significant assets of the GH Group include the own-use tangible assets which at 31 December 2020 amount to €181.146 thousand (2019: €135.813 thousand), the investment properties amount to €102.117 thousand (2019: €129.545 thousand) and its bank deposits amounting to €26.993 thousand (2019: €20.723 thousand).

Management of insurance and financial risks

Risk Management Framework

The existence of an effective risk management framework is considered by the Company a key factor for risk limitation and protection for both policyholders and shareholders. The practices and methodologies applied enhance the framework and contribute to the adoption of the supervisory authorities' requirements.

The financial risk management framework is reviewed and continuously evolving, taking into consideration the Company's experience, the market dynamics and its harmonization with the regulatory requirements. In this context, a Risk, Asset-Liability & Investment Management Committee has been established overseeing and leading all risk management activities of the Company in close cooperation with the Risk Management General Division.

The Risk Management system includes the governance system, the strategy that determines the risk appetite as well as the management framework supported by the methodology and the procedures about risk identification, measurement, monitoring, controlling and reporting. The risk management framework is applied by all the organizational units of the Company which fall into the 1st line of defense, the Risk Management Function, the Actuarial Function and the Function of Regulatory Compliance which fall into the 2nd line of defense as well as the Internal Audit Function which falls into the 3rd line of defense.

The Company is exposed mostly to the following types of risks: underwriting & reserving (insurance) risk, market risk, credit risk, liquidity risk, operational risk, concentration risk, strategic risk and reputational risk.

A. Insurance Risk

Insurance risk is the risk under insurance contracts related to the possibility that the insured event occurs as well as the uncertainty surrounding the resulting claim. Insurance risk manifests in the Company's portfolio, which consists of protection and saving product categories (individual and group contracts).

The Key Life Underwriting and Reserve (Insurance) risks that the Life Companies of the Company is exposed to (through the traditional Life products and DAF contracts), are set out below:

Mortality risk refers to the risk that the Company has to pay more mortality benefits than expected (as assumed in the pricing process of the product).

Longevity risk relates to future claims and benefit payments which may be different from the actual benefit payments that will become due in the future, if policyholders live longer than expected.
Lapse/cancellation risk arises from the uncertainty related to the behavior of policyholders. The long-term life insurance contracts are also significantly affected by the policyholder's right to pay reduced future premiums and/or terminate the contract (where these rights are part of the contract terms). Policyholder behaviors can be affected by many factors external to business operations such as economic and financial market conditions.

Morbidity/disability risk refers to the risk that the Company has to pay more disability or morbidity benefits (due to disability, sickness or medical inflation) than expected as a result of increasing frequency and severity of the claims.

Expense risk arises from the fact that the timing and / or the amount of expenses incurred differs from those expected at the timing of pricing.

Catastrophe risk is realized when a low frequency, high severity event leads to a significant deviation in actual benefits and payments from the total expected. Unpredictable events may affect multiple insured risks. The extent of losses from catastrophic events is a function of the frequency and severity of each individual event. Both frequency and severity are inherently unpredictable.

Assessment and risk mitigation techniques used for insurance risks

Proper pricing, underwriting process, reinsurance, claims management, and diversification are the main risk mitigating actions for insurance risks. By offering a range of different insurance products with various product benefits and maturities, the Company reduces the likelihood that a single risk event will have a material impact on the Company's financial condition.

The Company, in order to monitor underwriting risk, reviews its assumptions made in product pricing and profit testing process for mortality, investment returns and administration expenses, using statistical and actuarial methods. It also combines these with additional assumptions using parameters such as lapse rate, option of lump sum pension (for pension coverage) to perform liability adequacy tests.

Moreover, the Company's reinsurance arrangements serve to limit its overall risk exposure as well as to reduce the volatility of its claims and safeguard underwriting result.

B. Market Risk

Market (investment) risk is the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and volatility of market prices of assets and liabilities.

The key market risks the Company is exposed to, are set out below:

Interest rate risk: is the risk related to the change in direction, fluctuation and correlation of interest rates, the shape of yield curve and the variation of different rates which affect the assets and the liabilities.

Currency risk: is the risk related to the change in direction, fluctuation and correlation of currencies which affect the assets and the liabilities.

Equity risk: The Company's investment portfolio, with its placements in equities and equity funds, is exposed to equity risk due to fluctuations in equity market prices.

Market risk concentration: The Company is exposed to this risk due to investment in individual issuers e.g. time deposits, bonds, shares, property etc.

Credit spread risk: This is the risk arising from changes in the level or volatility of credit spreads and may affect the value of assets and liabilities. The Company is exposed to this category through placements in time deposits and corporate bonds.

Assessment and risk mitigation techniques used for market risks

From a quantitative perspective, the Company continuously monitors market risk on an ongoing basis, by measures defined in the individual risk management policies at entity level. To this end, the Company:

- Has established and follows an Investment Strategy and an Investment Risk Management Policy, on which the Company's investment activity is based,
- Monitors the exposure of investment portfolio in each sub category of market risk and limits have been set.

In order to manage and measure market risks, the Company uses the aforementioned risk limits, applies the Value at Risk ('VaR') methodology, monitors portfolio valuations on an ongoing basis and carries out simulations in order to calculate potential losses in the event of abnormal market conditions or sensitivity analyses on a regular basis, depending on the existing portfolio structure, strategy and market conditions.

C. Credit risk

Credit risk arises from the possibility of a counterparty causing financial loss due to failure to meet its financial obligations as a result of its deteriorating financial condition. The Company is exposed to credit risk arising principally from the following assets: debt securities, reinsurance claims, insurance premiums and cash and cash equivalents.

In debt securities credit risk is related to the inability of the issuer to meet its obligation to settle the face value and coupons of the bond upon maturity.

Regarding credit risk related with **reinsurers**, credit risk refers to the inability of the reinsurer to meet its financial obligation. The Company has placed several types of reinsurance arrangements, with various reinsurers, and as result is exposed to credit risk. While these agreements mitigate insurance risk, the receivables from reinsurers expose the Company to credit risk.

Regarding credit risk related to **premium** receivables, credit risk refers to the inability of an intermediary to pay the insurance Company the premiums it has collected from the clients.

Finally, placements in **cash and cash equivalents** expose the Company to concentration of credit risk.

Assessment and risk mitigation techniques used for credit risk

Credit ratings provided by rating agencies are used to assess credit risk (debt issuers and reinsurers). The Company does not make its own assessment of counterparty' s credit risk.

Reinsurance arrangements are reviewed by the Company in order to ensure an adequate level of protection and support of contracts by creditworthy reinsurers. In this context, strict principles have been set up for selection of reinsurers, who should be highly evaluated by recognized rating agencies under any circumstances.

The Company implements policies and standards for the management and monitoring of credit risk by intermediaries with emphasis on the daily monitoring of the largest balances in combination with the established limits.

D. Liquidity risk

Liquidity risk is the risk arising from the prospect that the Company will be unable to realize investments and other assets in order to settle its financial obligations as they become due.

Factors such as a financial crisis or a pandemic affecting policyholders' behavior could result in lack of liquidity. In such cases customers would be expected to surrender their policies resulting in large cash outflows for the Company. In order to address the above issues, the Company retains liquid assets and reinsurance treaties covering catastrophic risks. The Company's liquidity position is closely monitored on a daily basis.

Assessment and risk mitigation techniques used for liquidity risks

The Company's liquidity management process includes monitoring the timing correlation of cash inflows and outflows, as well as ensuring sufficient cash and cash equivalents and highly marketable financial assets that can easily be liquidated are held to meet its operational needs.

It is noted that there is a Liquidity Management Procedure Directive, which sets out the definition of cash and cash equivalents and the framework for the effective management of the Company's liquidity. A Liquidity Risk Management Policy is also applied, which ensures that the Company's short-term payable cash liabilities can be adequately covered either by the Company's cash or by financial assets that can be directly liquidated at fair value without being subject to impairment due to lack of marketability.

E. Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and/or external events. It is inherent in every function and business activity of the Company. An effective system towards management of operational risk is required in order to identify, assess and quantify exposures, identify manifestations of operational risk events, determine tolerance limits and, where necessary, reduce the exposure to acceptable levels.

The Company, considering the nature, scale and complexity of its activities has established a Comprehensive Operational Risk Framework of principles and procedures, allowing for the effective identification, assessment, management, monitoring and reporting of operational risks (to which it is or may be exposed to). The framework is embedded in the decision making processes and in the corporate culture (Operational risk awareness).

The Company's Operational Risk Management Framework includes methodologies related to: Risk Control Self-Assessment, scenario assessment, business environment assessment, FRA risk exposure assessment (FRA), evaluation of outsourcing relations (both before the decision to outsource and during the agreement), in the risk assessment of business practices, in the management of operational risk events (operational losses) which includes their causal analysis. This Framework is described in the corresponding approved documents and / or Policies.

The Company's strategy, regarding the management of operational risk, includes:

- Establishment of the Operational Risk Framework and definition of roles, duties and responsibilities of management and personnel.
- Performance of the following activities:
    - ✓ Risk & control self-assessment (RCSA), materiality assessment of outsourced functions or activities, cloud services & providers' risk assessment, Outsourcing Relationship Assessment (ORA), Business Environment Assessment, Business Practice Risk Assessment and Fraud Risk Assessment (FRA)
    - ✓ Record keeping of internal operational losses in combination with relevant events' causal analysis as well as analysis of external operational risk events.
    - ✓ Establishment and monitoring of Key Risk Indicators (KRIs).
    - ✓ Introduction and documentation of operational risk management policies and processes.
    - ✓ Development and analysis of an appropriate set of scenarios which examine the potential exposure to operational risk
    - ✓ Identification, evaluation and reduction (when necessary) of risks when creating new products, processes and / or systems
    - ✓ Establishment and annual testing of a business continuity plan
    - ✓ Enhancement of operational risk awareness within the Company.

Capital Adequacy

The capital management strategy of the Company aims to ensure that the Company has adequate capitalization on an ongoing basis according to the regulatory framework Solvency II and, within these constraints, to maximize shareholders' return without exceeding the total risk tolerance limits of the Company as well as the risk appetite of the shareholders.

The calculations of the Solvency Capital Requirement (SCR), the Minimum Capital Requirement (MCR) as well as the eligible own funds of the Company are being performed on a quarterly basis and results are submitted to the Supervisor Authority. In addition, the SCR capital adequacy ratio is estimated on a daily basis, using estimates on the eligible equity and SCR, taking into account market data and real estate portfolio data. The main objective is to ensure timely information and action of the Management whenever necessary.

Additionally, the Company performs simulation exercises or sensitivity analysis with scenarios that reflect the negative impact of unexpected changes both on the macroeconomic environment and on the Company itself, in order to assess the resilience of the future status of the available funds (at Greek insurance entities level).

As of 31 December 2020 and 31 December 2019, the eligible own funds of the Company exceed the Solvency Capital Requirement (SCR).

Labor issues

The Company's employees are the greatest asset for its success and sustainable development. As at 31 December 2020, the Company employed 157 employees. Gender and age distribution reflects the equal opportunities approach that the Company implements. In particular, the gender distribution is quite balanced with women reaching the 51% of the total employees.

The Company is committed to provide equal opportunities for employment and complying with the related legislation on employment opportunities. The Company rejects all forms of social exclusion and is committed to providing equal opportunities for employment, training and development to all employees, regardless of demographic, social and other characteristics and aspects, diversity or minority, and based solely on the objective assessment of competencies and other labor-related performance criteria.

Training and professional competence of our people is an important pillar for the Company. Specifically, the skills, know-how and technical specialization of the employees are evaluated and are explored in order to contribute to the success and differentiation of the Company against its peers. Through development schemes that are linked to the Company's strategy and the individual goals of each employee, the skills and the career development of the personnel are enhanced. Performance evaluation is performed through a modern tool that ensures the meritocracy, transparency and objectivity of the process.

The Company, taking into account both the competitiveness and the market trends, regularly reviews the remuneration and benefits framework for employees in order to attract, retain and motivate its human resources. The basic principles of the remuneration and benefits framework ensure the harmonization of employees' individual objectives with the Company's strategy and create long-term value for shareholders is created. These principles ensure that the remuneration packages are sufficient to hold and attract executives with suitable expertise and experience, ensure the internal balance between the units of the organization, avoid excessive risks and connect remuneration with the long-term evaluation of the achievements' performances.

Health and safety are one of the highest priorities of the Company in order to make work safe, improve the quality of employees' working life and prevent related risks. More specifically, within the year 2020, the Company took all measures necessary for the prevention and protection of health and safety, by supervising their proper implementation, working conditions and compliance with the rules through an organized risk management framework. At the same time, training sessions were scheduled in order to help personnel become more familiar with issues related to the pandemic and vaccination. Employees' health and safety are part of corporate culture and ensured in all aspects of working life.

Social issues

The Company holds a leading position in the Greek insurance market and its mission is to support every person to live the life they want, by offering products and services that meet all contemporary needs.

By this position, and by recognizing its work and role in Greek society, the Company is committed to return a part of the annual profit to it. In this context, it has created a corporate social responsibility program, through which it designs and implements ideas, initiatives and actions that prove its commitment to support people and society to evolve and thrive.

The Corporate Social Responsibility Program is designed and operates with the intention to address issues that concern Greek citizens and society nowadays, as well as their hopes for a better and more optimistic future. In this context, it considers, plans and implements actions for:

A. The quality of Greek citizens' life and its upgrade.

B. The promotion of Greek culture and education through knowledge and learning initiatives.

C. The reinforcement of new innovative ideas that help Greek entrepreneurship evolve by creating more options and greater optimism about the future.

Through this program, Eurolife FFH Life Insurance S.A. aims to provide substantial benefit to society and people, encouraging them to fight for and accomplish more every day. For the implementation of the program, the Company systematically collaborates with organizations operating within the country, supporting their work and developing joint activities and projects.

Corporate Social Responsibility Program actions target a large number of beneficiaries, from different age groups and regions. More specifically, the initiatives of Eurolife FFH Life Insurance S.A. focuses on supporting people living in remote border and island regions, members of vulnerable social groups, children, adults and families with specific actions for each group, as well as economic support on social and educational institutions.

A) For the quality of life and its upgrade

Given the long-lasting financial crisis and the disappointment of Greek citizens on the conditions and situations that they have experienced, as well as current conditions developed by the pandemic, this pillar implements actions aimed at giving more optimism and improving the quality of people's lives. Eurolife FFH Life Insurance S.A. collaborates with key organizations to jointly implement actions that respond to significant problems and difficulties that specific groups face nowadays. These actions are designed and implemented with the ultimate goal of real and meaningful impact on the beneficiaries to whom they are intended.

In this context Eurolife FFH Life Insurance S.A. collaborates with HOPEgenesis, supporting its activities against low birth rate in Greece. Additionally, it cooperates with ethelon to implement activities in support of people who belong to socially vulnerable groups with no access to basic daily goods. Moreover, it supports the work of magazine "Shedia" participating in its task to relief homeless people. Finally, the Company cooperates with Athens City Hall, supporting its efforts to upgrade the city center.

B) Promotion of the Greek culture and education

This pillar is supported by actions to promote the Greek culture as well as to help even more people get in touch with the national inheritance. The ultimate objective of the actions is to give the opportunity to as many people as possible to benefit from art and education - with a focus on residents of remote border and island regions that do not have easy access to educational and cultural initiatives. Eurolife FFH Life Insurance S.A. has given particular emphasis on this pillar, as its main priority is to support equal opportunities for both children and adults in learning and cultural activities. For this reason, the actions carried out are not limited to major urban centers of the country, but extended to various cities and regions of Greece.

Eurolife FFH Life Insurance S.A., is collaborating with two of the country's leading cultural institutions in order to achieve its goals with regard to this pillar: the Greek National Opera,the Museum of Cycladic Art and Cyber Security International Institute.

The collaboration with the Greek National Opera includes supporting the annual artistic program (both for Central and Alternative Stage), as well as implementing free of charge roadshows for children, families and adults that are traveling in various Greek cities.

Eurolife FFH Life Insurance S.A.'s collaboration with the Museum of Cycladic Art aims at supporting all activities implemented by the Museum for the promotion of the ancient greek and Cycladic culture to children, parents and adults across the country

C) For entrepreneurship and equal opportunities in business

Through this action pillar, Eurolife FFH Life Insurance S.A. aims to support the work of organizations that promote new and innovative entrepreneurship ideas and initiatives. Believing in people's capabilities and skills, it aims to develop partnerships that give people the opportunity to implement their business ideas and / or develop specific professional skills.

Corporate Social Responsibility Actions for 2020

Eurolife FFH Life Insurance S.A., participated in the following activities in 2020, within the context of its Corporate Social Responsibility program:

Supporting projects and activities aiming on improving and upgrading people's quality of life:

- Support of HOPEgenesis to provide medical services, examinations and medical check-ups to women of Patmos and the wider Delphi area, who are either already pregnant or wish to give birth to a child, but do not have regular or direct access in hospitals and health centers. With this support, HOPEgenesis provides women in these areas with specialized medical practicioners, as well as counseling and psychological support during pregnancy and childbirth.

- Construction of the first and only kindergarten in Patmos, on top of its previous actions to support the young families of the island, so that their children have their own place, where they can work creatively and develop their skills. The project was completed in collaboration with HOPEgenesis, the Aegean Team and the Municipality of Patmos and was delivered to the island during an inauguration ceremony, in the presence of the Mayor and local officials, as well as representatives of the organizations that undertook its construction.

- Implementation of ad hoc activities together with ethelon, aiming to support the work of various non-profit organizations that provide assistance to various social groups, such as the support of the NGO Odyssea. At the same time, the Company has funded a research performed by ethelon on a large scale, about voluntary activity nowadays as a consequence of the health crisis, while it has also contributed to the ethelon Days, an annual event that brings together businesses, NGOs, individuals and volunteers around a creative dialogue for the practices of voluntary activity in the country.

- Purchase of a "solidarity subscription" to the street magazine "Shedia" on behalf of each employee of the Company – this initiative enables two elderly beneficiaries of the magazine to work on specific days of the month at the magazine's offices, handling the shipments to the subscribers' base.

- Donation of seven cleaning automobiles to the Cleaning Department of Athens' City Hall, that collect a large amount of waste at the city center every day, helping to upgrade Athens and create a better image of the city for residents and visitors to enjoy.

- Donation of more than 640.000 items of medical equipment and sanitary material to 50 facilities held by 12 Social Welfare Centers throughout the country, as a consequence of the health crisis of the country. These materials were delivered to the centers, in collaboration with the non-profit association Desmos and the Ministry of Labor & Social Affairs, covering their needs for protection and care of beneficiaries within vulnerable social groups that they take care of on a daily basis.

- Financial support of the organizations "Together for Children", "Make A Wish" and "Hellenic Federation of Persons with Multiple Sclerosis", in order to continue to offer their social work.

Reinforcement of activities to promote culture and education, such as:

- Sponsoring Greek National Opera's annual artistic program.
- Strategic Cooperation and support of all activities of the Museum of Cycladic Art, which include:

  - ✓ The annual Children's Painting Competition implemented by the Museum, where children from all over Greece can participate.
  - ✓ The Weekend Workshops, a series of educational activities for children and parents carried by the Museum's instructors.
  - ✓ The Summer Camps, which are implemented during the summer months, with the participation of children in various cultural and educational workshops.
  - ✓ The educational Museum Kit (suitcase with material provided by the Museum), which were delivered to the public library of Eleftheroupoli Kavala and the kindergarten of Patmos, with the intention to be used by children.
  - ✓ The creation of Digital Tours in all permanent collections of the Museum.
  - ✓ A video tour of Cycladic Culture in Sign language.
  - ✓ The support of school visits to the permanent collections of the Museum.
  - ✓ The social programs of the Museum for children of different ethnic communities living in Athens.
  - ✓ The educational activities for the Friends of the Museum (Young Friends).
  - ✓ The creation of a microsite with free online access to the material of the exhibition "Takis. Sculptor of magnetism, light and sound ".

• Donation to the Cyber Security International Institute for the organization of the educational activity "Digital Academies", through which children, adults and families are informed online about internet security issues, cyber bullying, grooming, phishing, game development and robotics.

• The support of the eduACT organization, by providing insurance coverage for the organization of its educational events.

• Financial support of the Cultural Association "O Ypsountas" and the organization "Fermeli", to support their activities.

• The sponsorship for the organization of the «Panorama of Entrepreneurship and Career event».

Support of various other social activities such as:

• Financial support to the Ben Graham Center and Diaspora Project Seesox.
• Membership to the Road Safety Institute "Panos Mylonas".
• The insurance coverage of an ambulance provided by the regional department of the Red Cross in Lassithi, Crete.

External Auditors

The Board of Directors, after taking into consideration the appointment of external auditors for 2021, will propose an audit firm in the upcoming Annual General Assembly Meeting. The General Assembly will decide on the selection of the Audit Firm and its fee.

Other information

Environmental issues: Due to the nature of its operations, the Company does not address environmental issues, given that it does not consume large amounts of natural resources as an insurance company, compared to the companies from other industries.

Branches: The Company does not have branches.

Own equity shares: The Company does not hold own equity shares.

Impact of the Pandemic

The rapid spread of the COVID-19 virus brought humanity in early 2020 face to face with a dangerous pandemic that so far threatens public health and has cost the lives of millions of people. At the same time, it has extensive economic effects, while the possibility that it will be catastrophic for some sectors remains. On the one hand, lock-downs forced and social distance imposed lead to the restriction or even suspension of business activities for a long time. On the other hand, the intense concern and insecurity about the effects of the pandemic on public health, causes prolonged and intense uncertainty with serious consequences on the proper functioning of the economies. The central banks and governments of the world's strongest economies reacted immediately in order to avoid a serious global economic crisis that would have been caused by the pandemic and to limit its economic consequences to a manageable recession. Thus, governments have been given the opportunity to focus on defending public health and protecting their citizens.

Financial impact on macroeconomic level

During 2020, the coronavirus pandemic led the Greek economy into a major recession, mainly due to reduced household income and consumption, shrinking investments and limited external demand for Greek goods and services. Inflation returned to negative levels, after three consecutive years of positive growth. In the labor market, the increase in total employment and the fall in unemployment rate were halted. Fiscal, monetary and financial interventions have been adopted to support businesses and employees and reduce the consequences. The temporary easing of the rules of the Stability and Growth Pact and the institutional framework for state aid, as well as the European aid package provided in April 2020, have allowed European members to support production and employment. However, the dominant action of the European Union's policy towards the pandemic is the creation of the European Next Generation EU (NGEU) recovery instrument, which will fund development initiatives in the period 2021-2026.

The effects of the decision of the European Central Bank to include Greek government bonds in the Pandemic Emergency Purchase Program (PEPP) and their acceptance by the Eurosystem as collateral in order to increase liquidity were particularly favorable. As a result, Greek government and corporate bond yields fell and in November 2020, Moody's upgraded Greece by one notch. The Company closely monitors developments in the macroeconomic environment of Greece, examines the possible effects of changing market conditions on a daily basis and has increased its readiness to make decisions to protect itself against the economic effects of the pandemic.

Operating Capability-

From the very beginning of the pandemic, the Company has activated a Special Action Plan to deal with the emergency. The commitment of the Board of Directors that the protection of employees' health and safety is a priority remains non-negotiable. Another key priority is business continuity. The Company has managed to achieve business continuity, meet its business objectives as well as fulfill its obligations to all stakeholders such as: Customers, Partners, Supervisory Authority, Shareholders by taking immediate actions and measures. Also demonstrating social sensitivity, the Company undertook initiatives to alleviate and support vulnerable groups by supporting the Society.

Without complacency, along with the experience of managing the situation for over 1 year, both the Board of Directors and the Management Team of the Company, closely monitor the developments and then decide and act accordingly. The core measures taken to achieve the smooth operation of the Company under the new conditions imposed by the pandemic are:

- Measures for the safety and health of employees such as review of human resource management policies and practices (vulnerable groups, special purpose leave, rules regarding business travel, etc.), implementation of working remotely policy in 70-98% of employees, providing information /enhancing staff awareness on the pandemic and remote working conditions.
- Measures related to the new Work at Home operating model (W@H) such as alternative procedures and control mechanisms adapted to the new needs / conditions, appropriate distribution of employees, job rotation, provision of

additional tools to facilitate work and collaboration, supply of equipment (laptops, headsets, etc.) to support working remotely.

- Other measures taken that are meant to support the implementation of working remotely are the use of "Information and Communication Technology" (ICT) infrastructures, the protection of such infrastructures, the prevention of data leakage, the provision of safe and uninterrupted access to the necessary infrastructures and increasing employee awareness.

Based on all the above, a year later, the Company succeeds in achieving its business goals without being complacent about the risk.

Financial situation and solvency of the Company

In 2020, despite the unprecedented challenges, the Company proved its resilience once again. The Government Bonds' purchase program of the European Central Bank resulted in the reduction of Greek bonds' yields and consequently the country's borrowing cost. In this context, the Company recorded significant realized gains by selling some of its investments in Greek Government Bonds. Profit before tax amounted to € 135,3 million, exceeding expectations. The strengthening of the Company's liquidity position also came as a result of the bonds' disposal.

Despite the adverse effects of the pandemic, the Company successfully responded to the new conditions applied.

- So far no significant changes have been observed in the behavior of insurance recipients and their insurance needs. It is not anticipated that this will change in the near future. The Company continues its digital transformation so that it can cover any increased needs of distribution channels, insurance recipients and claims' beneficiaries.
- With regard to the underwriting of insurance risk, in cases where the process needed to be adjusted, this has been done in line with reinsurance coverage.
- There was no significant lag in the production of premiums.
- With regard to claims, there was a decrease in the claims paid mainly in the motor and health sectors. The decreased claims is attributable, on the one hand, to the lock-down imposed in order to control the spread of the pandemic and, on the other hand, to the instructions given by the national public health organization.
- The existing products and insurance coverage offered smoothly support the Company's business planning without identifying a significant negative impact from the effects of the pandemic.

In mid-2020, the Company, taking into account that the effects of the spread of the pandemic had penetrated into all economic activity, updated its business plan and conducted the first "Own Risk and Solvency Assessment" exercise under these new special conditions (1st ORSA report under COVID-19 conditions). The report did not show a significant financial impact of the pandemic on the Company's financial figures. Also, the results showed that the solvency position of the Company will not be threatened in the future. At the end of 2020, the Greek insurance subsidiaries prepared their new business plan and re-performed the annual "Own Risk and Solvency Assessment" exercise based on the new data available (2nd ORSA report in COVID-19 conditions). In this exercise, extreme stress scenarios were selected, adapted to the updated risk profile. The capital requirements and eligible own funds were calculated and assessed in the med-term (three years) and their adequacy was confirmed. As at 31 December 2020, the Company's solvency ratio (SCR coverage ratio) is estimated before any foreseeable dividend distribution at approximately 176% with volatility adjustment.

Prospects for 2021

Developments related to the health crisis are expected to continue being the main determinants of economic and social developments throughout most of 2021, both on domestic and international level. However, the outlook for the Greek economy is generally expected to be positive for the period 2021-2022, due to the utilization of resources from the European recovery instrument Next Generation EU (NGEU). The most important development actions concern the transition to green energy, energy saving, the digital transformation of the public sector and the economy in general, as well as the protection of the health sector.

According to the base scenario of the Bank of Greece, the economic activity is expected to recover in 2021 and grow at a rate of 4,2%. However, the growth rate highly depends on the progress of COVID-19 vaccinations as well as the effective utilization of NGEU resources.

Expectations for the insurance market prospects are still positive. Having managed to adapt to the new circumstances, it seems that the insurance industry is ready to experience growth and create value for all stakeholders, policyholders, insurers, employees, shareholders and society. At the same time, climate change seems to have led to an increase in the severity and intensity of natural phenomena that cause enormous economic damage. Therefore, it seems that on the one hand the content of potential risks is changing, and on the other hand the need for insurance coverage is strengthened, hence new fields of potential development are created for the insurance market.

Taking into account the challenges it faces nowadays, the Company continues to rank digital transformation at the top of its strategic goals. For this reason, it systematically invests in new technologies with the first priority being the upgrade of infrastructure, the utilization of international practices, and the integration of modern technologies in its operations. In order to achieve this strategy, the Strategy further strengthens its position by entering into strategic alliances with partners of high prestige and recognized know-how. Through the new strategic partnerships, the Company aims to improve its operational performance and to further enhance the skills, roles and know-how of its executives. In addition, by simplifying the information systems' management, through a secure and flexible process, the Company will upgrade the quality of the experience offered to customers and partners, by accelerating the response time it takes to meet their needs.

With the help of technology and the development opportunities offered by the digital transformation, the Company places the optimization of the customer and partner experience among its core objectives. Through the online digital solutions developed, Eurolife Partners and Eurolife Connect as well as an innovative Customer Relationship Management (CRM) system, the Company proves that it is ready to face the new challenges. The main goal is the continuous upgrade of these tools and through a series of actions and projects the Company aims to offer even more options to its partners and customers as well as an upgraded service experience through solutions, products and services that offer even greater value to all.

The board of directors members

Alexandros Sarrigeorgiou	Chairman and CEO, Executive Member
Konstantinos Vasileiou	Vice-Chairman, Non-Executive Member
Angelos Androulidakis	Independent, Non-Executive Member
Alberto Lotti	Independent, Non-Executive Member
Wade Sebastian Burton	Non-Executive Member
Iakovos Giannaklis	Non-Executive Member
Theodoros Kalantonis	Non-Executive Member
Nikolaos Delendas	Executive Member
Amalia Mofori	Executive Member
Vassilios Nikiforakis	Executive Member

Athens, 31 March 2021

Chairman of the B.O.D and CEO

Alexandros Sarrigeorgiou

[Translation from the original text in Greek]

Independent auditor's report

To the Shareholders of "Eurolife FFH Life Insurance S.A."

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of Eurolife FFH Life Insurance S.A. (Company) which comprise the statement of financial position as of 31 December 2020, the income statement, the statement of comprehensive income, the statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2020, its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018**.**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

During our audit we remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017 and of Regulation (EU) No 537/2014, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, Regulation (EU) No 537/2014 and the requirements of the IESBA Code.

We declare that the non-audit services that we have provided to the Company are in accordance with the aforementioned provisions of the applicable law and regulation and that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014.

The non-audit services that we have provided to the Company, in the period from 01 January 2020 during the year ended as at 31 December 2020, are disclosed in the note 34 to the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Valuation of liabilities arising from Individual Life Insurance Contracts</td></tr>
<tr><td>The Company's Individual Life insurance contract liabilities, which are measured in accordance with IFRS 4, include liabilities for the estimated cost of settling benefits and claims associated with insurance contracts which as of 31 December 2020 amount to €1.936m representing 73% of the Company's total liabilities.

The valuation of these liabilities is highly judgmental and requires management to make a number of assumptions that are linked to high estimation uncertainty. Small changes in the assumptions used may lead to a material impact on the valuation of these liabilities.

We focused on this area because of the significance of these amounts, the use of complex methodologies which use economic and demographic data and assumptions which are highly judgemental.

In particular the significant assumptions, which are highly sensitive to changes, are the following:
● The lapse rate, which is a significant decrement rate that drives the policies in force to gradually decrease over time, and could potentially affect the projected cash flows positively or negatively, depending on the profitability of each product.
● The yield curve used for discounting the projected cash flows, which is based on the risk-free rates curve published by the European Insurance and Occupational Pension Authority (EIOPA) adjusted to take into consideration the current allocation and expected yields of the investment portfolio.
● The expense assumptions used to estimate the future cash flows. These assumptions are based on the Company's current expenses adjusted with the projected inflation. The Company has adopted an expense analysis model based on which the expenses are split into elastic and inelastic costs, acquisition and maintenance, and allocated to group of products. The model results are used for determining the assumptions taken into consideration for estimating the future expenses.

Refer to notes 3, 4.2 and 21 of the Financial Statements for the disclosure of the related judgements and estimates.</td><td>Our work to address the valuation of the individual life insurance contract liabilities was supported by our internal life actuarial specialists, and included the following procedures:
● We tested the underlying company data which were used in the projection of cash flows and in the experience studies that support the actuarial assumptions used.
● We compared the methodology, models and significant assumptions used against recognised actuarial practices and assessed them by applying our industry knowledge and experience.
● We performed independent model validation procedures, on a sample basis, including detailed independent recalculations on selected policies and products to ensure accuracy of the projection models.

More specifically, the significant assumptions we focused on, were the following:

Lapses
We examined the persistency studies for each distribution channel to assess whether or not they appropriately reflect the long-term lapse profile of the business, taking into account any external or internal factors that affect the policyholder behaviour. Moreover, we assessed the reasonableness of significant judgements made in setting the lapse assumptions.

Yield curve
We assessed the methodology applied to determine the yield curves developed for the purpose of discounting the projected cash flows to present value. We examined the actual portfolio yields, along with the cash flow mismatches between assets and liabilities and the respective credit risk used for deriving the discounting yield curves.

Expenses
We examined the expense allocation to assess whether or not they appropriately reflect the long-term expense profile of the business. We assessed the reasonableness of significant judgements made in setting the assumptions, including the split between acquisition (new business) and maintenance costs, and the allocation of costs to different products based on the current year's experience.

Based on our procedures, we found the significant assumptions used to value individual life insurance liabilities to be reasonable. We also found that the methodologies and models used are in line with industry standards and reflect the nature and risk profile of the Company's insurance contracts.

Finally, we have assessed that the Company's disclosures in the Financial Statements are in accordance with the requirements of IFRS.</td></tr>
</table>

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information is the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the Other Information and except to the extent otherwise, explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information identified above and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We considered whether the Board of Directors report includes the disclosures required by Law 4548/2018.

Based on the work undertaken in the course of our audit, in our opinion:

- The information given in the Board of Directors' report for the year ended at 31 December 2020 is consistent with the financial statements.
- The Board of Directors' report has been prepared in accordance with the legal requirements of article 150 of Law 4548/2018.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Board of Directors' report that we obtained prior to the date of this auditor's report. We have nothing to report in this respect.

Responsibilities of Board of Directors and those charged with governance for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the requirements of Law 4548/2018, and for such internal control as Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 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 these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Conclude on the appropriateness of 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 financial statements 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on other legal and regulatory requirements

1. **Additional Report to the Audit Committee**

Our opinion on the accompanying financial statements is consistent with our Additional Report to the Audit Committee of the Company.

2. **Appointment**

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 24 June 1999. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 22 years.

Halandri, 16 April 2021
THE CERTIFIED AUDITOR

PricewaterhouseCoopers S.A.
Certified Auditors
268 Kifissias Avenue
152 32 Halandri
SOEL Reg. No. 113

Konstantinos Michalatos
SOEL Reg. No. 1770

(amounts in € thousand)	Notes	31/12/2020	31/12/2019
ASSETS			
Property, plant and equipment	5	716	717
Right of use assets	6	3.505	4.079
Intangible assets	7	2.769	1.931
Deferred acquisition costs (DAC)	8	30.082	28.279
Investment in subsidiaries	9	19.419	19.419
Investment in joint ventures	9	50.000	45.000
Financial assets at FVTPL:			
-Derivative financial instruments		101	-
- Financial assets held on behalf of policyholders who bear the Investment risk (Unit Linked)	11	300.505	172.048
- Financial assets held for trading	12	1.155.758	312.996
Available for sale financial assets	13	1.390.385	2.309.578
Financial assets classified as loans and receivables	14	78.576	-
Income tax receivable		-	34.115
Insurance receivables	15	7.196	10.913
Other receivables	16	4.648	8.381
Reinsurance receivables	17	1.750	16.182
Cash and cash equivalents	18	255.843	150.463
Total assets		**3.301.254**	**3.114.100**
EQUTIY			
Share capital	19	29.134	29.134
Share premium	19	79.014	79.014
Reserves	20	448.183	482.884
Retained Earnings		102.525	50.564
Total equity		**658.856**	**641.596**
Technical reserves and other insurance provisions	21	2.466.485	2.306.487
Financial liabilities			
- Investment contract liabilities	22	11.738	14.504
Employee benefits	23	666	606
Deferred tax liabilities	10	77.125	107.680
Income tax liabilities		9.229	-
Lease liabilities	6	3.668	4.171
Insurance and other liabilities	24	73.485	39.057
Total liabilities		**2.642.397**	**2.472.504**
Total equity and liabilities		**3.301.254**	**3.114.100**

Athens, 31 March 2021

CHAIRMAN & CHIEF EXECUTIVE OFFICER	MEMBER OF THE B.O.D. AND GENERAL MANAGER OF FINANCE, STRATEGIC PLANNING & MIS	FINANCE MANAGER	DEPUTY FINANCE MANAGER
ALEXANDROS P. SARRIGEORGIOU	VASSILEIOS N. NIKIFORAKIS	CHRISTOS K. TZOUVELEKIS	EVANGELIA D. TZOURALI
ID AM644393	ID AM245236	LIC. No 0025315	LIC. No 0099260

The notes on pages 30 to 85 are an integral part of these financial statements.

(amounts in € thousand)	Notes	From 01/01 To 31/12/2020	From 01/01 To 31/12/2019
Gross written premiums		380.944	430.710
Gross change in unearned premium reserve		(1.705)	(873)
Gross earned premiums		**379.239**	**429.837**
Minus: Premium ceded to reinsurers		(5.386)	(11.391)
Net earned premiums	**25**	**373.853**	**418.446**
Other insurance related income	**26**	3.773	7.764
Investment income	**27**	64.171	68.939
Gains from sale of financial assets	**28**	201.766	75.242
Fair value gains / (losses) on financial assets	**29**	(11.718)	19.569
Fair value gains / (losses) on derivatives		101	-
Other income	**30**	281	328
Total income		**632.228**	**590.287**
Movement in technical reserves and other insurance provisions	**31**	(160.388)	(187.164)
Claims and insurance benefits incurred	**32**	(280.228)	(249.357)
Claims and insurance benefits incurred -Reinsurers share	**32**	1.359	4.203
Total insurance provisions and claims		**(439.257)**	**(432.317)**
Acquisition expenses	**33**	(25.936)	(27.243)
Administrative expenses	**34**	(31.757)	(30.454)
Profit before tax		**135.278**	**100.273**
Income tax expense	**35**	(32.753)	(24.710)
Profit for the year		**102.525**	**75.564**

Athens, 31 March 2021

CHAIRMAN & CHIEF EXECUTIVE OFFICER	MEMBER OF THE B.O.D. AND GENERAL MANAGER OF FINANCE, STRATEGIC PLANNING & MIS	FINANCE MANAGER	DEPUTY FINANCE MANAGER
ALEXANDROS P. SARRIGEORGIOU	VASSILEIOS N. NIKIFORAKIS	CHRISTOS K. TZOUVELEKIS	CHIEF ACCOUNTANT
ID AM644393	ID AM245236	LIC. No 0025315	LIC. No 0099260

The notes on pages 30 to 85 are an integral part of these financial statements.

(amounts in € thousand)	Notes	From 01/01 to 31/12/2020	From 01/01 to 31/12/2019
Profit for the year		**102.525**	**75.564**
Other comprehensive income:			
Other comprehensive income items that may be reclassified to profit or loss in subsequent periods:			
Available for sale financial assets			
- Change in fair value, net of tax	**20**	(85.018)	231.899
Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods:			
- Remeasurement of post employment benefit obligations, net of tax	**23**	(31)	(38)
Other comprehensive income for the year, net of tax		(85.049)	231.861
Total comprehensive income for the year, net of tax		**17.476**	**307.425**

Athens, 31 March 2020

CHAIRMAN & CHIEF EXECUTIVE OFFICER	MEMBER OF THE B.O.D. AND GENERAL MANAGER OF FINANCE, STRATEGIC PLANNING & MIS	FINANCE MANAGER	DEPUTY FINANCE MANAGER
ALEXANDROS P. SARRIGEORGIOU	VASSILEIOS N. NIKIFORAKIS	CHRISTOS K. TZOUVELEKIS	EVANGELIA D. TZOURALI
ID AM644393	ID AM245236	LIC. No 0025315	LIC. No 0099260

The notes on pages 30 to 85 are an integral part of these financial statements.

(amounts in € thousand)	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Balance at 1 January 2020	**29.134**	**79.014**	**482.884**	**50.564**	**641.596**
Profit of the year	**-**	**-**	**-**	**102.525**	**102.525**
Change in available for sale financial assets reserve, net of tax	-	-	(85.018)	-	(85.018)
Re-measurement of post-employment benefit obligations, net of tax	-	-	(31)	-	(31)
Other comprehensive income, net of tax for the year	**-**	**-**	**(85.049)**	**-**	**(85.049)**
Total comprehensive income, net of tax for the year	**-**	**-**	**(85.049)**	**102.525**	**17.476**
Transfer of retained earnings to reserves	-	-	50.347	(50.347)	-
Distribution of dividends to shareholders	-	-	-	(217)	(217)
Re-measurement of post-employment benefit obligations, net of tax	-	-	1	-	1
Total transactions with shareholders	**-**	**-**	**50.348**	**(50.564)**	**(216)**
Balance at 31 December 2020	**29.134**	**79.014**	**448.183**	**102.525**	**658.856**

(amounts in € thousand)	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Balance at 1 January 2019	**29.134**	**79.014**	**146.112**	**105.744**	**360.004**
Profit of the year	**-**	**-**	**-**	**75.564**	**75.564**
Change in available for sale financial assets reserve, net of tax	-	-	231.899	-	231.899
Re-measurement of post-employment benefit obligations, net of tax	-	-	(38)	-	(38)
Other comprehensive income, net of tax for the year	**-**	**-**	**231.861**	**-**	**231.861**
Total comprehensive income, net of tax for the year	**-**	**-**	**231.861**	**75.564**	**307.425**
Transfer of retained earnings to reserves	-	-	104.910	(104.910)	-
Distribution of dividends to shareholders	-	-	-	(834)	(834)
Distribution of interim dividends to shareholders			-	(25.000)	(25.000)
Total transactions with shareholders	**-**	**-**	**104.910**	**(130.744)**	**(25.834)**
Balance at 31 December 2019	**29.134**	**79.014**	**482.884**	**50.564**	**641.596**

The notes on pages 30 to 85 are an integral part of these financial statements.

(amounts in € thousand)	Notes	From 01/01 to 31/12/2020	From 01/01 to 31/12/2019
Cash Flows from Operating Activities			
Profit before Tax		**135.278**	**100.273**
Adjustments for non cash items :			
Depreciation of property, plant and equipment and amortisation of intangible assets	33	1.629	1.461
Change in other provisions		3.301	869
Non realized foreign exchange differences	29	14.247	1.438
Fair value (gains) / losses on financial assets	29	(2.528)	(18.132)
Fair value (gains) / losses on derivatives		(101)	-
Change in insurance reserves & deferred acquisition costs	25,31,32,33	172.085	187.587
Realised gains on financial assets	28	(201.766)	(75.242)
(Gains) / losses from disposals of fixed assets		8	-
Interest income / expenses, dividends and other investment income	27	(59.306)	(54.543)
Bonds amortization and interest on deposits		(4.794)	(14.187)
Changes in Operating Assets and Liabilities :			
Purchases of financial assets		(2.742.394)	(2.228.704)
Sales of financial assets		2.746.949	2.216.766
Issuances of loans and receivables financial assets	14	(76.400)	-
Change in insurance receivables and other receivables		10.148	(11.626)
Change in insurance and other liabilities, investment contracts and insurance provisions		18.349	9.093
Interest received / paid and other investment income		83.696	38.833
Income tax paid		14.793	(99.060)
Net Cash Flow from Operating Activities		**113.191**	**51.951**
Cash Flows from Investing Activities			
Proceeds from sales of property and equipment		7	
Purchases of property, equipment and intangible assets	5,7	(1.831)	(1.021)
Increase of interest in joint ventures	9	(5.000)	-
Net Cash Flows from Investing Activities		**(6.825)**	**(1.021)**
Cash Flows from Financing Activities			
Principal repayment of lease liabilities		(770)	(702)
Dividends paid	38	(217)	(25.834)
Net Cash Flows from Financing Activities		**(987)**	**(26.536)**
Net increase in cash and cash equivalents		105.379	24.394
Cash and cash equivalents at the beginning of the year	18	150.463	126.069
Cash and Cash Equivalents at the end of the year	18	**255.843**	**150.463**

The notes on pages 30 to 85 are an integral part of these financial statements.

NOTE 1: GENERAL INFORMATION

Eurolife FFH Life Insurance S.A. (hereinafter referred to as "the Company") (ex "Eurolife ERB Life Insurance S.A.") has been established in Greece and operates in insurance sector providing insurance services that concern traditional life insurance contracts, products lin`ked to investments and group pension products.

On 22 May 2020, the General Secretariat of Consumer Affairs of the Ministry of Development and Investment, based on its decision number 51303 / 22-05-2020, approved the amendment of article 1 of the Company's Articles of Association and specifically the change of name and of its distinctive title in "Eurolife FFH Life Insurance Single Member S.A." and "Eurolife FFH Life Insurance S.A." respectively. The amendment of the Articles of Association was decided by the Extraordinary General Meeting of the Company's shareholders, which took place on May 11, 2020.

The Company's headquarters are located in Athens, 33-35 El. Venizelou (Panepistimiou) Str. & 6-10 Korai Str., P.O. 105 64 (GEMI Registration 121651960000), tel:(+30) 2109303900, www.eurolife.gr. The company operates in Greece and abroad via its Romanian subsidiary under the discreet title Eurolife FFH Asigurari De Viata S.A.

On 31 December 2020 the number of personnel was 157 (2019: 162).

The Board of Directors consists of the members below:

Name	**Attribute**
Alexandros Sarrigeorgiou	Chairman and CEO, Executive Member
Konstantinos Vasileiou	Vice-Chairman, Non-Executive Member
Angelos Androulidakis	Independent, Non-Executive Member
Alberto Lotti	Independent, Non-Executive Member
Irena Germanoviciute	Non-Executive Member
Wade Sebastian Burton	Non-Executive Member
Iakovos Giannaklis	Non-Executive Member
Theodoros Kalantonis	Non-Executive Member
Nikolaos Delendas	Executive Member
Amalia Mofori	Executive Member
Vassilios Nikiforakis	Executive Member

These financial statements were approved by the Company's Board of Directors on 31 March 2021 and are subject to approval by the Annual General Meeting of Shareholders.

The Company is a subsidiary of Eurolife FFH Insurance Group Holdings SA. (hereinafter referred to as "Eurolife FFH Insurance Group") which holds 100% of its share capital. Eurolife FFH Insurance Group is a subsidiary of the company Costa Luxembourg Holding S.a r.l. ("Costa"), which holds 80% of its share capital. Costa is domiciled in Luxembourg and is jointly controlled by Colonnade Finance S.à r.l., member of the Fairfax Financial Holdings Limited, and OPG Commercial Holdings (Lux) S.à r.l. The remaining 20% of the share capital was held by Eurobank Ergasias S.A. until the 20th of March 2020. On the 20th of March 2020, the Ministry of Development and Investments approved the demerger of Eurobank Ergasias S.A. ("Demerged Entity" or "Eurobank"), through sector's hive down and the establishment of a new company-credit institution under the corporate name "Eurobank S.A." (the "Beneficiary"). According to the Demerger Deed, the participation of the Demerged Entity in the Company is included in the transferred assets of the Beneficiary.

Activities of the Company

The Company offers a wide range of life insurance products. The Company's Life Insurance market segment is organized into two main life insurance product categories: protection and savings. The protection category comprises offerings such as whole life, term, personal accident, health, disability and credit (life/disability) insurance. The savings category comprises offerings such as annuities, unit-linked products, endowments and group pension products. The life insurance products are distributed through both Eurobank's network and agents' sale channels as well.

NOTE 2: PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as endorsed by the European Union (the "EU").

The financial statements have been prepared under the historical cost convention, except for available for sale financial assets and financial assets and financial liabilities held at fair value through profit or loss (including derivative financial instruments), which have been measured at fair value.

Unless stated otherwise, the financial statements are presented in Euro (€) and the financial information presented in Euro has been rounded to the nearest thousand.

The policies set out below have been consistently applied to the years ended 31 December 2020 and 2019, respectively.

The financial statements have been prepared on a going concern basis, as the Board of the Directors considered as appropriate, taking into consideration the following:

Going concern assessment

Undoubtedly, 2020 was a challenging year with the spread of the Covid-19 pandemic worldwide. The implications of the coronavirus pandemic negatively affected the global and Greek economy, leading economic activity in Greece to a major recession and deflation. According to the available data from the Hellenic Statistical Authority (ELSTAT), the first estimate of the recession's impact on the Gross Domestic Product (GDP) is 8,2%. This recession is mainly attributed to the reduced households incomes and consumption, the shrinking investments and the limited external demand for Greek goods and services. A series of fiscal, monetary and financial interventions have been adopted by the central banks and the governments to support businesses and employees and reduce the consequences.

In Greece, more than one year after the emergence of the first coronavirus cases in the population, the pandemic situation remains critical but controlled with vaccinations progressing and optimism gaining ground. The European recovery instrument, Next Generation EU (NGEU), established by the European Union to fund development initiatives in the period 2021-2026, is also expected to play an important role. The Company closely monitors the developments in the Greek macroeconomic environment and taking into account its exposure to financial and insurance risks, examines on a daily basis the possible effects of the market fluctuations and has increased its level of readiness in order to accommodate decisions for its protection against the financial impact of the pandemic.

The Management of the Company systematically monitors its capital adequacy in accordance with Solvency II and takes the appropriate actions to maintain a strong capital base and high quality of investment portfolios. As at 31 December 20, the eligible own funds of the Company outweigh the Solvency Capital Requirement.

2.1.1 Adoption of International Financial Reporting Standards (IFRS)

New standards and amendments to standards adopted by the Company

The following new standards and amendments to existing standards as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and endorsed by the European Union (EU), are effective from 1 January 2020:

IFRS 3, Amendments - Definition of Business

The amended definition emphasises that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. It further clarifies that, to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. Finally, it introduces an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.. The adoption of the amendments had no impact on the Company's financial statements.

IAS 1 and IAS 8, Amendments - Definition of Material

The amendments clarify the definition of material and how it should be applied by including in the definition guidance which until now was featured elsewhere in IFRS. In addition, the explanations accompanying the definition have been improved. Finally, the amendments ensure that the definition of material is consistent across all IFRSs.. The adoption of the amendments had no impact on the Company's financial statements.

IFRS 9, IAS 39 and IFRS 7, Amendments – Interest rate benchmark reform

The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.The adoption of the amendments had no impact on the Company's financial statements.

Conceptual framework

In March 2018, the IASB issued a revised version of the Conceptual Framework for Financial Reporting (the "Framework"), which will be effective for the years beginning on or after 1 January 2020. The Framework sets out the fundamental concepts of financial reporting which guide the IASB in the development of IFRSs. The Framework forms the basis for existing Standards but does not replace them. The preparers of the financial statements use the Framework as a benchmark for the development of accounting policies in the rare cases where a particular business transaction is not covered by existing IFRSs. The IASB and the IFRS Interpretations Committee will begin to use the new Framework immediately to develop new or modify existing IFRSs and interpretations. The adoption of the revised conceptual framework did not have an impact on the Company's financial statements.

New standards, amendments to standards and new interpretations that have not yet been adopted by the Company

A number of new standards and amendments to existing standards will enter into force after 2020, as they have not yet been adopted for use in the European Union or the Company has not adopted them earlier than the date of their mandatory implementation. What may be related to the Company are as follows:

IFRS 4, Amendment - Extension of the provisional exemption from the application of IFRS 9 (effective from 1 January 2021)

The amendment changes the maturity date for the temporary exemption to IFRS 4 Insurance policies from the application of IFRS 9 Financial Instruments, so that entities are required to apply IFRS 9 for annual periods beginning on or after the 1st day of the year January 2023.

IFRS 4, Amendments - Implementation of IFRS 9 Financial Instruments under IFRS 4 Insurance Contracts

In September 2016, the International Accounting Standards Board issued an amendment to IFRS 4 "Insurance Contracts", which was intended to address the issue arising from the different (expected) dates of IFRS 9 and the forthcoming new IFRS 17 for insurance policies. The amended standard gives all entities issuing insurance policies the option to either recognize in the other comprehensive income and not in the income statement any discrepancies arising from the application of IFRS 9 prior to the issuance of the new standard for insurance policies, or provides entities, whose activities mainly concern the insurance industry, the option for temporary exemption from the application of IFRS 9 until 2023. This exemption is only available to entities whose activities are primarily related to insurance. Entities that defer application of IFRS 9 will continue to apply the existing IAS 39 standard for financial instruments.

The Company's activities are primarily related to insurance as defined in this amendment and, therefore, the Company meets the conditions and intends to apply the provisional exemption and consequently to apply IFRS 9 in 2023.

It is noted that the Company's liabilities related to insurance activity under IFRS 4 amount to € 1.746,6 million, € 1.932,1 million, € 2.126,9 million, € 2.321,0 million and € 2.478 million for December 31, 2016, December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020 respectively, and represent a percentage of 97%, 92%, 95%, 94% and 94% of the total liabilities of the Company for the respective reporting dates.

The rest of the liabilities, despite the fact that they are not directly related to insurance provisions under IFRS 4, mainly concern liabilities arising from the insurance activity, such as liabilities to reinsurers, associates, reinsured and income tax. It is noted that the Company has no other activity, except insurance.

The Company is currently examining the impact of the application of IFRS 9 until 2023, which cannot be quantified at the date of publication of these financial statements.

IFRS 9, Financial Instruments and Subsequent Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2018. The Company has the right and has chosen to make use of the provisional exemption from IFRS until 1 January 2023)

In July 2014, the International Accounting Standards Board (IASB) issued in its final form IFRS 9 which replaces IAS 39 Financial Instruments. IFRS 9 sets out the revised requirements for the classification and measurement of financial assets, refers to the recognition of the change in the fair value of the same debt measured at fair value through profit or loss, and replaces the existing model used to impair financial assets. based on the losses incurred with a model based on the expected credit risk losses and, finally, incorporates changes in the hedge accounting.

IFRS 17, Insurance Contracts and Amendments to IFRS 17 (effective from 1 January 2023, not adopted by the EU)

IFRS 17 has been issued in May 2017 and, alogn with the Amendments to IFRS 17 issued in June 2020, supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the

Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost.

The Company is currently examining the impact of IFRS 17 on the financial statements, which cannot be quantified at the date of publication of these financial statements. The Company plans to adopt IFRS 17 on the date it enters into force.

IFRS 16, Amendment - COVID-19 Related Rental Concessions (effective from annual periods beginning on or after 1 June 2020, adopted by the EU)

The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications.. The adoption of the amendment is not expected to have an impact on the Company's financial statements.

IFRS 16 (Amendment) 'Covid-19-Related Rent Concessions – Extension of application period' (effective for annual periods beginning on or after 1 April 2021)

The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022. The amendment has not yet been endorsed by the EU.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Amendments - Interest rate benchmark reform - Phase 2 "(effective from 1 January 2021, adopted by the EU)

The amendments complement those issued in 2019 and focus on the effects on financial statements when a company replaces the old interest rate benchmark with an alternative benchmark rate as a result of the reform. More specifically, the amendments relate to how a company will account for changes in the contractual cash flows of financial instruments, how it will account for the change in its hedging relationships and the information it should disclose.The adoption of the amendment is not expected to have an impact on the Company's financial statements.

IFRS 16, Amendment - Property, Plant and Equipment – Proceeds before Intended Use (effective from 1 January 2022, not adopted by the EU)

The amendment prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities.. The adoption of the amendment is not expected to have an impact on the Company's financial statements.

IAS 37, Amendment - Onerous contracts - Cost of fulfilling a contract (effective from 1 January 2022, not adopted by the EU)

The amendment clarifies that 'costs to fulfil a contract' comprise the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts. The amendment also clarifies that, before a separate provision for an onerous contract is established, an entity recognises any impairment loss that has occurred on assets used in fulfilling the contract, rather than on assets dedicated to that contract. The adoption of the amendment is not expected to have an impact on the Company's financial statements.

IFRS 3, Amendment - Reference to the Conceptual Framework (effective from 1 January 2022, not adopted by the EU)

The amendment updated the standard to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination. In addition, an exception was added for some types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date. The adoption of the amendment is not expected to have an impact on the Company's financial statements.

IAS 1, Amendment - Classification of liabilities as short-term or long-term (effective from 1 January 2023, not adopted by the EU)

The amendment clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The adoption of the amendment is not expected to have an impact on the Company's financial statements.

Annual improvements to IFRS 2018–2020 (effective from 1 January 2022, not adopted by the EU)

The amendments listed below include changes to the following IFRSs.

IFRS 9 "Financial Instruments". The amendment addresses which fees should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to either third parties or the lender. Under the amendment, costs or fees paid to third parties will not be included in the 10% test.

IFRS 16 "Leases". The amendment removed the illustration of payments from the lessor relating to leasehold improvements in Illustrative Example 13 of the standard in order to remove any potential confusion about the treatment of lease incentives..

The adoption of the improvements is not expected to have an impact on the Company's financial statements.

2.2. Foreign currency

2.2.1 Functional currency and presentation currency

The financial statements are presented in Euro, which is the functional currency of the Company

2.2.2 Transactions and balances in foreign currency

Transactions in foreign currency are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions, are recognized in the income statement.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing at the reporting date and exchange differences are accounted for in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedge.

Non-monetary assets and liabilities are translated into the functional currency at the exchange rates prevailing on the date of initial recognition, except for non-monetary items denominated in foreign currencies that are stated at fair value which have been translated using the exchange rate prevailing on the date that their fair value was determined. The currency exchange differences relating to these items are treated as part of the change in fair value and they are recognized in the income statement or recorded directly in equity depending on the classification of the non-monetary item.

2.3 Property, plant and equipment

Property, plant and equipment include leasehold improvements, furniture, computers and other equipment and vehicles and are presented at historical cost net of accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of such assets. Costs incurred subsequent to the acquisition of a tangible asset are capitalized only if it is possible that these costs will bring additional future economic benefits to the Company and its cost can be measured reliably. Repair and maintenance costs are recognized in the income statement as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of property, plant and equipment, in order to reduce their acquisition cost to its residual value as follows:

Leasehold improvements:	Shorter of the lease contract term and the estimated useful life.
Computers:	4 to 7 years
Other Furniture and equipment:	4 to 12 years
Vehicles:	5 to 7 years

Property, plant and equipment are periodically reviewed for impairment, and any impairment loss is recognized directly in the income statement.

The historical cost and the accumulated depreciation of property and equipment disposed are derecognized upon sale or retirement of the respective asset and any arising gain or loss is recognized in the income statement.

2.4 Intangible assets

Costs associated with the maintenance of existing software programs are recognized in the income statement as incurred. Costs payable to third parties relating to the development and implementation of new software programs are recognized as capital enhancements, added to the cost of new software programs and treated similarly. Intangible assets are presented at historical cost less accumulated amortisation and accumulated impairment losses. Intangible assets are periodically reviewed for impairment and any impairment loss is recognized directly to the income statement.

Amortisation is calculated on a straight- line basis over their estimated useful lives as follows:

Software: 4 to 7 years

2.5 Financial assets and liabilities

2.5.1 Financial assets

Financial assets are classified in accordance with IAS 39 in the following categories: i) financial assets at fair value through profit or loss, ii) loans and receivables, iii) investments held to maturity and iv) investments available for sale. The categorization decision is taken by management at initial recognition of financial instruments.

i) Financial assets at fair value through profit or loss

This category includes two subcategories financial assets held for trading and those designated as investments at fair value through profit or loss upon initial recognition. A financial asset is classified as held for trading if acquired principally for the purpose of short-term sale or short-term repurchase or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-making. Derivatives instruments held for trading are also recognized in this category, unless they are designated and effective as hedging instruments.

The Company designates certain financial assets upon initial recognition as at fair value through profit or loss, when any of the following apply:

(a) eliminates or significantly reduces a measurement or recognition inconsistency, or
(b) financial assets and financial liabilities share the same risks and those risks are managed and evaluated on a fair value basis, or
(c) structured products containing embedded derivatives that could significantly change the cash flows of the host contract.

ii) Loans and receivables

Loans and receivables are non -derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that at initial recognition were designated by the Company as investments at fair value through profit or loss or as available for sale. Loans and receivables from agents and brokers included in "Other Receivables" are also classified in this category and are accounted for with the same accounting principles that apply for loans and receivables as described below.

iii) Investments held to maturity

Held to maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments and for which the Company's management has the positive intention and ability to hold to maturity.

iv) Investments available for sale

Available for sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity, or changes in interest rates, exchange rates or equity prices.

2.5.2 Recognition, accounting treatment and derecognition

Purchases and sales of financial assets are recognized on the trade date, which is the date on which the Company commits to purchase or sell the asset.

Financial assets not carried at fair value through profit or loss are initially recognized at fair value plus transaction costs. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are charged to the income statement.

Available for sale financial assets and financial assets at fair value through profit or loss are measured at fair value in subsequent periods as well. Loans and receivables and held-to-maturity investments are carried at amortized cost using the effective interest rate method. Gains and losses from changes in fair value of the category "financial assets at fair value through profit or loss" are included in the period arising in the income statement. Gains and losses from changes in fair value of "available for sale" investment securities are recognized directly in equity, until the financial asset is derecognized or impaired, when the cumulative gain or loss previously recognized in equity is recycled to the income statement.

The accounting treatment of interest income and dividend income from financial assets is described in Note 2.20.

2.5.3 Derecognition of financial assets

A financial asset is derecognized when the contractual cash flows of the instrument expire, or the Company transfers its rights to receive those cash flows in an outright sale in which substantially all the risk and rewards of ownership have been transferred. The modification of the contractual cash flows of financial assets that does not essentially result in different financial assets will not result in the derecognition of financial assets.

2.5.4 Financial Liabilities

Financial liabilities have two subcategories; the financial liabilities held for trading and the financial liabilities designated as at fair value through profit or loss upon initial recognition. The Financial Liabilities of the Company include unit linked products and derivative financial instruments. The accounting policies of the abovementioned financial liabilities are described in notes 2.12(b) and 2.8 respectively.

2.6 Fair value measurement of financial instruments

Fair value is the price that would be received to sell a financial asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, in the most advantageous market in which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

The Company measures the fair value of a financial instrument, using the official quoted market price in an active market for that instrument, when this is available. A market is considered active if the transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. When there is no available official quoted price in an active market, the Company utilizes valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all factors that market participants would consider in pricing a transaction.

The Company has elected to use mid-market pricing as a practical expedient for fair value measurements within a bid-ask spread.

The best evidence of fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received, unless the Company believes that the fair value at initial recognition is evidenced by a quoted price in an active market for an identical financial asset or liability, or based on a valuation technique that uses only data from observable markets.

All assets and liabilities whose fair value is measured or disclosed in the financial statements, are classified within the fair value hierarchy based on the lowest level input that is significant to the overall achievement of the measurement (see note 4.6).

2.7 Impairment of financial and non-financial assets

2.7.1 Impairment of financial assets

The Company, at each reporting date, evaluates whether there is objective evidence that a financial asset or group of financial assets, that are not carried at fair value through profit or loss, is impaired. A financial asset or group of financial assets is subject to impairment when there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the expected future cash flows of the financial asset or group of financial assets and can be measured reliably.

Objective evidence of impairment of financial assets are considered by the Company the following:

- Significant financial difficulty of the issuer or obligor
- Breach of contract, such as outstanding balances or overdue interest or initial payment
- The borrower may initiate bankruptcy or other financial reorganization
- The disappearance of an active market for the asset because of financial difficulties
- Obvious evidence that there is a significant decrease in calculated cash flows from a portfolio of financial assets since the initial recognition of those assets, despite the fact that the decrease cannot be determined in separate financial statements of the portfolio, include:
    - Adverse changes in the payment status of borrowers in a portfolio, and
    - National or local economic conditions that correlate with defaults on assets portfolio.
- Significant deterioration in the internal or external degree of solvency of the borrower's financial instruments when considered with other information.

Financial assets carried at amortized cost

Impairment assessment

The Company first assesses whether objective evidence of impairment exists separately to financial assets that are individually significant. Financial assets that are not individually significant are assessed either individually or in groups. If the Company determines that there is no objective evidence of impairment for a financial asset which has been individually assessed, whether significant or not, it includes the financial asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Financial assets that are individually assessed for impairment and for which impairment loss continues to be recognized are not included in the collective assessment of impairment.

Impairment measurement

If there is objective evidence of impairment on financial assets carried at amortized cost, the amount of impairment loss is measured as the difference between the carrying value of the financial asset and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the original effective interest rate of the financial asset. The current amount of the asset is reduced and the amount of the loss is recognized in the income statement. If a financial asset, bears a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined in the contract. As a practical expedient, the Company may measure impairment based on the fair value of the instrument using observable market prices.

For purposes of collective assessment of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the method of evaluation of the Company, taking into account the type of asset, the business sector, geographical location, collateral type, past-due status and other relevant factors). These characteristics are relevant to the estimation of future cash flows for groups of such financial assets by being indicative of the debtor's ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Impairment reversal

If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as improvement in the debtor's credit rating), the previously recognized impairment loss is reversed. The amount of the reversal is recognized in the income statement.

Available for sale financial assets

In calculating the impairment of investments in equity and debt securities recognized as available for sale, any significant or prolonged decline in the fair value of the security below its cost is taken into account. Where such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss - is transferred from equity to the profit or loss. Impairment losses on equity instruments recognized in the income statement are not reversed through the income statement. If in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event that occurred after the impairment loss was recognized in the income statement, the impairment loss is reversed through the income statement.

2.7.2 Impairment of non-financial assets

Items that have an indefinite useful life are not subject to amortization and are tested for impairment on an annual basis. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.8 Derivative financial instruments

Derivative financial instruments mainly include foreign exchange contracts, forward currency agreements and interest rate options contracts (written and purchased), currency and interest rate swaps and other derivative financial instruments. Derivatives are initially recognized at fair value at the date on which a derivative contract is entered into, and subsequently re-measured at fair value. Fair value is considered the market value, taking into account recent market transactions, while where there is no market value, the fair value is estimated using discounted cash flows and option pricing models. When the fair value is positive, derivatives are carried as assets while when fair value is negative as liabilities. The fair value measurement policies of financial instruments, including derivative financial instruments, are described in Notes 2.6 and 4.6.

Certain derivatives embedded in other financial instruments are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value through the profit and loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement. The Company did not hold embedded derivatives in other financial instruments during the years 2020 and 2019.

The method of recognizing the resulting fair value gain or loss depends on whether the derivative is designated and qualifies as a hedging instrument. Once recognized as a hedging instrument, the recognition method is determined depending on the nature of the item being hedged by that derivative.

2.9 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, the Company has a current legally enforceable right to offset the recognized amounts, and also intends either to settle on a net basis or to receive the receivable amount of the asset and settle the liability simultaneously.

2.10 Current and deferred taxation

(i) Current tax

Income tax payable on profits is calculated based on the applicable enacted tax law and is recognized as an expense in the period in which profits arise.

(ii) Deferred tax

Deferred income tax is recognized using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are measured using the tax rates expected to apply upon the period when the asset or liability will be settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the reporting date. The main temporary differences arise from the impairment of financial assets, depreciation of property, plant and equipment, defined benefit obligations to employees due to retirement and the valuation of certain financial assets and liabilities, including derivative financial instruments.

Deferred tax assets are recognized to the extent that it is probable that there will be future taxable profits against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the recovery of all or part of the asset. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Deferred tax associated with the change in fair value of available for sale investments recognized in equity, is also recognized in the statement of comprehensive income and subsequently transferred to the income statement together with the deferred gain or loss.

Management periodically evaluates its position on issues related to the tax authorities and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

2.11 Employee benefits

i) <u>Defined post employment contribution plans</u>

The Company provides certain defined post-employment contribution plans. The annual contributions made by the Company are invested and placed in specific asset categories. If employees meet the planned requirements, they participate to the overall performance of the investment. The contributions made by the Company are recognized as an expense in the period in which they occur.

<u>ii) Defined post-employment benefit plans</u>

Under labor law in force, an employee remaining in service until normal retirement age is entitled to a lump sum reimbursement calculated based on years of service and salary at the date of retirement. The Company accounts for a provision based on actuarial study for staff leaving indemnities using the projected credit unit method. According to this method, the cost of staff leaving indemnities is recognized in the income statement over the period of employment based on actuarial valuations carried out every year.

The indemnity liability is calculated as the present value of expected future cash outflows using interest rates of high quality European corporate bonds, with terms to maturity approximating the terms of the relevant liability (see note 22).

Actuarial gains or losses arising from the calculation of staff leaving indemnities are recognized in other comprehensive income and cannot be recycled to profit or loss in future periods. Past service costs and interest expense are recognized immediately in the income statement.

The reimbursements payable after 12 months from the reporting date are discounted to their present value.

<u>iii) Employee termination benefits</u>

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts to leave voluntary in return for such privileges. The Company accounts for such liabilities when it has committed to either terminate the employment of existing employees of the Company according to a detailed formal plan without possibility of withdrawal, or when it provides such benefits as an incentive for voluntary redundancy. The benefits payable after 12 months from the reporting date are discounted to present value.

iv) Bonus and benefits participation plans

Management will periodically reward employees of high performance with a bonus. Bonus benefits which require only management approval are recognized as accrued expenses. Distribution of profits to employees, which requires approval by the General Assembly, are recognized as employee benefit expenses in the year that they are approved by the shareholders of the Company.

2.12 Insurance contracts

The Company is governed by the provisions of L.4548/2018 that has amended L.2190/1920 "on societes anonymes", and the provisions of L.4364/2016 with which the European Directive for the new regulatory framework "Solvency II" was transposed into Greek Legislation.

The Company adopted IFRS 4 from 1 January 2005 with retrospective effect from 1 January 2004, when it classified the contracts to insurance and investment contracts and evaluated the adequacy of insurance reserves.

Contracts Classification

The Company issues products bearing insurance or financial risk or both. Insurance contracts are those contracts through which significant insurance risk is transferred from the policyholder to the insurance company and where the insurance company agrees to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Insurance risk is significant only if an insured event could cause the Company to pay significant additional benefits. Additional benefits refer to amounts that exceed those that would be payable if the insured risk had not occurred.

A contract that exposes the Company to financial risk without significant insurance risk is not an insurance contract. Some contracts expose the Company to financial risk in addition to significant insurance risk.

There are long-term insurance products containing discretionary profit sharing. These products entitle the holder to receive additional benefits beyond those guaranteed by the contract, the amount of which lies at the discretion of the Company in connection with the contract terms and the investment performance of the Company corresponding to the life insurance provisions.

Investment products are those that bear financial risk with no significant insurance risk.

Applying the provisions of IFRS 4, the Company separated contracts into insurance and investment contracts.

Significant insurance risk for the Company is when the amount paid in case of occurrence of a specified uncertain future event exceeds 10% of paid premiums.

(a) Life Insurance contracts

These are the contracts through which the Company insures risks associated with human life. These include covers of death, survival, life annuities, pensions, disability, accident, illness plans on an individual and group basis. Periodic premiums are recognized as revenue (earned premiums) proportionally to the insurance period and are presented before the deduction of commission, while benefits are recognized as an expense when they occur. Premiums are recognized as revenues when they become payable and are presented before deduction of commission.

Life insurance policies are classified in the following categories :

(i) Long term Life insurance policies with or without discretionary participation features

Contracts of this type are long term covering retirement, survival, mixed assurance or annuities, term insurance or Unit Linked. These contracts also include the coverages of medical expenses, hospital allowance, surgery allowance, death by accident, and disability which are provided as riders. Premiums are recognized as revenue when they become payable by the policyholder. Premiums are presented before the deduction of commissions. Benefits are recognized as expenses when incurred. When benefits are predetermined and guaranteed the liability due to the contractual benefits that are expected to occur in the future, is created for risks whose premiums have been recognized as revenue.

For the traditional life covers, the liability is defined as the expected actuarial present value of benefits minus the expected actuarial present value of the premiums required for such benefits, under the assumptions used in pricing. These assumptions relate to mortality and investments' return. The liability also consists of the profit participation reserve. In long-term contracts of single premium, additional provision is made for the future administration expenses of these contracts.

For the riders coverages the liability consists of the unearned premium reserves.

Liabilities are measured at each reporting date on the basis of each contract's assumptions used in its pricing. In case of Unit Linked coverage, where benefits are not guaranteed, the liability fair value is determined by the current unit price which reflects the fair value per unit of the asset associated with the liability, multiplied by the total units held by the policy holder at the reporting date.

This category also includes the contracts of Deposit Administration Funds (DAF). This is a group insurance through which investment management insurance (Deposit administration funds) is agreed without the policyholders bearing the investment risk but with a guaranteed minimum interest rate specified for each contract. The insurer's benefit is paid either upon the, for any reason, leaving of the insured team member from work, in accordance with the terms of each contract, or the attainment of a certain age.

Claims and expenses related to them are recorded as expenses based on the estimated obligation for claims to policyholders. These include direct and indirect costs arising from the settlement of claims and arising from events that have occurred up to the reporting date even if these have not been reported to the Company. The Company does not discount the provisions for outstanding claims other than those relating to waiver of premium coverage. Provisions for outstanding claims are estimated based on available information filed for the reported claims and based on statistical analysis for the claims that have occurred up to that date but have not been reported.

(ii) Short-term insurance contracts

This category includes individual or group contracts covering term insurance, disability, accident or illness for a short-term period. Benefits in case of an incident can be predetermined or dependent on the extent of the incident, according to the contract terms. No termination benefits and redemption exist.

For all these contracts premiums are recognized as revenue (earned premiums) proportionally to the period covered. The percentage of premiums collected for active contracts, which corresponds to risks that have not occurred, is reported as unearned premium reserve. Premiums are presented before the deduction of commissions and are gross (including the related taxes).

Claims and expenses related to them are recorded as expenses based on the estimated obligation for claims to policyholders. These include direct and indirect costs arising from the settlement of claims and arising from events that have occurred up to the reporting date even if these have not been reported to the Company. Provisions for outstanding claims are estimated based on available information filed for the reported claims and based on statistical analysis for the claims that have occurred up to that date but have not been reported.

(b) Investment contracts

Investment contracts without discretionary participation features

This category consists of contracts where the insured parties bear the financial risk (Unit Linked) with insignificant insurance risk. These contracts are financial liabilities where the fair value depends on the fair value of related financial assets. There are contracts that are associated with internal variable funds and contracts that are linked to market mutual funds.

To determine the fair value of the internal variable fund, both at inception and at each reporting date, valuation techniques are used. The valuation techniques used by the Company incorporate all factors that market participants would consider and are based on observable market input.

The fair value of a mutual fund arises based on the current selling price of the mutual fund unit. The fair value of unit-linked contracts is determined by the current unit price which reflects the fair value per unit of the asset associated with the liability, multiplied by the number of units assigned to the policyholder at the reporting date.

(c) Receivables and payables related to insurance contracts

Receivables and payables are recognized when they become due and include amounts due to and from intermediaries and policyholders. If there is objective evidence of impairment of these receivables, the Company reduces the carrying amount accordingly and recognizes the impairment loss in the income statement. The Company assesses the objective evidence of impairment using the same process adopted for loans and receivables and the impairment loss is calculated in the same manner as described in Note 2.7.

(d) Deferred acquisition costs

Commissions and other acquisition costs associated with the issuance of new life insurance contracts and renewal of existing insurance contracts are capitalized as intangible asset and classified in the account "Deferred acquisition costs". All other costs are recognized as expenses when incurred. The Deferred Acquisition Costs are amortized over the term of the contract as follows:

- For long term life insurance, except for the single premium insurance policies, the Deferred Acquisition Costs are amortized in accordance to the premiums' income using the respective assumptions used to calculate the liability for future benefits of the contract.
- For short term life insurance, the Deferred Acquisition Costs are amortized in proportion to the earned premium.

(e) Technical reserves and other insurance provisions

The Company maintains adequate reserves to cover future liabilities arising from insurance contracts. The insurance provisions are divided into the following types:

Technical provisions: Include the technical life insurance reserve which is the difference arising at the reporting date between the actuarial present value of financial obligations undertaken by the insurance entity for each life insurance contract and the actuarial present value of the net premiums due from the policyholder and payable to the insurance entity within the next years. This difference is calculated using actuarial techniques and in accordance with Greek law. For the long -term contracts of single premium an additional provision for future administration expenses of these contracts is made.

Profit participation reserve: Includes benefits intended for the policyholders, the counterparties or the beneficiaries of benefits, beyond those guaranteed by the contract, the amount of which lies at the performance of the investment assets backing insurance provisions in connection with the contract terms.

Provision for unearned premiums: Represent the part of written premiums covering proportionally the period from the reporting date until the end of the period for which premiums have been registered in the relevant Company' registers.

Provision for unexpired risks: Relates to the additional provision that is set up at the reporting date when it is estimated that the provision for unearned premium, net of the respective acquisition costs, is not adequate to cover the estimated future claims and expense of the corresponding insurance portfolio.

Provisions for life insurance contracts linked with investments (Unit Linked products): Relate to the provisions intended to cover the insurance benefits of the life insurance contracts linked to investments.

Provisions for outstanding claims: Relate to those made as at the reporting date for the full coverage of insurance risk liabilities that have been incurred up to the reporting date, reported or not, for which the relative amounts of insurance claims and related expenses have not been paid or the exact amount has not been determined or the extent of the liability of the insurance company is in dispute. The level of expected provision is determined based on the available information as at the reporting date such as experts' reports, medical reports, court decisions.

Benefits payable: These are the insurance benefits due to policyholders which for various reasons have not been paid until the reporting date.

The estimation of the insurance provisions is carried as at the reporting date, in accordance with the valuation principles and rules applicable to each category of insurance provision and the transitional provisions of IFRS 4 "Insurance Contracts" relating to the standard's first phase are considered.

The difference in insurance provisions (increase/decrease) compared with their previous valuation, is transferred to the income statement for the portion relating to the Company's provisions and the remaining portion is transferred as debit to reinsurers in accordance with the provisions of the reinsurance contracts.

(f) Liability Adequacy Test of insurance reserves

At each reporting date the Company performs an adequacy test of insurance reserves ("Liability Adequacy Test"), in accordance with IFRS 4, using the current estimates of future cash flows from insurance contracts and the related administration costs. In case the insurance liabilities of the Company after the performance of the liability adequacy test exceed its insurance reserves calculated under the current legislative framework minus deferred acquisition costs, the additional provision increases the reserves of the relevant lines of business and impacts the income statement for the year that the test is being conducted.

2.13 Reinsurance contracts

Reinsurance contracts entered into by the Company in order to be compensated for losses of one or more contracts issued by the Company, meet the condition of being categorized as insurance products and are classified as reinsurance contracts. Insurance contracts entered into by the Company where the counterparty is another insurer (reinsurance acceptance), are included in insurance products.

Amounts due from reinsurance contracts, are recognized as assets and classified in the account "Reinsurance receivables". "Reinsurance receivables" include reinsurers' share in insurance provisions from the reinsurance contracts that the Company has entered into. Other short-term amounts due from reinsurers (mainly relate to reinsurers' share in claims paid) are recognized as assets and classified in the account "Other receivables". The liabilities to reinsurers mainly relate to owed reinsurance premiums and are recognized as expenses on accrual basis.

Reinsurance is an important tool to manage and reduce the Company's exposure to risk of loss from insurance contracts. All reinsurance concessions are made to reinsurance companies which meet the standards set by the Company's management. When designing reinsurance programs, the Company takes into account the financial health of reinsurers, as well as the benefits and cost of reinsurance coverage to ensure that all risks have proper and adequate reinsurance protection.

The Company reviews at each reporting date whether its reinsurance assets have been impaired. If there is objective evidence that a receivable has been impaired, then the carrying value is reduced accordingly and an impairment loss is recognized in profit or loss. A receivable from a reinsurer is impaired if, and only if:

1. There is objective evidence, as a result of an event that occurred after the initial recognition of the receivable that the Company may not receive all amounts due to it under the terms of the contract, and
2. The event has a reliably measurable impact on the amounts that the company will receive from the reinsurer.

2.14 Leases

The Company participates as lessee and lessor in operating leases.

The Company as a Lessor:
Assets leased out under operating leases are included in Property, plant and equipment and are depreciated over their estimated useful lives in accordance with similar own-use tangible assets. The rental income (net of any incentives given to lessees) is recognized on a straight line basis over the lease period.

The Company as a Lessee:
The Company's new accounting policies on the adoption of IFRS 16 effective from the date of initial recognition are the following:

i) Right of use asset

The Company recognizes right of use asset at the commencement of the lease (the date the asset is available for use). The rights of use assets are measured at cost less accumulated depreciation and impairment and adjusted by the remeasurement of lease liabilities. The cost of rights of use assets includes the amount of lease liabilities recognized, initial directly related costs and lease payments made on or before the commencement date, reduced by the amount of discounts or other incentives. Except for the cases where the Company is relatively certain that the ownership of the leased asset will be transferred to the Company at the end of the lease contract, the recognized right of use asset is depreciated on a straight line basis over the shorter period between the useful life of the underlying asset and the lease contract. The right of use assets are subject to impairment test.

ii) Lease liabilities

At the commencement of the lease, the Company recognizes lease liabilities equal to the present value of the lease payments over the duration of the lease contracts. Payments include contractual fixed payments, reduced by any lease incentives received, variable payments depending on an index, and amounts for residual value payments expected to be paid. Leases also include the exercise price of a call option that is relatively certain to be exercised by the Company and the termination penalty payments of a lease, if the contract terms indicate with reasonable certainty that the Company will exercise the right to terminate. Variable payments that are not dependent on an index are recognized as an expense in the period in which the event occurs and the payment is made.

To calculate the present value of the payments, the Company uses the incremental borrowing cost at the commencement date of the lease if the interest implicit in the lease is not readily available. Following the commencement of the lease, the amount of lease liabilities is increased with the accrued interest expense and is reduced by the lease payments made. In addition, the carrying amount of the lease liabilities is remeasured if there is a change in the contract, or any change in the term of the contract, in the fixed lease payments or in the assessment to purchase the asset.

iii) Short term leases

The Company applies the practical expedient for short-term leases (i.e. leases of less than or equal to 12 months from the date of commencement of the lease where there is no right to purchase the asset). Lease payments for short-term leases are recognized as an expense on a straight-line basis over the term of the lease.

iv) Significant considerations in determining the lease term with an extension option

The Company determines the lease term as the contractual lease term, including the period covered by (a) the right to extend the lease, if it is relatively certain that the right will be exercised, or (b) the right to terminate the contract, if it is relatively certain that the right will not be exercised.

The Company has the right for some leases to extend the lease term. The Company assesses whether there is relative certainty that the right of renewal will be exercised, taking into consideration all relevant facts and circumstances creating an economic incentive. Subsequent to the lease commencement, the Company re-assesses the lease term, if there is a significant event or change in circumstances within its control and affects the exercise (or not) of the extension option (such as a change in the business strategy of the Company).

2.15 Related parties transactions

Related parties of the Company include:

(a) an entity that has control over the Company and entities that are controlled, jointly controlled or significantly influenced by this entity, as well as members of its key management personnel and their close family members;

(b) members of key management personnel of the Company, their close family members and entities that are controlled or jointly controlled by the above mentioned persons;

(c) associates and joint ventures; and

(d) related entities.

All transactions carried out with related parties are within the ordinary course of business and are conducted under pure commercial terms.

2.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds, net of tax.

2.17 Dividends

Dividend distribution on shares is recognized as a deduction in the Company's equity when approved by the Company's shareholders.

Interim dividends are recognized as a deduction in the Company's equity when approved by the Board of Directors.

2.18 Provisions – Pending litigations

Provisions are recognized when the Company has a current legal or constructive obligation as a result of past events and it is likely that an outflow of resources embodying economic benefits will be required to settle the obligation whose amount can be reliably estimated.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date, taking into account the risks and uncertainties relating to the amount recognized as a provision. Provisions are reviewed at each reporting date and adjusted to reflect the best possible estimate. If subsequently, it is no longer probable that in order to settle the obligation an outflow of resources embodying economic benefits will be required, the provision is reversed.

2.19 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits on demand and time deposits with banks, other short-term highly liquid and low risk investments, with original maturities of three months or less.

2.20 Revenue recognition

Revenue is recognized when it is probable that future economic benefits will flow to the Company and the amount can be measured reliably. Recognition of revenue from insurance contracts is described in Note 2.12. The Company's other income streams are recognized as follows:

Asset management fees.

Revenue from asset management and other related services offered to clients by the Company are recognized in the accounting period in which the services are accrued.

Fees, primarily consisting of investment management fees arising from services rendered, are associated with the issuance and management of Unit Linked investment contracts. The Company actively manage the payments received from customers in order to invest them and provide return in accordance with the investment profile that the customer has selected upon the initial acceptance of the terms of the investment product.

These services include the management of financial assets held for trading and derivatives in order to attain the contractual returns which the Company's customers expect from their investment. Such activities create revenue recognized according to the stage of completion of contractual services. As business practice, the Company recognizes these fees by allocating them to the estimated life of the contract.

Interest income

Interest income is recognized in the income statement on an accrual basis for all interest bearing instruments using the effective interest rate method. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset.

Once a receivable has been impaired, interest income is recognized using the interest rate used to discount the future cash flows for the purpose of measuring the impairment loss.

Dividend income

Dividend income from financial assets is recognized in the income statement when the right to receive is approved by the shareholders.

2.21 Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are accounted at cost less any impairment losses. Cost is the fair value of the consideration given, or if that cannot be determined reliably, the consideration received together with the costs directly attributable to the transaction.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Company makes estimates and assumptions concerning the future developments and events that affect the amounts of assets and liabilities presented in the financial statements. These estimates are based on historical data and estimates of future events that are reasonable under the current circumstances. The estimates and assumptions that have a significant risk of causing substantial adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

a) Estimate of future benefits payments and premiums arising from long term insurance contracts and related deferred acquisition costs

The determination of the liabilities under long-term insurance contracts is dependent on the estimates made by the Company.

Estimates are made for the expected number of deaths for each of the years in which the Company is exposed to insurance risk. The Company bases these estimates on the mortality tables determined by the national insurance legislation. In addition, the Company uses last ten years' experience for comparison purposes.

The main source of uncertainty of the above mentioned risks are the epidemics and wide-ranging lifestyle changes such as smoking, eating and exercise habits which could result in future mortality and morbidity being significantly worse than in the past for the age groups in which the Company has significant exposure to mortality risk.

The Company covers through reinsurance contracts the mortality risk either by proportional contracts or reinsurance protection contracts from catastrophic events. Moreover, the continuous evolution of medical science and the improvement of social benefits can lead to improved longevity beyond estimated mortality table used for the calculation of obligations from contracts that are exposed to this risk (pension contracts).

Estimates are also made for future costs of maintenance and management of the current portfolio, which are based on assumptions related to the expenditure levels of the Company made upon product pricing. The discount of future figures is made using the respective minimum guaranteed technical interest rate of the products. The uncertainty arises from the risk that future returns from investments which cover the respective insurance provisions to be lower than the respective technical interest rate.

Commissions and other acquisition costs associated with the issuance of new insurance contracts and renewal of existing insurance contracts are capitalized as an intangible asset. All other costs are recognized as expenses when incurred. For long term life insurance, the Deferred Acquisition Costs are amortized over the term of the contract in accordance to the premiums' income using the respective assumptions used to calculate the liability for future benefits of the contract.

The Company make assumptions for lapses based on Company's historical statistical data per product category.

The future cash flows are discounted using yield curves constructed at the reporting date based on the yield to historical cost of investment portfolio and the forward yield curve (refer to note 4.2, note 8 and note 21).

(b) Liabilities arising from claims made under insurance contracts

The estimation of outstanding claims made under insurance contracts is also a critical accounting estimate of the Company. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Company will ultimately pay for such claims. In addition to the reserve calculated on a case by case basis, the Company also makes provisions for claims handling costs. The adequacy of provisions for outstanding claims (reported or not at the reporting date) is also examined using statistical methods.

When the result of the statistical methods is higher than the existing statutory provisions, the Company recognizes additional provisions (LAT) (refer to note 21).

(c) Fair value of financial instruments

The fair value of financial instruments that are not quoted in an active market is determined using valuation techniques. Additionally, for financial instruments with rare transactions and low transparency pricing, fair value is less objective and requires judgment in various levels depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting this financial instrument.

Valuation techniques used include present value methods and other models mainly based on observable inputs and to a lesser extent on unobservable inputs, in order to maintain the reliability of fair value measurement.

Valuation models are primarily used to value over the counter derivatives and securities measured at fair value. In such cases, fair value is estimated using observable input of similar financial instruments, or using models.

Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent to the personnel who performed the valuation methods. All models are certified before being used and adjusted so as to ensure that outputs reflect the actual data and the comparative market prices. The key assumptions and estimates considered by management when applying a valuation model include:

(a) the likelihood and expected timing of future cash flows,

(b) the selection of the appropriate discount rate based on the estimate of a market participant for the appropriate spread of the rate over the risk free rate,

(c) judgment in determining the model that will be used to calculate the fair value.

To the extent practicable, models use only observable input, however in areas such as credit risk (both own and the counterparty) management estimates are required for parameters such as volatility and correlations so as to reflect uncertainties in fair value resulting from the lack of observable market input.

Input used in valuations based on unobservable data are inherently uncertain, due to the small number or the lack of available current market data. However, in most cases there will be some historical data on which the measurement of fair value can be based and, therefore, even when unobservable inputs are used, some observable data will be used for fair value.

Valuation techniques used to calculate fair value are described in Note 4.6.

Given the uncertainty and subjectivity inherent in the fair value estimation of financial instruments, changes in management's assumptions and estimates could affect the reported fair values.

Valuation Technique of Greek Government Bonds (PSI GGBs)

The Company holds Greek Government Bonds issued at the restructuring of the Greek debt in 2012 (PSI GGBs) and which were not exchanged in 2017 with new bonds under the exchange program announced by the Hellenic Republic. Trading of PSI GGBs has low liquidation, as there is low volume of transactions in the secondary market and low trading value.

The Company, in order to assess the fair value of the PSI GGBs on 31 December 2018, used the valuation of a recognized financial data provider. This provider's valuation technique maximizes the use of observable market data such as transaction price and/or bid prices for PSI GGBs which take into consideration the performance margin of PSI GGBs required due to the lack of an active market (illiquidity premium).

In this context, the Company calculated a performance margin (implied spread) between the PSI GGBs and the New GGBs resulting from the exchange of 15 November 2017 as well as subsequent GGBs issues of the Hellenic Republic. This spread which represents the additional liquidity risk arising from the low trading volume of PSI GGBs compared to New GGBs (illiquidity premium), ranges between 20 and 40 basis points on 31 December 2020 for the medium and long term maturities of PSI GGBs (the corresponding implied spread on 31 December 2019 is between 25 and 55 basis points), a range that is considered reasonable based on the existing market conditions.

NOTE 4: INSURANCE AND FINANCIAL RISK MANAGEMENT

4.1 Framework for Risk Management

The Company has established an effective risk management system, aiming to address the risks to which it is exposed and protect its policyholders and shareholders. The risk management system is based on a predetermined principles, policies and procedures framework. Due to the nature of its operations, the Company is exposed to insurance, financial risks such as credit risk, market risk and liquidity risk and operational risk. To minimize the potential adverse effects arising from these risks, the Company has established:

- a framework that reflects its risk management strategy,
- a methodology for the identification, measurement, management and reporting of all risks to which the Company is or may be exposed, and finally
- a governance structure, according to the requirements raised by the regulatory and the internally defined framework.

Within this framework, a Risk, Asset-Liability and Investment Management Committee and a Risk Management Function has been established.

4.1.1 Risk, Asset - Liability and Investment Management Committee

The Risk, Asset - Liability and Investment Management Committee of the Company is a committee of the Board of Directors.
The main responsibilities of the Committee are:

- to ensure and provide assurance to the BoD of Entity's continuous compliance with Solvency II Capital Requirements;
- to develop appropriate risk strategies for all types of risks potentially affecting the Entity and its capital management in accordance with the regulatory framework in effect;
- to establish the principles and rules governing risk identification, assessment, measurement, monitoring, management and reporting of risks including assets-liability management;
- to establish an adequate system of internal controls allowing risk understanding and the integration of proper risk management policies in the decision making processes of the Entity;
- to monitor, challenge and validate the processes that govern the Solvency II capital requirement calculation and the execution of the Own Risk and Solvency Assessment exercise;
- to assist the BoD in adopting a rational and prudent investment strategy and policy;
- to evaluate investment proposals, originating from either management or external investment managers/advisors, and their potential approval, taking into account the legal and regulatory requirements and ensuring that the Entity maintains sufficient coverage over the Solvency Coverage Ratio as dictated by the risk appetite of the BoD;
- to monitor the Entity's compliance with the legal and regulatory framework governing its full range of operations;
- to guide the Investments Department and other areas of the business relative to investments and to ensure that sufficient resources are in place for the implementation of the committee decisions.

4.1.2 Risk Management Function

The adoption and implementation of the risk management system is ensured through the existence of the Risk Management Function. The Risk Management Function's main responsibilities are to:

- raise awareness of risks within the Entity; develop and adopt the appropriate methodology for management of all major risks to which the Entity is exposed or might be exposed to. This methodology concerns the identification, assessment, measurement, monitoring, mitigation and reporting of risks;
- evaluate periodically the adequacy of the aforementioned methodology;
- issue and annually review the policies per risk category, and oversee their implementation;
- depict the Entity's risk profile and determine and monitor indicators for the early identification and management of risks;
- periodically perform stress testing and scenario analysis assessments for the major risk exposures;
- perform the ORSA process at least once a year and whenever necessary;
- calculate and validate the overall calculation of SCR and SCR coverage ratio;
- assess of risks related to new services, products and processes;
- assess of risks of new investments related to the Solvency Capital Requirement;
- establish (and annually revise) Business Continuity Policy and Business Continuity Plan (including its annual testing);
- establish, implement and monitor projects in the area of Information Security in order to be within the Entity's risk appetite;
- notify the Risk, Asset-Liability and Investment Management Committee of any potential deviations of risk exposures out of the approved limits, propose mitigation techniques depending on the nature of risk and monitor the implementation progress of the relevant action plans;
- aggregate data and submit reports (on regular and ad – hoc basis) so as to appropriately inform the BoD, the Risk, Asset-Liability and Investment Management and Management for the essential risk exposures and risk related issues;
- perform Risk and Control Self-Assessment (RCSA) exercises, identifying and evaluating operational risk scenarios, Fraud Risk Assessment (FRA) exercises, risk assessment for outsourcing arrangements, risk assessment of cloud computing services, Operational Risk Assessments (ORA), Conduct Risk Assessment (CRA), Business Environment Assessment, monitoring of early warning indicators (KRIs) and management operational risk events (identification, causal analysis and recording of operating losses) in accordance with what is provided in the approved operational risk management framework (methodologies, policies and / or procedures);
- establishment (and annually revise) the framework of the Whistleblowing Policy;

- establish (and annually revise) the framework for outsourcing and perform a holistic risk management program for managing operational risks related to outsourced activities;
- participate in Reinsurance Committee aiming to contribute in the development of reinsurance programme which is appropriate for the management of the risks inherent in the portfolio.

4.2 Insurance Risk

The risk inherent in any insurance contract consists of the possibility that the insured event will occur and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, the risk is random and could be evaluated but is unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance liabilities. This could occur because the frequency or/and severity of claims and benefits are greater than estimated. Insurance events are random, and the actual number and amount of claims and benefits may vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected by a change in any subset of the portfolio. The Company has developed its insurance underwriting strategy to diversify the type of insurance risks accepted and within each of these categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

4.2.1 Life Insurance

The Company issues a mix of traditional life insurance contracts, unit-linked contracts, Deposit Administration Fund (DAF) contracts, life and health riders including hospitalization riders and credit life contracts. The main distribution channel for the life insurance business is through the bancassurance network amounting to 81,0% of the total business (31 December 2019: 88,4%). The Company also issues life insurance contracts through independent intermediary channels such as insurance agents and brokers.

The individual life business includes term assurance, endowment and pure endowment assurance and whole of life assurance. The Company also offers pension products in the form of deferred annuities. The Company writes unit-linked business with the premiums being invested in different funds. The Company sells both single premium and periodic premium whole of life and endowment assurances as unit-linked products. There are also several types of rider benefits that can be attached to life insurance policies issued by the Company, the majority of which are health indemnities covering hospitalization and surgery. The Company also has a small portfolio of group health insurance business covering death, illness or disability risk. The credit life business is classified as group business and consists of term life cover linked to small business loans, mortgages, credit cards, and consumer loans.

The production from banking networks consists of savings/ pension plans of single premium at approximately 2,2% of total production (31 December 2019: 41,1%), Unit Linked products of single premium at approximately 51,8% of total production (31 December 2019: 18,9%) and insurance contracts of periodic payments (savings plan, pension plans and insurance protection of borrowers/ primary health coverage) at approximately 46,1% of total written premiums (31 December 2018: 28,4%).

The distribution of the portfolio in terms of written insurance premium for individual insurance, Unit Linked, group insurance, and DAF products for the current period amounts to 34%, 52%, 7,7% and 6,5%, respectively.

4.2.1.1 Traditional life insurance and DAF contracts

a) Frequency and severity of claims

Traditional life insurance contracts issued by the Company include long-term or yearly renewable contracts. The Company manages the risks related to these contracts through diversification of underwritten risks and the reinsurance contracts.

The Company is exposed to the following risks for the long-term life insurance business:

- **Mortality risk**

Mortality risk is the risk that the actual number of deaths is higher than expected resulting in increased claims. The Company’s most significant exposure to mortality risk is in its term life, whole life and endowment policies which are written as part of the individual life insurance and credit life business (issued through bancassurance network). The Company manages these risks through its underwriting strategy and reinsurance arrangements. The Company has excess of loss reinsurance agreements for long term life insurance contracts with death coverage with a retention limit on any single life insured.

- **Longevity risk**

Longevity risk relates to future claims and benefit payments which may be different from the actual benefit payments that will become due in the future if the policyholders live longer than expected. The Company's most significant exposure to longevity risk is in the deferred annuity portfolio. The Company manages these risks with appropriate pricing policies as well as actuarial methods and through the use of an updated mortality table that reflects lengthened life expectancies. The Company does not have in place any reinsurance for contracts that insure survival risk therefore this risk is managed through a dispersion of the insured funds.

The table below presents the concentration of insured benefits across four bands of insured benefits per individual life assured. The amounts are shown gross and net of reinsurance contracts. These tables do not include annuity contracts, for which a separate analysis is reported further below.

Sum assured per life assured at 31 December 2020	**Before reinsurance**		**After reinsurance**	
	(amounts in € millions)	*%*	*(amounts in € millions)*	*%*
0-6.000	149,3	6,2	149,2	8,9
6.000-15.000	241,0	10,0	183,9	11,0
15.000-20.000	101,9	4,2	83,8	5,0
>20.000	1.917,4	79,6	1.258,0	75,1
Total	**2.409,6**	**100,0**	**1.674,9**	**100,0**

Sum assured per life assured at 31 December 2019	**Before reinsurance**		**After reinsurance**	
	(amounts in € millions)	*%*	*(amounts in € millions)*	*%*
0-6.000	127,4	4,9	127,2	10,9
6.000-15.000	271,5	10,5	210,0	18,0
15.000-20.000	114,1	4,4	96,6	8,3
>20.000	2.083,9	80,2	735,9	62,9
Total	**2.596,9**	**100,0**	**1.169,7**	**100,0**

The risk is concentrated in the higher value bands. This has not changed from last year.

The following tables for annuity insurance contracts illustrate the concentration of risk based on ten bands that group these contracts in relation to amount payable per annum as if the annuity were in payment at the year-end. The Company does not hold any reinsurance contract against the liabilities carried for these contracts.

Annuity payable per contract as at 31 December 2020	**Total annuities payable**	
	(amounts in € millions)	*%*
0-500	6,2	11
500-1.000	11,5	20
1.000-2.000	13,0	23
2.000-3.000	7,1	12
3.000-4.000	4,7	8
4.000-5.000	4,1	7
5.000-6.000	2,0	4
6.000-8.000	2,7	5
8.000-10.000	1,9	3
>10.000	3,5	6
Total	**56,6**	**100**

Annuity payable per contract as at 31 December 2019	Total annuities payable	
	(amounts in € millions)	%
0-500	8,3	14
500-1.000	12,9	21
1.000-2.000	13,9	23
2.000-3.000	7,2	12
3.000-4.000	4,7	8
4.000-5.000	4,2	7
5.000-6.000	2,0	3
6.000-8.000	2,7	4
8.000-10.000	2,0	3
>10.000	3,5	6
Total	**61,3**	**100**

- **Lapse/ Cancellation Risk**

Insurance risk for long-term life insurance contracts is also affected by the policyholders' right to pay reduced or no future premiums and to terminate the contract completely. As a result, the amount of insurance risk is also subject to policyholder behavior which may have an impact on future claims payment patterns. Policyholder behaviors and patterns can be influenced by many factors, including economic and financial market conditions. For instance, if an insurance product contains a guaranteed minimum benefit (as in traditional life insurance products), financial market conditions will determine whether that guarantee is "in the money", "out of the money" or "at the money", depending on whether the guaranteed amount is higher, lower or equal to the value of the underlying funds. This in turn may influence the policyholder's decision on whether to maintain the policy.

- **Expense risk**

A failure to accurately estimate inflation and of its integration into the Company's product pricing, estimations of expenses and liabilities could have a material adverse effect on the Company's business, profitability, financial condition and prospects.

b) Sources of uncertainty in the estimation of future benefit payments and premium income

Uncertainty in the estimation of future benefit payments and premium receipts for long-term life insurance contracts arises from the unpredictability of long-term changes in overall levels of mortality and change in policyholders' behavior. The Company uses appropriate base tables of standard mortality according to the type of contract being written. An investigation into the actual experience of the Company over the last 10 years is carried out, and statistical methods are used to adjust the crude mortality rates and to produce a best estimate of expected mortality for the future.

c) Process used to decide on assumptions

Upon product initiation, the Company makes assumptions on mortality, investment returns, and administration expenses for long-term life insurance contracts. Also, a margin is added to reduce the uncertainty. These assumptions are "locked" over the life of the contract and used for the calculation of the technical reserve. Furthermore, throughout the life of the contract, the Company reviews these assumptions using statistical and actuarial methods and combines these with additional assumptions using parameters such as lapse rate, option of lump sum pension (for pension coverage) to perform liability adequacy tests.

The main parameters taken into account upon the implementation of liability adequacy tests for the traditional life insurance portfolio are as follows:

- **Mortality:** The estimation of parameters applied is based on percentages provided by mortality tables as defined by the Greek legislation taking also into account the Company's experience of insured policyholders.
- **Lapse and surrender rates:** In the long-term life insurances, the contract is cancelled in case of non-payment of the premium. However, if the insurance has acquired the right for surrender the contract is not canceled and the insurance becomes free of further premium payments under the same terms and conditions as the original life insurance, but with reduced annuities. The policyholder shall have the right to request surrender of life insurance with partial return of the mathematical reserve at the time of the surrender application. The policy year in which the contract acquires the right of surrender and the surrender value are specified in the relevant tables of the contract. The lapse and surrenders percentages are estimated per company of similar products, taking into account the Company's experience during the last ten years. The study for lapses and surrenders is updated on an annual basis. From time to time, the Company may need to update its assumptions and actuarial and risk models to reflect actual experience and other new information. Changes to assumptions and these models could result in a review of, and subsequent changes to, the insurance product pricing, which could have a material adverse effect on the Company's business,

results of operations, financial position and prospects. The impact of changes in assumptions for the Company would be reflected over the remaining life of the policies through the earnings.

- **Expenses:** The future estimates are based on the current (at the reporting date) expenses of the Company for the maintenance and management of the insurance portfolio and they are readjusted for every future year, with the estimated price inflation. The Company has adopted an expense model through which the expenses are characterized as recurring and non-recurring, acquisition and management, and then they are allocated into groups of products. The output of this model is used to determine the assumptions made in the estimation of future expenses.

- **Percentage of pension surrenders at retirement:** This right is granted only to pension plans. Based on the experience of the last 10 years, the Company estimates the percentage of insured people who will select to receive a lump sum at the beginning of their retirement.
- **Discount Rates:** The estimation of liabilities' adequacy is based on future cash flows of revenues and expenses of the Company, including the reinsurance share. Future cash flows are discounted at the end of each reporting period using interest rates curves, which are based on the risk-free rates curve published by the European supervisory authority for occupational pensions and insurance ("EIOPA"), and take into consideration the current allocation and expected yields of the investment portfolio.

The liability adequacy test conducted for the traditional life traditional insurance products at the end of the current year resulted in additional reserves of €91,5 mil. (31 December 2019: the additional reserves were €26,9 mil.).

Furthermore, the parameters taken into account upon implementation of liability adequacy tests for the DAF portfolio are as follows:

- **Mortality:** The estimation of parameters applied is based on percentages provided by mortality tables as defined by the Greek legislation taking also into account the Company's experience of insured policyholders.
- **Lapse and surrender rates:** In the long-term life insurances, the contract is cancelled in case of non-payment of the premium, while the policyholder is given the option to terminate the contract. The lapse and surrenders percentages are estimated per group of similar products, taking into account the Company's experience.

- **Expenses:** The future estimates reflect the current (at the reporting date) expenses of the Company for the maintenance of the insurance portfolio and they are readjusted, for every future year, with the estimated price inflation.

The liability adequacy test for the Deposit Administration Funds (DAF) at the end of the current year resulted in additional reserves of €30,8 mil. (31 December 2019: the additional reserves were €38,5 mil.).

d) Sensitivity analysis

The following table presents the sensitivity of the insurance reserve adequacy to the movement in assumptions used in the estimation of insurance liabilities for the traditional life insurance portfolio.

	Change	Impact on the adequacy of insurance reserves	
		31/12/2020	31/12/2019
(amounts in € millions)			
Increase in lapses and surrenders rates	10%	4,9	4
Decrease in lapses and surrenders rates	-10%	(5,1)	(4,2)
Increase in administrative expenses	10%	(6,4)	(6,5)
Decrease in administrative expenses	-10%	6,4	6,5
Decrease in surrenders upon retirement	-10%	(12,0)	(12,1)
Increase in interest rates	0,50%	57,1	23,5
Decrease in interest rates	-0,50%	(60,4)	(60,5)

In addition, the table below presents the sensitivity of the adequacy of reserves to the movements in the assumptions used in the estimation of insurance liabilities for the DAF portfolio.

	Change	Impact on the adequacy of insurance reserves	
		31/12/2020	31/12/2019
(amounts in € thousand)			
Increase in lapses and surrenders rates	10%	290	327
Decrease in lapses and surrenders rates	-10%	(297)	(333)
Increase in administrative expenses	10%	(923)	(1.156)
Decrease in administrative expenses	-10%	921	1.156
Increase in interest rates	0,50%	11.962	11.479
Decrease in interest rates	-0,50%	(14.860)	(15.805)

e) Guaranteed annuity options

Insurance risk in pension contracts with guaranteed annuity option depends on the number of policyholders who will choose the pension instead of a lump sum at maturity. This will strongly depend on the investment and economic environment prevailing at the time of selection.

It is noted that the percentage of total policyholders who received annuity instead of a lump sum at maturity during the current period is 0,75% (31 December 2019: 0,97%).

The lower the current interest rates of investments compared to the technical rate of guaranteed pensions are, the more likely it is for policyholders to opt for pension. The continuous improvement of longevity that will be reflected in the current pricing will also increase the number of policyholders who will choose pension and will increase the Company's exposure to insurance risk arising from these portfolios.

4.2.1.2 Rider Covers attached to life insurance contract

a) Frequency and severity of claims

Riders are issued for individual and group policies and relate to indemnities covering medical expenses, hospital allowance, surgery allowance, death by accident, and disability. The Company issues riders for long and short term contracts. For the majority of the riders' portfolio, the Company is exposed to morbidity risk.

Morbidity risk is the risk of increase in the frequency and severity of the claims due to disability, sickness or medical inflation.

The Company's most significant exposure to morbidity risk for group contracts relate to credit life business. As far as the individual contracts is concerned, the morbidity risk relates mainly to hospitalization covers that compensates inpatient medical expenses.

For the group insurance contracts, the risk is influenced by the sector in which the policyholder is employed. The risk of death and disability is therefore differentiated according to the sector. The excessive concentration risk in a specific sector will increase the probability of mortality, disability or morbidity of employees in the specific sector. The Company seeks to manage this risk through the underwriting process, claims' management and reinsurance agreements. For group contracts, the Company retains the right of re-pricing risks upon renewal or not proceeding with the renewal. Additionally, the Company has entered into a proportional reinsurance contract.

For the individual health contracts the risk differentiates depending on the age and the gender of the insured and it is influenced by a number of independent factors affecting the health of the insured such as changes in the lifestyle (smoking), environmental pollution, etc. Especially for hospitalization covers, the level of the claim's paid amount is also influenced by the medical inflation. In order to mitigate the morbidity risk for the individual riders' portfolio covering inpatient medical expenses (hospitalization covers), the Company has established exemptions for the claim amounting to €500, €1.000, €1.500, €2.000, €3.000 or €6.000 as well as the percentage of participation of the policyholder to the claim.

In addition, the Company covers the risk for all health covers (disability, hospital allowance, surgery allowance, medical expenses) through a proportional reinsurance agreement.

b) Sources of uncertainty in the estimation of future benefit payments and premium income

The main uncertainty in estimating future payments for Hospitalization programs is to assess the morbidity and medical inflation of the forthcoming years. The effect of continuous development in medical science, especially in the prevention area, as well as major changes in lifestyle such as smoking, is the reason of uncertainty in morbidity estimates.

For all rider coverages, the reserves for outstanding claims consist of the reported losses estimated on a case by case basis, unallocated loss adjustment expenses and an additional reserve resulting from the statistical method of assessing the adequacy of the reserves.

The Company monitors the loss ratios and regularly analyses its experience of the severity and frequency of losses.

For certain rider benefits, the Company uses the expertise of the reinsurers due to the absence of sufficient statistical data.

c) Process used to decide on assumptions

The Company assesses the profitability for hospitalization riders on an annual basis through the use of various technical parameters such as mortality, morbidity, loss ratio, medical claims inflation, lapse in coverage, annual increase in premiums and administrative expenses. Based on this assessment performed, the Company retains the right of re-pricing risks upon renewal.

The Company assesses the adequacy of the premium based on the prior year experience. Parameter measures of the experience are the claim loss ratios (gross and net), combined loss ratios, and severity and frequency of the claims occurred. According to the outcome of the comparison of the premium versus the experience measures, the Company exercises the right to re-price the risks upon renewal.

4.3 Financial risks

Financial risk management is an integral part of the Company's risk management framework on a daily basis. Management, aiming to maintain the stability and continuity of its operations, places high priority on the goal of implementing and continuously improving an effective risk management framework to minimize potential negative effects on the Company's financial results.

The Company systematically monitors the following risks resulting from the use of financial instruments: credit risk, market risk and liquidity risk.

4.3.1 Credit risk

The Company's credit risk relates to the counterparty risk of default that may arise and cause financial loss to the Company by failing to meet its financial obligations due to the deterioration of its financial position. The Company manages individual exposures per category as well limits for the concentration of credit risk.

Credit risk concentration

The main counterparties, to which the Company is exposed to concentration risk, are reinsurers and issuers of securities. Within the framework of risk management, credit rating standards are specified for counterparties as well as limits for concentration risk.

There was no exposure in excess of the Company's limits for counterparties as of 31 December 2020 and 2019.

Credit risk relates to on-balance sheet exposures. There are also off-balance sheet exposures, which are not considered material and are primarily related to collateral, such as letters of credit. These collaterals are used to protect the Company from the underlying credit exposures mainly related to other receivables.

The maximum exposure to credit risk before collateral held or other credit enhancements is the following:

Maximum exposure	**31/12/2020**	**31/12/2019**
(amounts in € thousand)		
Financial assets at FVTPL:		
-Derivative financial instruments	101	-
- Financial assets where the policyholders bear the investment risk (Unit Linked)	300.505	172.048
- Financial assets held for trading	1.155.758	312.996
Available for sale financial assets	1.390.385	2.309.578
Financial assets classified as loans and receivables	78.576	-
Insurance receivables	7.196	10.913
Other receivables	4.648	8.381
Reinsurance receivables	1.750	16.182
Cash and cash equivalents	255.843	150.463
Total assets bearing credit risk	**3.194.763**	**2.980.560**

There is no credit risk associated with unit-linked contracts for the Company, since it is the policyholders who bear the credit, market and liquidity risk related to these investments.

As at 31 December 2020, the Company has not significant exposure to credit risk arising from derivative financial instruments.

The main areas in which the Company is exposed to credit risk are:

Credit risk related to debt securities :

Credit risk arising from debt securities relates to the inability of the issuer to meet its obligation to repay the face value of the bond at its maturity and settlement. In the context of the Company's Financial Risk Management Framework, credit ratings assigned by independent certified external rating agencies are used as a primary criterion for the evaluation of the credit risk entailed in investments in debt securities. The Company initially uses the Fitch credit ratings and if there are no recent data available, then the Standard & Poor's or Moody's credit ratings are used. The applicable limits regarding the government debt securities as well as the corporate securities, which the Company has in its portfolio, are described in the current Risk Management Policy.

The following table shows the credit risk exposure on debt securities including accrued interest, by issuer credit rating, industry and geographical area:

Government Bonds	**Rating Fitch**	**31/12/2020**	**Rating Fitch**	**31/12/2019**
(amounts in € thousand)				
Greece	BB	2.004.036	BB-	2.227.037
Germany	AAA	103.271	AAA	101.209
Spain	A-	31.070	A-	30.014
Italy	BBB-	4.405	-	-
Ireland	A+	53.685	A+	56.145
South Africa	BB-	75.877	-	-
USA	AAA	70.167	AAA	84.347
Total		**2.342.510**		**2.498.751**

Corporate Bonds	**Rating Fitch**	**31/12/2020**	**Rating Fitch**	**31/12/2019**
(amounts in € thousand)				
Financial sector (Banks)	BB	6.393	BB	6.293
Non financial sector (other commercial)	BBB+	18.073	-	-
	BBB	8.150	-	-
	NR	-	NR	4.147
Total		**32.616**		**10.441**

As at 31 December 2020 and 2019, the largest concentration in the Company's debt securities portfolio is in European sovereign debt which constitute a 92,5% and 96,2% respectively of the total debt securities portfolio and 69% and 82% respectively of the total investments (including cash and cash equivalents).

Especially for the sovereign exposure to Greece, the Company had an exposure of €2.004.036 thousand (63% of total investments) and € 2.227.037 thousand (75,6% of total investments) as of 31 December 2020 and 2019, respectively.

Credit risk related to reinsurance assets:

As part of its overall risk management strategy, the Company cedes insurance risk through proportional, non-proportional and facultative reinsurance treaties. While these cessions mitigate insurance risk, the receivables from reinsurers expose the Company to potential credit risk.

Reinsurance contracts are reviewed by the Company on an annual basis (or earlier, in exceptional cases) in order to ensure an adequate level of protection and support of contracts by creditworthy reinsurers. In this context, strict principles have been set up for the selection of reinsurers, who should be highly evaluated by recognized rating agencies under any circumstances.

The Company applies the minimum acceptable rating levels on reinsurers who support the reinsurance contracts, and therefore, reinsurers that are rated below A- by Standard & Poor's or equivalent rating by other rating agencies (AM Best, Fitch), are not acceptable. A temporary exception to this rule could be made for the reinsurers with whom the Company has a long successful cooperation and while they were assigned an A- or higher credit rating at the inception of the reinsurance contract, they were downgraded during the term of the contract.

Based on the Company's reinsurance business strategy, an appropriate mixture of reinsurers has been selected in order to ensure adequate level of reinsurance coverage. The Company's credit risk exposure on the reinsurance receivables due from the largest reinsurance company as at 31 December 2020 amounts to 67,3% (2019: 67,7%). However due to the high credit rating and the recognized solvency of this reinsurance company the Company's management does not expect any losses from credit defaults.

Credit risk related to premium receivables:

The Company's main credit risk exposure to insurance receivables is from third party agents, brokers and other intermediaries. The risk arises where they collect premiums from customers to be paid to the Company. The Company has policies and standards to manage and monitor credit risk from intermediaries with a focus on day-to-day monitoring of the largest positions, including monitoring of the limits of these exposures. The Company has also established a pre-selection process and mitigates the risk through careful selection of counterparties.

Past due but not impaired receivables should be regarded as unsecured, but some of these receivable positions may be offset by collateral (i.e. letter of credits). The Company prepares internal reports on past due but not impaired receivable balances and aims in keeping the balance of past due positions as low as possible, while taking into account customer satisfaction.

The maximum exposure to credit risk from insurance receivables at the reporting date by type of network was:

Analysis per type of network	**31/12/2020**	**31/12/2019**
(amounts in € thousand)		
Company's network	248	241
Bancassurance	2.873	4.301
Agents and brokers	4.075	6.370
Total	**7.196**	**10.913**

The Bancassurance network refers to receivables due from the policyholders related to the insurance contracts distributed through the network of branches of Eurobank. Based on the regulatory requirements, the Banks are not authorized to collect insurance premiums on behalf of the Company, but the Company collects the premiums using the network of Banks' branches. As a consequence, the counterparty risk that the Company is exposed to is not transferred to the Bank.

The agents and brokers network is divided into two categories; the intermediaries that are authorized to collect premiums and the intermediaries that are not authorized.

Credit risk related to cash and cash equivalents:

As at 31 December 2020 and 31 December 2019, the cash placements to Eurobank group amounted to € 26.113 thousand and € 12.667 thousand respectively.

The following table presents the financial assets by credit rating category as at 31 December 2020 and 2019:

31 December 2020										
Rating	**Derivatives**	**Unit Linked**	**Trade Portfolio**	**AFS portfolio**	**Financial assets classified as loans and receivables**	**Premium receivables**	**Other receivables**	**Re-insurance receivables**	**Cash and cash equivalents**	**Total**
(amounts in € thousand)										
AAA	-	-	37.161	136.277	-	-	-	-	-	**173.438**
AA+	-	-	-	-	-	-	23	346	-	**369**
AA-	-	-	-	-	-	-	1.096	1.178	94.464	**96.738**
A+	101	-	-	53.685	-	-	-	217	-	**54.004**
A-	-	-	-	31.070	-	-	-	-	-	**31.070**
BBB+	-	-	-	18.073	-	-	-	-	-	**18.073**
BBB	-	-	-	8.150	-	-	-	-	-	**8.150**
BBB-	-	-	-	4.405	-	-	-	-	-	**4.405**
BB	-	2.957	1.117.573	892.855	-	-	-	-	-	**2.013.385**
B+	-	1.070	1.006	33.442	-	-	-	-	-	**35.518**
B-	-	21	-	-	-	-	-	-	26.113	**26.135**
BB-	-	-	-	75.877	-	-	-	-	-	**75.877**
CCC+	-	-	-	-	-	-	13	-	90.195	**90.207**
CCC	-	-	-	-	-	-	-	-	45.069	**45.069**
Non Rated	-	296.457	18	136.551	78.576	7.196	3.517	9	2	**522.326**
Total	**101**	**300.505**	**1.155.758**	**1.390.385**	**78.576**	**7.196**	**4.648**	**1.750**	**255.843**	**3.194.763**

31 December 2019								
Rating	**Unit Linked**	**Trade Portfolio**	**AFS portfolio**	**Premium receivables**	**Other receivables**	**Re-insurance receivables**	**Cash and cash equivalents**	**Total**
(amounts in € thousand)								
AAA	-	7.795	177.761	-	-	-	-	**185.556**
AA+	-	-	-	-	1.185	4.528	-	**5.713**
AA-	-	-	-	-	3.463	11.645	561	**15.670**
A+	-	-	56.145	-	5	-	-	**56.150**
A-	-	-	30.014	-	-	-	-	**30.014**
BB	307	-	6.293	-	-	-	-	**6.600**
BB-	2.522	303.602	1.923.435	-	-	-	-	**2.229.559**
CCC+	-	-	-	-	1	-	103.981	**103.982**
CCC	-	-	-	-	-	-	45.912	**45.912**
Non Rated	169.219	1.599	115.930	10.913	3.727	9	10	**301.406**
Total	**172.048**	**312.996**	**2.309.578**	**10.913**	**8.381**	**16.182**	**150.463**	**2.980.560**

Analysis of financial assets:

The following table provides an aging analysis, except for Unit Linked products, of financial assets that are past due but not impaired and of financial assets that are individually determined to be impaired.

31 December 2020								
	Trade Portfolio	**AFS Portfolio**	**Loans**	**Derivatives**	**Insurance Receivables**	**Re-insurance Receivables**	**Other Receivables**	**Total**
(amounts in € thousand)								
Neither past due nor impaired financial assets	**1.155.758**	**1.385.855**	**78.576**	**101**	**-**	**1.750**	**4.525**	**2.626.565**
Past due but not impaired financial assets	-	-	-	-	-	-	-	**-**
Past due by:								
1 to 90 days	-	-	-	-	7.063	-	-	**7.063**
> 90 days	-	-	-	-	134	-	123	**257**
Total	**1.155.758**	**1.385.855**	**78.576**	**101**	**7.196**	**1.750**	**4.648**	**2.633.884**
Impaired financial assets								
Gross carrying value of financial assets	**-**	**7100**	**-**	**-**	**53**	**-**	**730**	**7.884**
Less: impairment allowance								
Impairment allowances on individually assessed financial assets	-	(2.570)	-	-	(53)	-	(730)	**(3.353)**
Net carrying value of financial assets	**1.155.758**	**1.385.385**	**78.576**	**101**	**7.196**	**1.750**	**4.648**	**2.638.415**

31 December 2019						
	Trade Portfolio	**AFS Portfolio**	**Insurance Receivables**	**Reinsurance Receivables**	**Other Receivables**	**Total**
(amounts in € thousand)						
Neither past due nor impaired financial assets	**312.996**	**2.309.578**	**-**	**16.182**	**8.170**	**2.646.925**
Past due but not impaired financial assets	**-**	**-**	**-**	**-**	**-**	**-**

Past due by:						
1 to 90 days	-	-	10.844	-	-	**10.844**
> 90 days	-	-	69	-	211	**280**
Total	**312.996**	**2.309.578**	**10.913**	**16.182**	**8.381**	**2.658.048**
Impaired financial assets						
Gross carrying value of financial assets	-	**369**	**37**	**-**	**781**	**1.187**
Less: impairment allowance						
Impairment allowances on individually assessed financial assets	-	(369)	(37)	-	(781)	**(1.187)**
Net carrying value of financial assets	**312.996**	**2.309.578**	**10.913**	**16.182**	**8.381**	**2.658.048**

4.3.2 Market risk

Market risk is the risk associated with the Company's balance sheet positions where the value or cash flow depends on financial markets. Drivers affected by market fluctuations include interest rates, equity market prices and currency exchange rates.

Based on the structure of the Company's investment portfolio, market risk mainly relates to interest rate risk, equity risk, exchange rate risk and credit risk.

It is noted that, in order to monitor market risk, the Company applies the Value at Risk (VAR) methodology and monitors its asset portfolio valuation on a continuous basis. At the same time, the Company carries out stress tests and sensitivity analyses on a regular basis in line with the current investment portfolio structure, the strategy and the current market conditions.

Specifically the market risks to which the Company is exposed to are the following:

(a) Interest rate risk

Fluctuations in current market interest rates, may potentially affect both the cash flows and the fair value of the Company's investment placements. Interest rate risk on cash flows relates to future fluctuation of cash flows of an investment due to changes in market interest rates. Respectively, interest rate risk in fair value relates to fluctuation of the fair value of an investment as a result of changes in market interest rates. As a result of such changes in interest rates, the Company's return on investments may increase or decrease.

Analysis of interest bearing financial assets per average effective interest rate:

Interest analysis

31 December 2020	**0 - 3 %**	**3 - 6 %**	**6 - 10 %**	**Total**
(amounts in € thousand)				
Financial assets at FVTPL:				
- Financial assets where the policyholders bear the investment risk (Unit Linked)	3.316	-	-	3.316
- Financial assets held for trading	1.154.734	-	-	1.154.734
Available for sale financial assets	1.210.599	9.793	75.877	1.220.392
Financial assets classified as loans and receivables	-	78.576	-	78.576
Cash and cash equivalents	255.843	-	-	255.843
Total	**2.624.490**	**88.369**	**75.877**	**2.712.861**

31 December 2019	**0 - 3 %**	**3 - 6 %**	**6 - 10 %**	**Total**
(amounts in € thousand)				
Financial assets at FVTPL:				
- Financial assets where the policyholders bear the investment risk (Unit Linked)	1.755	2.725	104	4.584
- Financial assets held for trading	311.397	**-**	**-**	311.397
Available for sale financial assets	775.992	1.421.803	-	2.197.795
Cash and cash equivalents	150.463	-	-	150.463
Total	**1.239.607**	**1.424.528**	**104**	**2.664.239**

Analysis of interest bearing financial assets by type of rate:

31 December 2020	**Fixed rate**	**Floating Rate**	**Total**
(amounts in € thousand)			
Financial assets at FVTPL:			
- Financial assets where the policyholders bear the investment risk (Unit Linked) - Financial assets held for trading	3.316	-	3.316
Available for sale financial assets	1.154.734	-	1.154.734
Financial assets classified as loans and receivables	1.210.599	9.793	1.220.392
Cash and cash equivalents	-	78.576	78.576
Financial assets at FVTPL:	255.843	-	255.843
Total	**2.634.284**	**88.369**	**2.712.861**

31 December 2019	**Fixed rate**	**Total**
(amounts in €thousand)		
Financial assets at FVTPL:		
- Financial assets where the policyholders bear the investment risk (Unit Linked) - Financial assets held for trading	4.584	4.584
Available for sale financial assets	311.397	311.397
Cash and cash equivalents	2.197.795	2.197.795
Financial assets at FVTPL:	150.463	150.463
Total	**2.664.239**	**2.664.239**

(b) Equity risk

The Company is exposed to equity risks resulting from price fluctuations on equity securities and mutual funds held.

As part of its overall risk management process, the Company manages and monitors its equity risks and applies limits as expressed in established policies. Based on the Financial Risk Management Framework followed by the Company, its investments in equities (including its investments in mutual funds) should not exceed 15,0% of total investments. Investments in Real Estate Investment Trust Securities (REITS) should not exceed 10,0% of total investments.

The Company's overall exposure to equity risk expressed as a percentage of total investments amounted to 7,7% at 31 December 2020 (2019: 5.7%), and is summarized below:

% of Investment portfolio under management	**31 December 2020**	**31 December 2019**
Exposure to listed equity markets	6,0%	4,0%
Exposure to REITS	1,7%	1,7%
Total Equities & MF's Exposure	**7,7%**	**5,7%**

(c) Currency risk

Based on Company's risk management framework, foreign currency risk is continuously monitored and managed on a regular basis.

The company is exposed to currency risk, due to investments in foreign currency. The Company, assessing the risk it assumes on a case-by-case basis, uses hedging products against foreign currency risk.

The Company's overall exposure to foreign currency risk at 31 December 2020 amounted to 6,9% (2019: 2,9%) and is not considered significant.

The table below presents the Company's exposure to foreign currency exchange rate risk as at 31 December 2020 and 2019 respectively. The table includes the Company's assets and liabilities at carrying amounts categorized by currency.

	31 December 2020					
(amounts in € thousand)	**EUR**	**USD**	**RON**	**GBP**	**ZAR**	**Total**
ASSETS						
Deferred acquisition costs (DAC)	30.082	-	-	-	-	30.082
Investments in subsidiaries	15.327	-	4.092	-	-	19.419
Investments in joint ventures	50.000	-	-	-	-	50.000
Financial assets at FVTPL:		-	-	-	-	
-Derivative financial instruments	101	-	-	-	-	101
- Financial assets where the policyholders bear the investment risk (Unit Linked)	300.505	-	-	-	-	300.505
- Financial assets held for trading	1.118.597	37.161	-	-	-	1.155.758
Available for sale financial assets	1.203.855	33.006	274	77.372	75.877	1.390.385
Financial assets classified as loans and receivables	78.576	-	-	-	-	78.576
Cash and cash equivalents	255.843	-	-	-	-	255.843
Insurance receivables	7.196	-	-	-	-	7.196
Reinsurance receivables	1.750	-	-	-	-	1.750
Other assets	11.638	-	-	-	-	11.638
Total assets	**3.073.471**	**70.167**	**4.367**	**77.372**	**75.877**	**3.301.254**
LIABILITIES						
Technical reserves and other insurance provisions	2.466.485	-	-	-	-	2.466.485
Financial liabilities	11.738	-	-	-	-	11.738
Other Liabilities	164.174	-	-	-	-	164.174
Total liabilities	**2.642.397**	**-**	**-**	**-**	**-**	**2.642.397**
Total Equity	**431.073**	**70.167**	**4.367**	**77.372**	**75.877**	**658.856**

	31 December 2019					
(amounts in € thousand)	**EUR**	**USD**	**RON**	**GBP**	**ZAR**	**Total**
ASSETS						
Deferred acquisition costs (DAC)	28.279	-	-	-	-	28.279
Investments in subsidiaries	15.327	-	4.092	-	-	19.419
Investments in joint ventures	45.000	-	-	-	-	45.000
Financial assets at FVTPL:						
- Financial assets where the policyholders bear the investment risk (Unit Linked)	172.048	-	-	-	-	172.048
- Financial assets held for trading	305.201	7.795	-	-	-	312.996
Available for sale financial assets	2.232.799	76.552	227	-	-	2.309.578
Cash and cash equivalents	150.348	114	0	-	-	150.463
Insurance receivables	10.913	-	-	-	-	10.913
Reinsurance receivables	16.182	-	-	-	-	16.182
Other assets	49.222	-	-	-	-	49.222
Total Assets	**3.025.318**	**84.461**	**4.320**	**-**	**-**	**3.114.100**
LIABILITIES						
Technical reserves and other insurance provisions	2.306.487	-	-	-	-	2.306.487
Financial liabilities	14.504	-	-	-	-	14.504
Other Liabilities	151.514	-	-	-	-	151.514
Total Liabilities	**2.472.504**	**-**	**-**	**-**	**-**	**2.472.504**
Total Equity	**552.814**	**84.461**	**4.320**	**-**	**-**	**641.596**

(d) VaR summary

VaR methodology is used for measuring financial risk by estimating the potential negative change in the market value of the portfolio within a specified timeframe ("holding period") and probability of occurrence ("confidence level"), if positions remain unchanged for the chosen holding period. The VaR calculated by the Company and used for internal risk measurement and control purposes, is based on a confidence level of 99,0% and a 10 days holding period, using the Monte Carlo (full repricing) simulation method.

VaR models are designed to measure market risk under normal market conditions. It is assumed that any changes occurring in the risk factors affecting the normal market environment, will follow a normal distribution. Historical movements in prices of risk factors are considered in measuring the risk, while the exponentially weighted moving average estimation (EWMA) is used to apply weights in historical market data.

Since VaR is an integral part of the monitoring system of market risk, VaR limits have been established and followed. Nevertheless, the use of this method does not prevent losses beyond these limits in case of extreme market movements.

VaR of assets

	31 December 2020	31 December 2019
(amounts in € milion)		
Total VaR	**27,4**	**63,1**

Monte Carlo VaR and the Company's implementation of this risk measurement methodology have a number of limitations, such as 99,0% VaR means that in 1,0% of cases the loss is expected to be greater than the VaR amount.

The Company monitors VaR. In addition, the company monitors investment portfolio returns and undertakes sensitivity analysis as well as stress tests, based on the significance of the exposure.

4.3.3 Liquidity risk

Liquidity risk relates to the Company's ability to fulfill its financial obligations when these become due.

The Company's liquidity management process includes monitoring the timing correlation between cash inflows and outflows, as well as ensuring sufficient cash and cash equivalents and highly marketable financial assets that can be easily liquidated are held to meet its operational needs. The monitoring includes cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

a) Non derivative cash flows

The tables below present, at the reporting date, the cash flows payable by the Company under non-derivative financial based on their contractual maturities. The amounts mentioned are the contractual undiscounted cash flows, except for the insurance reserves, which are presented with their expected cash flows.

The Company manages liquidity risk according to the estimated undiscounted cash flows. Liabilities in foreign currency have been translated into euro based on the current foreign currency exchange rates.

31 December 2020	Carrying Value	0-1 months	1-3 months	3-12 months	> 1 year	Total
Financial Liabilities						
(amounts in € thousand)						
Reinsurance payables	388	-	388	-	-	**388**
Agents and Insurance Brokers	8.057	5.010	3.012	35	-	**8.057**
Other creditors	36.649	35.877	772	-	-	**36.649**
Lease liabilities	3.668	46	92	413	3.117	**3.668**
Other liabilities	23.355	298	1.674	15.973	5.410	**23.355**
Total financial liabilities	**72.117**	**41.231**	**5.938**	**16.421**	**8.527**	**72.117**

31 December 2019	Carrying Value	0-1 months	1-3 months	3-12 months	> 1 year	Total
Financial Liabilities						
(amounts in € thousand)						
Reinsurance payables	118	-	118	-	-	**118**
Agents and Insurance Brokers	8.757	7.147	1.575	35	-	**8.757**
Other creditors	2.076	90	1.986	-	-	**2.076**
Lease liabilities	4.171	47	92	408	3.624	**4.171**
Other liabilities	23.357	2.804	930	15.228	4.395	**23.357**
Total financial liabilities	**38.479**	**10.088**	**4.701**	**15.671**	**8.019**	**38.479**

Maturity analysis of insurance reserves and other provisions (expected future cash flows)

31 December 2020	Carrying Value	0-1 years	1 - 3 years	3-5 years	5-10 years	>10 years	Total
(amounts in € thousand)							
Life Insurance Reserves							
Outstanding claims	43.831	35.543	5.549	2.363	284	92	**43.831**
Unearned premiums	11.756	11.756	-	-	-	-	**11.756**
Technical Reserves							
Technical Reserves – Life individual	1.935.607	152.212	313.871	356.939	773.095	501.540	**2.097.658**
Technical Reserves – Pensions (DAF)	184.225	(5.531)	(4.411)	(286)	14.509	218.509	**222.791**
Unit Linked	291.066	2.566	39.531	49.996	146.182	10.108	**248.382**
Total Life Insurance Reserves	**2.466.485**	**196.547**	**354.540**	**409.012**	**934.070**	**730.249**	**2.624.418**
Investment Contracts							
Unit Linked	11.738	1.834	1.467	734	3.301	4.402	**11.738**
Total investment contracts	**11.738**	**1.834**	**1.467**	**734**	**3.301**	**4.402**	**11.738**
Total Life	**2.478.223**	**198.381**	**356.007**	**409.746**	**937.371**	**734.651**	**2.636.156**

31 December 2019	Carrying Value	0-1 years	1 - 3 years	3-5 years	5-10 years	>10 years	Total
(amounts in € thousand)							
Life Insurance Reserves							
Outstanding claims	45.483	37.150	5.225	2.807	209	93	**45.483**
Unearned premiums	10.051	10.051	-	-	-	-	**10.051**
Technical Reserves							
Technical Reserves – Life individual	1.920.659	153.238	323.873	348.388	849.726	492.177	**2.167.403**
Technical Reserves – Pensions (DAF)	171.818	(8.674)	(4.162)	(3.864)	7.665	235.299	**226.265**
Unit Linked	158.475	3.711	23.255	27.839	82.094	5.491	**142.389**
Total Life Insurance Reserves	**2.306.487**	**195.477**	**348.191**	**375.170**	**939.694**	**733.060**	**2.591.592**
Investment Contracts							
Unit Linked	14.504	1.865	1.450	1.450	3.937	5.801	**14.504**
Total investment contracts	**14.504**	**1.865**	**1.450**	**1.450**	**3.937**	**5.801**	**14.504**
Total Life	**2.320.991**	**197.341**	**349.641**	**376.621**	**943.631**	**738.862**	**2.606.095**

(b) Asset Liabilities Matching (ALM)

The Company's risk management framework for the monitoring and management of the future cash flows and liquidity has been developed to achieve long-term investment returns in excess of its obligations for the insurance contracts.

On a regular basis, numerous reports for the structure of the investment portfolio, classes of assets and liabilities at company level are produced and circulated to the Company's key management personnel including the Risk, Asset-Liability and Investment Management Committee.

The principal technique of the Company for management of the risks arising from the assets and liabilities positions, is to continuously monitor the maturities and expected cash flows of assets and liabilities and to take the appropriate investment decisions to confront any risks arising from potential positions mismatching.

For unit-linked products, the Company matches the valuation of these liabilities with the prices of the underlying assets of these portfolios. As a consequence, there is no price, currency, credit or interest rate risk for these contracts.

The following table summarizes the estimated amount and timing of cash flows arising from the Company's financial assets and insurance reserves, excluding the underlying assets and the liabilities arising from the Unit Linked products:

31 December 2020	**Carrying Value**	**Life Contractual cash flows (undiscounted)** 0-5 years	5-10 years	10-15 years	15-20 years	>20 Years	**Total**
(amounts in € thousand)							
Assets							
Carrying value and cash flows arising from assets:							
Trading portfolio:							
Listed equity securities:	1.024	1.024	-	-	-	-	**1.024**
Listed debt securities:							
– Fixed rate	1.154.734	1.154.466	-	-	-	-	**1.154.466**
Available for sale:							
Listed equity securities	70.184	70.184	-	-	-	-	**70.184**
Unlisted equity securities	99.809	99.809	-	-	-	-	**99.809**
Listed debt securities:							
– Fixed rate	1.210.599	376.439	390.524	298.774	271.524	166.143	**1.503.404**
– Floating rate	9.793	9.800	-	-	-	-	**9.800**
Loans and receivables:							
- Floating rate loans	78.576	83.372					**83.372**
Derivative financial instruments	101	101	-	-	-	-	**101**
Cash and cash equivalents	255.843	255.843	-	-	-	-	**255.843**
Total	**2.880.663**	**2.051.037**	**390.524**	**298.774**	**271.524**	**166.143**	**3.178.002**

Insurance reserves	**Carrying Value**	**0-5 years**	**5-10 years**	**10-15 years**	**15-20 years**	**>20 years**	**Total**
		Expected cash flows (undiscounted)					
Insurance Reserves	**2.175.420**	868.006	787.888	424.618	118.664	176.860	**2.376.036**

31 December 2019	**Carrying Value**	**Life Contractual cash flows (undiscounted)** 0-5 years	5-10 years	10-15 years	15-20 years	>20 Years	**Total**
(amounts in € thousand)							
Assets							
Carrying value and cash flows arising from assets:							
Trading portfolio:							
Listed equity securities:	1.599	1.599	-	-	-	-	**1.599**
Listed debt securities:							
– Fixed rate	311.397	311.661	-	-	-	-	**311.661**
Available for sale:							
Listed equity securities	87.017	87.017	-	-	-	-	**87.017**
Unlisted equity securities	24.766	24.766	-	-	-	-	**24.766**
Listed debt securities:							
– Fixed rate	2.197.795	749.867	905.112	494.576	273.406	154.001	**2.576.962**
Cash and cash equivalents	150.463	150.463	-	-	-	-	**150.463**
Total	**2.773.037**	**1.325.373**	**905.112**	**494.576**	**273.406**	**154.001**	**3.152.468**

Insurance Reserves	**Carrying Value**	**0-5 years**	**5-10 years**	**10-15 years**	**15-20 years**	**>20 years**	**Total**
		Expected cash flows (undiscounted)					
Insurance Reserves	**2.148.012**	864.033	857.600	420.488	123.082	184.000	**2.449.202**

On the above tables the hypothesis of reinvesting financial assets cash flows at their maturity has not been taken into consideration.

Additionally, the cash flows of the shares have been included in the first group of maturity, "0-5 years", since the shares that are listed can be realized at any time.

4.4 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems and/or external events. It is inherent in every function and business activity. An effective System towards management of operational risk is required in order to identify, assess and quantify exposures, identify manifestations of operational risk events, determine tolerance limits and, where necessary, reduce the exposure to acceptable levels.

The Company, taking into account the nature, scope and complexity of its activities has established the appropriate Operational Risk Management Framework including methodologies, principles of governance, policies and processes, allowing for the effective identification, assessment, management, monitoring and reporting of risks (to which it is or may be exposed in the immediate future). The aforementioned framework is embedded in the decision making processes and in the corporate culture (Operational risk awareness).

The Company's Operational Risk Management Framework consists of methodologies that concern: the Risk Control Self-Assessment, the Scenario Analysis, Fraud Risk Assessment (FRA), Outsourcing Relationship Assessment (ORA), Conduct Risk Assessment, Management of Operational Risk Events (operational losses) and is described in relative documents and/or Policies.

4.5 Capital adequacy

The main target of the capital management strategy of the Company is on the one hand to ensure that the Company has adequate capitalization on an ongoing basis according to the regulatory framework Solvency II, and on the other hand to maximize shareholders' return without exceeding the total risk tolerance limits of the Company as well as risk appetite.

Solvency II, effective from 1st January 2016, is the new operational and supervisory framework of insurance and reinsurance undertakings active in the European Union (EU) and the European Economic Area (EEA). Solvency II framework's requirements are based on the Directive 2009/138/EC of the European Parliament and the Council, as amended by the Directive 2014/51/EU (Omnibus II). In addition, Commission Delegation Regulation (EU) 2015/35 of 10 October 2014, supplementing Directive 2009/138 / EC of the European Parliament and of the Council on the taking up and pursuit of insurance and reinsurance activities (Solvency II), is followed, and its subsequent amendments. In Greece, the Directive 2009/138/EC was integrated into the Greek legislation with Law 4364/05.02.2016.

A specialized IT infrastructure has been developed for the implementation and compliance with the requirements of the three pillars of the supervisory framework.

The level of capital adequacy of the Company is regularly monitored based on the current regulatory framework and also on the internal policies and procedures which have been approved in relation to the risk management, the own risk and solvency assessment (ORSA) and the capital management. In the context of monitoring the solvency capital position of the Company, Management has determined the desired relationship between the own funds and the solvency capital requirement (SCR), as it arises from its risk appetite.

The calculation of the Solvency Capital Requirement (SCR), the Minimum Capital Requirement (MCR) as well as the eligible own funds of the Company are being performed on a quarterly basis as provided by the supervisory framework. The results of the calculations made on a quarterly basis are submitted to the Supervising Authority. Estimates on SCRs and eligible Equity are made on an ongoing basis.

Furthermore, the Company implements stress tests with alternative scenarios which depict the negative impact from unexpected changes in the macroeconomic and internal environment, in order to estimate the reliance of future available own funds.

It is noted that as of 31 December 2020 and 31 December 2019, the eligible own funds of the Company exceeded the Solvency Capital Required (SCR).

4.6 Fair values of financial assets and liabilities

(a) Financial instruments carried at fair value:

Trading assets, derivatives and other transactions undertaken for trading purposes, as well as available-for sale securities and assets and liabilities designated at fair-value-through profit-or-loss are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, the fair values are estimated using valuation techniques (see Notes 2.6 and 3.c).

All financial instruments carried at fair value are categorized according to the fair value hierarchy levels of IFRS 13 at the end of each reporting period based on whether the inputs to the fair values are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

I. Level 1: Quoted prices (unadjusted) in active markets for identical financial instruments. These prices should be readily and regularly available from an exchange or active index / market and should represent actual and regularly occurring market transactions on an arm's length basis. This level includes listed equity shares and debt securities on exchange markets and exchange traded derivative financial instruments.

II. Level 2: Financial instruments measured using valuation techniques with the following inputs: i) quoted prices for similar financial instruments in active markets, ii) quoted prices for identical or similar financial instruments in markets that are not active, iii) inputs other than quoted prices that are directly or indirectly observable, mainly interest rates and yield curves observable at commonly quoted intervals, forward exchange rates, equity prices, credit spreads and implied volatilities obtained from internationally recognized market data providers and iv) may also include other unobservable inputs which are insignificant to the entire fair value measurement.

These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. There has been no change in valuation techniques from previous years. Level 2 financial instruments mainly include over the counter (OTC) derivatives and less-liquid debt instruments.

III. Level 3: Financial instruments measured using valuation techniques with significant unobservable inputs. This level includes participation in non-listed equities and non-listed mutual funds.

The following table presents the Company's financial assets and liabilities carried at fair value and their classification according to the fair value hierarchy levels of IFRS 13.

31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
(amounts in € thousand)				
Financial Assets at FVTPL:				
-Derivative financial instruments	-	101	-	101
- Financial assets where the policyholders bear the investment risk	300.505	-	-	300.505
- Financial asset held for trading	1.155.758	-	-	1.155.758
Available for sale financial assets	654.490	732.600	3.295	1.390.385
Total Financial Assets	**2.110.754**	**732.701**	**3.295**	**2.846.750**
Financial Liabilities				
Investment contract liabilities	11.738	-	-	11.738
Total Financial Liabilities	**11.738**	**-**	**-**	**11.738**

31 December 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
(amounts in € thousand)				
Financial Assets at FVTPL:				
- Financial assets where the policyholders bear the investment risk	172.048	-	-	172.048
- Financial asset held for trading	312.996	-	-	312.996
Available for sale financial assets	1.705.610	600.899	3.070	2.309.578
Total Financial Assets	**2.190.654**	**600.899**	**3.070**	**2.794.622**
Financial Liabilities				
Investment contract liabilities	14.504	-	-	14.504
Total Financial Liabilities	**14.504**	**-**	**-**	**14.504**

The change in the value of financial assets that have been classified as Level 3 from € 3.070 thousand on December 31, 2019 to € 3.295 thousand on December 31, 2020 is mainly due to the change in the fair value valuation.

On 31 December 2020, the fair value of the Greek Government Bonds that were issued during the restructuring of the Greek debt in 2012 and were classified as Level 2 of the hierarchy of IFRS 13 ("PSI GGBs") amounts to €637.280 thousand (2019: €580.338 thousand). The change in the value of financial assets that have been classified as Level 2 from € 600.899 thousand at 31 December 2019 to € 732.600 thousand at 31 December 2020 is attributed by € 57.465 thousand to a change in fair value measurement, by € (3.136) thousand in sales and by € 77.474 thousand in new financial assets' purchases. The valuation method used is described in detail in note 3.

(b) Financial assets and liabilities not measured at fair value:

The following table shows the carrying and fair value of assets and liabilities that are not measured at fair value.

The assumptions and methodologies used for the calculation of the fair value of financial instruments not measured at fair value are consistent with those used to calculate the fair values of financial instruments measured at fair value. The fair value of loans and receivables is determined using quoted market prices. If quoted market prices are not available, the fair value is calculated on the basis of bond prices that have similar credit characteristics, maturity and yield or discounted cash flows.

The following table shows, according to the hierarchical levels of IFRS 13, the classification of assets valued at amortized cost:

31 December 2020	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**	**Total Book Value**
(amounts in € thousand)					
Financial assets					
Financial assets Loans and Receivables	76.858	-	-	76.858	78.576
Total financial assets	**76.858**	**-**	**-**	**76.858**	**78.576**

The change in the value of financial assets which have been categorized at Level 2 from € 0 on December 31, 2019 to € 78.576 thousand on December 31, 2020 is due to new mortgage loans granted during the year.

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	**Vehicles**	**Furniture and other equipment**	**Total**
(amounts in € thousand)				
Cost:				
Balance at 1 January 2020	**111**	**363**	**1.966**	**2.439**
Additions	7	-	301	308
Balance at 31 December 2020	**118**	**363**	**2.267**	**2.747**
Accumulated depreciation:				
Balance at 1 January 2020	**(50)**	**(162)**	**(1.511)**	**(1.723)**
Depreciation charge	(18)	(72)	(205)	(309)
Balance at 31 December 2020	**(68)**	**(233)**	**(1.731)**	**(2.032)**
Net book value at 31 December 2020	**50**	**129**	**536**	**716**

	Leasehold improvements	**Vehicles**	**Furniture and other equipment**	**Total**
(amounts in € thousand)				
Cost:				
Balance at 1 January 2019	**74**	**363**	**1.793**	**2.230**
Additions	37	-	172	209
Balance at 31 December 2019	**111**	**363**	**1.966**	**2.439**
Accumulated depreciation:				
Balance at 1 January 2019	**(41)**	**(90)**	**(1.306)**	**(1.437)**
Depreciation charge	(9)	(72)	(205)	(285)
Balance at 31 December 2019	**(50)**	**(162)**	**(1.511)**	**(1.723)**
Net book value at 31 December 2019	**61**	**201**	**455**	**717**

As at 31 December 2020 and 2019 there were no capital commitments for property, plant and equipment.

NOTE 6: RIGHT OF USE ASSET AND LEASE LIABILITIES

Right of use assets and lease liabilities

The movements of the Company's right of use assets on 31 December 2020 and 2019 respectively, are presented in the table below:

(amounts in € thousand)	Buildings	Vehicles	Other Equipment	Total
Cost:				
Balance at 1 January 2020	4.376	113	174	4.664
Additions	31	20	4	55
Balance at 31 December 2020	**4.407**	**134**	**178**	**4.718**
Accumulated Depreciations:				
Balance at 1 January 2020	(484)	(36)	(65)	(585)
Depreciation charge	(528)	(41)	(60)	(629)
Balance at 31 December 2020	**(1.012)**	**(77)**	**(125)**	**(1.214)**
Net book value at 31 December 2020	**3.395**	**57**	**53**	**3.505**

(amounts in € thousand)	Buildings	Vehicles	Other Equipment	Total
Cost:				
Balance at 1 January 2019	4.376	113	174	4.664
Additions	131	27	120	278
Balance at 31 December 2019	**4.376**	**113**	**174**	**4.664**
Accumulated Depreciations:				
Balance at 1 January 2019	-	-	-	-
Depreciation charge	(484)	(36)	(65)	(585)
Balance at 31 December 2019	**(484)**	**(36)**	**(65)**	**(585)**
Net book value at 31 December 2019	**3.892**	**78**	**109**	**4.079**

The analysis of short-term and long-term lease liabilities is as follows:

(amounts in € thousand)	31/12/2020	31/12/2019
Short-term lease liabilities	581	546
Long-term lease liabilities	3.087	3.624
Total	**3.668**	**4.171**

Additionally, lease liabilities are due as follows:

(amounts in € thousand)	31/12/2020	31/12/2019
Within a year	581	546
Within the second year	529	542
From 3 to 5 years	2.038	1.493
After 5 years	519	1.589
Total lease liabilities	**3.668**	**4.171**

In addition, the amounts recognized by the Company in the income statement for the year 2020 and 2019 relating to leases, are as follows:

(amounts in € thousand)	31/12/2020	31/12/2019
Depreciation charge of right of use assets	(629)	(585)
Interest expense on lease liabilities	(192)	(209)
Expenses related to short-term leases and non-lease components	(101)	(77)
Variable lease expense not included the measurement of lease liabilities	(7)	(15)
Total	**(929)**	**(885)**

NOTE 7: INTANGIBLE ASSETS

(amounts in € thousand)	Software	Trademarks	Total Intangible Assets
Cost:			
Balance at 1 January 2020	**6.759**	**5**	**6.764**
Additions	1.523	-	1.523
Disposals and Write-offs	(28)	-	(28)
Balance at 31 December 2020	**8.254**	**5**	**8.259**
Accumulated Depreciations:			
Balance at 1 January 2020	**(4.831)**	**(2)**	**(4.833)**
Depreciation charge	(670)	(1)	(670)
Disposals and Write-offs	13	-	13
Balance at 31 December 2020	**(5.488)**	**(3)**	**(5.490)**
Net book value at 31 December 2020	**2.767**	**2**	**2.769**

(amounts in € thousand)	Software	Trademarks	Total Intangible Assets
Cost:			
Balance at 1 January 2019	**5.947**	**5**	**5.952**
Additions	812	-	812
Balance at 31 December 2019	**6.759**	**5**	**6.764**
Accumulated Depreciations:			
Balance at 1 January 2019	**(4.241)**	**(1)**	**(4.242)**
Depreciation charge	(591)	(1)	**(591)**
Balance at 31 December 2019	**(4.831)**	**(2)**	**(4.833)**
Net book value at 31 December 2019	**1.928**	**3**	**1.931**

NOTE 8: DEFERRED ACQUISITION COSTS (DAC)

(amounts in € thousand)	31/12/2020	31/12/2019
Technical Reserves	27.915	26.404
Acquisition costs	2.167	1.875
Total DAC	**30.082**	**28.279**

The movement of the deferred acquisition costs of the Life insurance business is presented in the following table:

(amounts in € thousand)	Technical Reserves	Acquisition Costs	Total DAC
Cost:			
Balance at 1 January 2020	**26.404**	**1.875**	**28.279**
Capitalization	2.455	417	**1.702**
Amortization	(944)	(125)	**101**
Balance at 31 December 2020	**27.915**	**2.167**	**30.082**

(amounts in € thousand)	Technical Reserves	Acquisition Costs	Total DAC
Cost:			
Balance at 1 January 2019	**23.123**	**1.690**	**24.813**
Capitalization	3.722	279	**4.001**
Amortization	(441)	(94)	**(535)**
Balance at 31 December 2019	**26.404**	**1.875**	**28.279**

NOTE 9: INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES

Investment in subsidiaries

(amounts in € thousand)	2020 EUROLIFE ERB ASIGURARI DE VIATA	2020 DIETHNIS KTIMATIKI S.A.
Carrying amount	4.092	15.327
Percentage holding	95%	100%
Country of incorporation	Romania	Greece
Line of business	Life Insurance	Real Estate
Cost at 1 January	**4.092**	**15.327**
Fair Value of consideration	-	-
Share capital increase	-	-
Balance at 31 December	**4.092**	**15.327**

(amounts in € thousand)	2019 EUROLIFE ERB ASIGURARI DE VIATA	2019 DIETHNIS KTIMATIKI S.A.
Carrying amount	4.092	15.327
Percentage holding	95%	100%
Country of incorporation	Romania	Greece
Line of business	Life Insurance	Real estate
Cost at 1 January	**4.092**	**15.327**
Fair Value of consideration	-	-
Share capital increase	-	-
Balance at 31 December	**4.092**	**15.327**

Investments in joint ventures

On 19 February 2017, the Company participated as a strategic investor in the share capital increase of Grivalia Hospitality S.A. ("GH"), a company incorporated in Luxemburg. On 26 June 2015, Grivalia Hospitality S.A. ("GH") was established by Grivalia Properties REIC ("Grivalia") with initial paid up share capital of €2,0 mil. The purpose of GH is the acquisition, development and management of hotels and hospitality properties mainly in Greece.

More specifically, the share capital of GH increased by €58mil, out of which €30mil were paid by the Company, while the remaining €28mil were paid by Grivalia. Following the completion of the share capital increase, the share capital of GH amounts to €60 mil with an equal participation by the two shareholders.

On the same date, a relevant agreement between the two shareholders was signed, which requires unanimous consent for all important decisions.

On July 27 2017, it was announced that a fund ("the New Investor") managed by the investment firm M&G Investment Management Limited, established in London, would participate in the share capital of GH through a share capital increase of €60 mil that was fully covered by the New Investor.

Following the completion of the transaction, the total share capital of GH amounts to €120 mil., divided into 120.000.000 shares of €1 per share, out of which, 25% are owned by Grivalia, 25% by the Eurolife FFH Life Insurance S.A. and 50% by the New Investor.

On July 25 2018, the Company participated in the new share capital increase of GH of €60 mil. The increase was fully covered by GH's existing shareholders in proportion to their share capital. Out of the €60mil, €15 mil were paid by Grivalia, €15mil were paid by the Company and €30 mil by the New Investor. Following this share capital increase, GH's paid up share capital amounts to €180 mil and it is intended to facilitate the implementation of the entity's investment plan.

Furthermore, it is noted that on 17 May 2019 the Ministry of Economy and Development approved the merger by absorption of Grivalia Properties by Eurobank and therefore from this date onwards the share of Grivalia Properties belongs to Eurobank.

On June 10 2020 the Company participated in the new share capital increase of GH, amounting to € 20 mil.. The increase was fully covered by the existing shareholders of GH in proportion to its share capital. Specifically, the subsidiary Company paid € 5 million and the additional € 15 mil were paid by the other shareholders of GH. After the completion of the increase, the paid in share capital of GH now amounts to € 200 mil and will be used for the implementation of its investment plan.

The Company assessed the nature of the investment and considering that the three shareholders make all important decisions unanimously, concluded that all the conditions were met for the investment to be classified as a 'joint venture' and therefore to be accounted at cost less any impairment losses.

The total assets and labilities of the GH Group as at 31 December 2020 amount to € 355.948 thousand (2019: € 338.522 thousand) and € 139.848 thousand (2019: € 110.145 thousand), respectively. The equity of the GH Group net of non-controlling interest amounts to € 181.118 thousand (2019: € 187.038 thousand).

The most significant assets of the GH Group include the property for own-use valued at historical cost which amount to € 181.146 thousand (2019: € 135.813 thousand), the investment properties at the amount of € 102.117 thousand (2019: €129.545 thousand) and its bank deposits amounting to € 26.993 thousand (2019: € 20.723 thousand) as at 31 December 2020.

NOTE 10: DEFERRED TAX

(amounts in € thousand)	Opening Balance 01/01/2020	Changes in Income Statement	Changes in OCI	Ending Balance 31/12/2020
Valuation of Investments				
Fair value changes of available for sale financial assets	(107.482)	-	26.848	(80.635)
Impairment of available for sale financial assets	89	528	-	617
Changes in fair value of financial assets held for trading	(242)	157	-	(85)
Changes in the amortized cost of Financial assets classified as Loans and Receivables	-	(411)	-	(411)
Changes in the Fair Value of Derivative Financial Instruments	-	(24)	-	(24)
Miscellaneous Provisions				
Provision for staff leaving indemnities	145	5	9	160
Provision for unused personnel leave	50	23	-	73
Provision for other doubtful and disputed receivables	337	(14)	-	322
Other temporary differences	33	3	-	36
Foreign exchange differences of investment securities				
Changes in fair value due to foreign exchange differences	(660)	3.419	-	2.759
Property, plant and equipment				
Adjustment to the depreciation/ amortization of property, plant and equipment and intangible assets	50	12	-	62
Total Deferred Tax Assets / (Liabilities)	**(107.680)**	**3.698**	**26.857**	**(77.125)**

(amounts in € thousand)	Opening Balance 01/01/2019	Changes in Income Statement	Changes in OCI	Ending Balance 31/12/2019
Valuation of Investments				
Fair value changes of available for sale financial assets	(33.935)	(2.192)	(71.356)	(107.482)
Impairment of available for sale financial assets	441	(352)	-	89
Changes in fair value of financial assets held for trading	121	(363)	-	(242)
Miscellaneous Provisions				
Provision for staff leaving indemnities	127	8	10	145
Provision for unused personnel leave	45	5	-	50
Provision for other doubtful and disputed receivables	250	86	-	337
Other temporary differences	34	(1)	-	33
Foreign exchange differences of investment securities				
Changes in fair value due to foreign exchange differences	(347)	(313)	-	(660)
Property, plant and equipment				
Adjustment to the depreciation/ amortization of property, plant and equipment and intangible assets	10	40	-	50
Total Deferred Tax Assets / (Liabilities)	**(33.252)**	**(3.082)**	**(71.346)**	**(107.680)**

The movement in deferred tax from fair value changes of the available-for-sale financial assets is analyzed as follows: €46.946 thousand (2019: € 3.677 thousand) attributable to changes in fair value and € (20.099) thousand (2019: € (77.225) thousand) attributable to the transfer to income statement due to disposals.

NOTE 11: FINANCIAL ASSETS HELD OF BEHALF OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK (UNIT LINKED)

(amounts in € thousand)	31/12/2020	31/12/2019
Government securities:		
Greek government	2.620	2.466
Foreign governments	601	301
Subtotal	**3.221**	**2.767**
Other issuers' securities:		
Banks	1.070	1.750
Other	296.119	167.464
Subtotal	**297.190**	**171.982**
Total	**300.411**	**171.982**

Bonds	3.221	2.767
Equity shares	8.131	9.643
Mutual Funds	289.059	157.821
Time deposits	-	1.750
Subtotal	**300.411**	**171.982**

Plus:		
Accrued interest from bonds	73	62
Cash and cash equivalents	21	5
Subtotal	**95**	**69**
Total	**300.505**	**172.048**

The movement in securities is as follows:

	2020	2019
Balance on 1 January	**172.048**	**116.522**
Additions	198.031	79.427
Sales / Liquidations	(70.768)	(43.805)
Changes in cash and cash equivalents	(1.750)	1.653
Changes in fair value	2.916	18.252
Changes in accrued interest	28	(1)
Balance at 31 December	**300.505**	**172.048**

NOTE 12: FINANCIAL ASSETS HELD FOR TRADING

(amounts in € thousand)	31/12/2020	31/12/2019
Government securities:		
Greek government	1.117.573	303.602
Foreign governments	37.161	7.795
Subtotal	**1.154.734**	**311.397**
Other issuers' securities:		
Banks	1.006	1.599
Other	18	-
Subtotal	**1.024**	**1.599**
Total	**1.155.758**	**312.996**
Treasury bills	1.154.734	311.397
Equity shares	1.024	1.599
Subtotal	**1.155.758**	**312.996**
Total	**1.155.758**	**312.996**

The movement in securities is as follows:

	2020	2019
Balance at 1 January	**312.996**	**942.989**
Additions	2.251.030	1.261.519
Sales / Liquidations	(1.407.532)	(1.897.149)
Bonds amortization and interest income of treasury bills	236	4.158
Foreign exchange differences	(318)	24
Fair value changes of debt securities	(78)	729
Fair value changes of equity securities	(575)	71
Surplus value from investments	-	654
Subtotal at 31 December	**1.155.758**	**312.996**

NOTE 13: AVAILABLE FOR SALE FINANCIAL ASSETS

(amounts in € thousand)	31/12/2020	31/12/2019
Government securities:		
Greek government	868.333	1.877.841
Foreign governments	294.266	259.308
Subtotal	**1.162.599**	**2.137.149**
Other issuers' securities:		
Banks	33.442	53.174
Other	168.920	69.034
Subtotal	**202.362**	**122.209**
Total	**1.364.960**	**2.259.358**
Bonds	1.194.967	2.145.326
Treasury bills	-	2.249
Equity shares	70.459	87.245
Mutual funds	99.534	24.538
Subtotal	**1.364.960**	**2.259.358**
Plus:		
Accrued interest from bonds	25.425	50.220
Subtotal	**25.425**	**50.220**
Total	**1.390.385**	**2.309.578**

The movement in securities is as follows:

	2020	2019
Balance at 1 January	**2.309.578**	**1.293.300**
Additions	293.334	887.758
Sales / Liquidations	(1.064.386)	(212.522)
Bonds amortization and interest income of treasury bills	4.650	10.028
Foreign exchange differences	(13.929)	1.414
Fair value change of debt securities	(94.782)	284.490
Fair value change of equity securities	(17.084)	18.765
Surplus value from equity securities	-	10.378
Impairment of equity securities	(2.200)	-
Change in accrued interest	(24.795)	15.968
Balance at 31 December	**1.390.385**	**2.309.578**

NOTE 14: FINANCIAL ASSETS CLASSIFIED AS LOANS AND ASSETS

(amount in € thousand.)	31/12/2020
Loans	
Commercial Mortgage Loans	78.111
Total	**78.111**
Plus	
Accrued interest on loans	465
Total	**78.576**

The movement in securities is as follows:

(amounts in € thousand)	2020
Balance at 1 January	-
Loans granted	76.400
Capitalized expenses	1.834
Loans amortization	(122)
Changes in accrued interest	465
Balance at 31 December	**78.576**

In October 2020, the Company granted mortgage loans, with a floating interest rate, of a total nominal value of € 76.400 thousand to foreign property management companies. The duration of the loans is three years with the right of extension up to two years.

NOTE 15: INSURANCE RECEIVABLES

(amounts in €thousand)	31/12/2020	31/12/2019
Insurance receivables up to 30 days	5.645	9.616
Insurance receivables between 30 to 90 days	1.602	1.315
Insurance receivables over 90 days	187	106
Provision for doubtful receivables	(53)	(37)
Less: premium prepayments	(184)	(87)
Total	**7.196**	**10.913**

Insurance receivables from the parent company and related parties represent 12,3% (2019: 36,9%) of total receivables. Management does not expect impairment losses due to inability of payments by parent company and related parties.

NOTE 16: OTHER RECEIVABLES

(amounts in € thousand)	31/12/2020	31/12/2019
Reinsurance receivables (current accounts)	1.119	4.653
Receivables from ceding insurers (current accounts)	169	151
Advances to agents and brokers	853	992
Provisions for doubtful debt from agents and brokers	(730)	(781)
Other prepaid expenses	752	735
Receivables from accrued interests	13	1
Other receivables	2.473	2.630
Total	**4.648**	**8.381**

NOTE 17: REINSURANCE RECEIVABLES

(amounts in € thousand)	31/12/2020	31/12/2019
Receivables from unearned premiums reserves (U.P.R.) (note 21)	90	141
Receivables from outstanding claims reserves (O.C.R.) (note 21)	1.660	16.041
Total	**1.750**	**16.182**

The reduction in the receivables from outstanding claims reserve from € 16.041 thousand as at December 31st, 2019 to € 1.660 thousand as at December 31st, 2020 is attributable to the expiration of a reinsurance agreement. More specifically, on December 31st 2019, the reinsurance agreement according to which the Company ceded a part of the risk of the credit life portfolio expired. From the 1st of January 2020 a new reinsurance agreement is in force according to which the company's share in the risk is increased compared to the previous one. The reinsurer's share on the outstanding claims as at 31 December 2019, became receivable by the Company during 2020.

The credit risk with respect to the reinsurance receivables is limited due to the high creditworthiness of the reinsurers (note 4.3.1).

NOTE 18: CASH AND CASH EQUIVALENTS

(amounts in € thousand)	31/12/2020	31/12/2019
Cash on hand	2	10
Deposits on demand	98.815	4.569
Time deposits	157.026	145.884
Total	**255.843**	**150.463**

Time deposits have a maturity of less than 90 days. The weighted average effective interest rate on time deposits during the year was 1,10%.

NOTE 19: SHARE CAPITAL AND SHARE PREMIUM

The share capital comprise of 843.000 registered ordinary shares at a nominal value of €34,56 per share. All shares are issued and the share capital is fully paid up. The sole shareholder, "Eurolife Insurance Group Holdings S.A." owns 100% of its share capital. The Company has no stock option plan.

(amounts in € thousand)	31/12/2020	31/12/2019
Number of Ordinary shares	843.000	843.000
Paid up	29.134	29.134
Share capital	**29.134**	**29.134**
Share premium	**79.014**	**79.014**

NOTE 20: RESERVES

(amounts in € thousand)	Statutory Reserve	Extraordinary Reserves	Reserve for post employment benefit obligation	AFS investments revaluation Reserve	Total
Balance at 1 January 2020	**39.777**	**109.844**	**(156)**	**333.419**	**482.884**
Transfer between reserves	-	50.347	-	-	**50.347**
Change in AFS financial assets	-	-	-	(111.886)	**(111.886)**
Deferred tax on change in AFS financial assets	-	-	-	26.848	**26.848**
Remeasurement of defined benefit obligation, net of tax	-	-	(30)	-	**(30)**
Balance at 31 December 2020	**39.777**	**160.191**	**(186)**	**248.401**	**448.183**

(amounts in € thousand)	Statutory Reserve	Extraordinary Reserves	Reserve for post employment benefit obligation	AFS investments revaluation Reserve	Total
Balance 1 January 2019	**39.777**	**4.934**	**(119)**	**101.520**	**146.112**
Transfer between reserves	-	104.910	-	-	**104.910**
Change in AFS financial assets	-	-	-	303.255	**303.255**
Deferred tax on change in AFS financial assets	-	-	-	(71.356)	**(71.356)**
Remeasurement of defined benefit obligation, net of tax	-	-	(38)	-	**(38)**
Balance at 31 December 2019	**39.777**	**109.844**	**(156)**	**333.419**	**482.884**

Statutory reserve includes legal reserves that cannot be distributed to the shareholders.

Extraordinary Reserves include: a) reserves from previous years profits following General Shareholders' Meeting decisions. These reserves arising from profits of previous years can be distributed to shareholders upon decision of General Shareholders' Meeting without additional tax charge and b) reserves recognized under special laws, that are either not distributable or in case of distribution they will be taxed with the applicable income tax rate at the date of distribution.

Reserve for post-employment benefit obligations includes reserves from the remeasurement of the defined benefit obligation, along with the relevant deferred tax. This reserve is recognized in accordance with the provisions of the revised IAS 19 and cannot be distributed.

AFS investments revaluation reserve includes revaluation reserves of available for sale investments that are recycled to income statement upon disposal or impairment of the investments. This reserve also includes the associated deferred taxes.

NOTE 21: TECHNICAL RESERVES AND OTHER INSURANCE PROVISIONS

	31/12/2020			31/12/2019		
	Company	**Reinsurers**	**Total**	**Company**	**Reinsurers**	**Total**
(amounts in € thousand)						
Technical reserves - Life	1.935.607	-	1.935.607	1.920.659	-	1.920.659
Technical reserves – pensions (DAF)	184.225	-	184.225	171.818	-	171.818
Unearned premiums reserves (UPR)	11.666	90	11.756	9.911	141	10.051
Outstanding claims reserves	42.172	1.660	43.831	29.442	16.041	45.483
Total Life insurance reserves	**2.173.670**	**1.750**	**2.175.420**	**2.132.830**	**16.182**	**2.148.012**
Insurance provisions for life insurance contracts where the policyholders bear the investment risk (Unit Linked)	291.066	-	291.066	158.475	-	158.475
Total	**2.464.736**	**1.750**	**2.466.485**	**2.290.305**	**16.182**	**2.306.487**

Technical reserves and other insurance provisions include additional provisions which as at 31 December 2020 and 31 December 2019 amounted to €125.561 thousand and €68.992 thousand respectively.

MOVEMENT OF TECHNICAL RESERVES INSURANCE PROVISIONS

	Life	**Pensions (DAF)**	**Unit Linked**	**U.P.R**	**Total**
(amounts in € thousand)					
Balance at 1 January 2020	**1.920.659**	**171.818**	**158.475**	**10.051**	**2.261.004**
New production, renewals	110.281	27.674	193.357	2.365	**333.676**
Surrenders, lapses, maturities, deaths etc.	(161.715)	(12.151)	(73.109)	(609)	**(247.585)**
Additional reserves (LAT)	64.644	(7.684)	-	-	**56.960**
Return on investments	-	-	12.343	-	**12.343**
Excess investment return on technical reserves	1.738	4.569	-	-	**6.307**
Provisions' movement – Company's share	**14.948**	**12.407**	**132.590**	**1.756**	**161.701**
Provisions' movement - Reinsurers' share	-	-	-	(51)	**(51)**
Balance at 31 December 2020	**1.935.607**	**184.225**	**291.066**	**11.756**	**2.422.654**

	Life	**Pensions (DAF)**	**Unit Linked**	**U.P.R**	**Total**
(amounts in € thousand)					
Balance at 1 January 2019	**1.839.734**	**117.432**	**106.616**	**9.178**	**2.072.961**
New production, renewals	275.173	26.703	72.080	1.440	**375.874**
Surrenders, lapses, maturities, deaths etc.	(151.776)	(6.023)	(44.973)	(570)	**(203.341)**
Additional reserves (LAT)	(44.306)	31.078	-	-	**(13.228)**
Return on investments	-	-	24.753	-	**24.753**
Excess investment return on technical reserves	1.833	2.150	-	-	**3.983**
Provisions' movement – Company's share	**80.925**	**53.908**	**51.860**	**871**	**188.041**
Provisions' movement - Reinsurers' share	-	-	-	2	**2**
Portfolio acquisition	-	478	-	-	**478**
Balance at 31 December 2019	**1.920.659**	**171.818**	**158.475**	**10.051**	**2.261.004**

MOVEMENT OF OUTSTANDING CLAIMS RESERVES

	31/12/2020			31/12/2019		
	Company	Reinsurers	Total	Company	Reinsurers	Total
(amounts in € thpusand)						
Outstanding claims	25.863	16.041	41.904	22.816	16.936	39.752
Additional reserves	3.579	-	3.579	3.499	-	3.499
Balance at 1 January	**29.442**	**16.041**	**45.483**	**26.315**	**16.936**	**43.251**
Decrease from paid claims	(13.258)	(1.246)	(14.503)	(9.596)	(2.925)	(12.521)
Increase/ (Decrease) from current year' s claims	17.031	822	17.853	15.275	4.427	19.702
Increase/ (Decrease) from prior years' claims	9.347	(286)	9.061	(2.632)	(2.397)	(5.029)
Additional reserves	(391)	-	(391)	81	-	81
Acquisition of reinsurer's share on outstanding claims portfolio (note 17)	-	(13.671)	(13.671)	-	-	-
Outstanding claims movement	**12.729**	**(14.381)**	**(1.652)**	**3.128**	**(895)**	**2.232**
Outstanding claims	38.983	1.660	40.643	25.863	16.041	41.904
Additional reserves	3.189	-	3.189	3.579	-	3.579
Balance at 31 December	**42.172**	**1.660**	**43.831**	**29.442**	**16.041**	**45.483**

NOTE 22: INVESTMENT CONTRACT LIABILITIES

(amounts in € thousand)	31/12/2020	31/12/2019
Balance at 1 January	**14.504**	**10.652**
Additions	-	2.421
Liquidations	(301)	(8)
Realized gains/(losses) from disposals	(89)	457
Interest Income	90	70
Administrative Expenses	-	(8)
Fair value gains/(losses)	(2.466)	920
Balance at 31 December	**11.738**	**14.504**

NOTE 23: EMPLOYEE BENEFITS

The Company provides for staff retirement indemnity obligation for its employees, who are entitled to a lump sum payment based on the number of years of service and the remuneration at the date of retirement, if they remain at service until normal retirement age, in accordance with the Greek labor legislation. The above retirement indemnity obligations typically expose the Company to actuarial risks such as interest rate risk and salary risk. Therefore, a decrease in the discount rate used to calculate the present value of the estimated future cash outflows or an increase in future salaries will increase the staff retirement indemnity obligations of the Company.

Movement of provision for staff leaving indemnities	31/12/2020	31/12/2019
(amounts in € thousand)		
Balance at 1 January	606	509
Benefits paid by the employer	(200)	(58)
Total expense recognized in the income statement	222	107
Actuarial (gains)/ losses recognized in OCI	41	48
Other adjustments in Equity	(2)	-
Balance at 31 December	**666**	**606**

Amounts recognized in the income statement	2020	2019
(amounts in € thousand)		
Current service cost	54	46
Net interest	5	10
Curtailments / settlements / terminations	163	51
Total expense / (income) in income statement	**222**	**107**

The present value of retirement benefit obligations depends on factors determined on an actuarial basis using a number of assumptions as presented in the below table.

The key assumptions used to determine the net cost for retirement benefit obligations include the discount rate and future salary increases. Any changes in these assumptions will impact the carrying amount of retirement benefit obligations.

The Company determines the appropriate discount rate that should be used to calculate the present value of the estimated retirement benefit obligations at the end of each year. In determining the appropriate discount rate, the Company uses interest rates of highly rated bonds. The currency and maturity terms of the bonds used are consistent with the currency and estimated duration of the retirement benefit obligations. The assumption about the percentage of salary increase is determined by reviewing the Company's salary increases each year.

The other assumptions for retirement benefit obligations, such as changes in inflation rate, are based partly on prevailing market conditions

Actuarial assumptions	**2020**	**2019**
Discount rate	0,5%	0,9%
Future salary increases	0,0% to 4,0%	0,0% to 4,0%
Inflation	1,4%	1,4%
Expected remaining service life (years)	13,57	14,5

A quantitative sensitivity analysis based on reasonable changes to significant actuarial assumptions as at 31 December 2020 is follows:

- An increase/(decrease) of the discount rate assumed by 0,5% / (0,5%) would result in a (decrease)/increase of the staff retirement benefit obligations by (€46,0) thousand / €51,3 thousand
- An increase/(decrease) of the future salary growth assumed by 0,5% / (0,5%) would result in an increase/ (decrease) of the staff retirement benefit obligations by €52,6 thousand / (€50,0) thousand.
- A zero rate of voluntary retirements would result in increase of the retirement benefit obligation by €116,0 thousand

NOTE 24: INSURANCE AND OTHER LIABILITIES

(*amounts in € thousand*)	**31/12/2020**	**31/12/2019**
Reinsurers – current accounts	388	118
Agents and insurance brokers	8.057	8.757
Taxes	4.105	3.740
Social security	931	1.009
Other Creditors	36.649	2.076
Surrenders payable and claims settlement	17.773	17.103
Other liabilities	5.582	6.255
Total	**73.485**	**39.057**

As at 31 December 2020 other creditors include an amount of € 34.943 thousand concerning transactions for the purchase of financial assets that are not settled. Moreover, other liabilities mainly include provision for unaudited tax years and other provisions.

NOTE 25: NET EARNED PREMIUMS

(amounts in € thousand)	**From 01/01 to 31/12/2020**	**From 01/01 to 31/12/2019**
Gross Written premiums	380.799	430.570
Policy fees	82	65
Change in unearned premium reserve (note 21)	(1.717)	(866)
Gross Earned premiums	**379.163**	**429.768**
Inward Reinsurance gross written premiums	63	75
Change in unearned premium reserve (note 21)	12	(7)
Inward Reinsurance Gross Earned premiums	**76**	**68**
Total Gross Earned Premiums	**379.239**	**429.837**

Premiums Ceded to Reinsurers	(5.335)	(11.394)
Change in unearned premium reserve (note 21)	(51)	2
Total Premium ceded to reinsurers	**(5.386)**	**(11.391)**
Total Net Earned Premiums	**373.853**	**418.446**

NOTE 26: OTHER INSURANCE RELATED INCOME

(amounts in € thousand)	From 01/01 to 31/12/2020	From 01/01 to 31/12/2019
Commission income from reinsurers	1.885	6.418
Income from reinsurance activities	**1.885**	**6.418**
Management fees-Mutual Funds	54	85
Management fees from Mutual Funds	**54**	**85**
Management fees Mutual Funds Unit Linked contracts	1.616	1.127
Lapse and exit fees-Unit Linked contracts	162	74
Income from Unit Linked Products	**1.778**	**1.201**
Management fees-mutual funds investment products	57	61
Income from Investment contracts	**57**	**61**
Total other income related to insurance activities	**3.773**	**7.764**

NOTE 27: INVESTMENT INCOME

(amounts in € thousand)	From 01/01 to 31/12/2020	From 01/01 to 31/12/2019
Trading Portfolio and cash		
Interest income on debt securities	517	4.319
Interest income on deposits	588	989
Foreign exchange differences from deposits	(2.879)	205
Subtotal	**(1.773)**	**5.513**
Available for sale financial assets		
Dividend income on equity shares and mutual funds	1.156	1.177
Interest income on debt securities	64.405	62.203
Subtotal	**65.561**	**63.380**
Loans and receivables financial assets		
Interest income on commercial mortgage loans	343	-
Subtotal	**343**	**-**
Other interest	40	46
Subtotal	**40**	**46**
Total Investment Income	**64.171**	**68.939**

NOTE 28: GAINS FROM SALE OF FINANCIAL ASSETS

(amounts in € thousand)	From 01/01 to 31/12/2020	From 01/01 to 31/12/2019
Financial assets held for trading		
Gains from equities disposal	-	654
Gains from bonds disposal	-	0
Subtotal	**-**	**655**
Financial assets held on behalf of policyholders who bear the investment risk (Unit Linked)		
Gains from mutual funds disposal	8.313	4.948
Subtotal	**8.313**	**4.948**
Available for sale financial assets		
Gains from equities disposal	(9)	10.378
Gains from bonds disposal	193.461	59.201
Gains from mutual funds disposal	-	60
Subtotal	**193.453**	**69.639**
Total gains from sale of financial assets	**201.766**	**75.242**

Gains from the sale of financial assets amount to € 201.766 thousand at December 31, 2020, presenting a € 126.524 thousand increase compared to the prior year (2019: € 75.242 thousand). The increase is mainly attributable to the increased gains from the disposal of Greek Government Bonds which were realized during the year.

NOTE 29: FAIR VALUE GAINS / (LOSSES) ON FINANCIAL ASSETS

(amounts in € thousand)	From 01/01 to 31/12/2020	From 01/01 To 31/12/2019
Trading Portfolio		
Gains from equities valuation	(575)	71
Gains from bonds valuation	(78)	729
Gains / (Losses) from foreign exchange differences	(318)	24
Subtotal	**(971)**	**824**
Financial assets held on behalf of policyholders who bear the investment risk (Unit Linked)		
Unrealized fair value gains / (losses) on Unit Linked contracts	5.382	17.331
Subtotal	**5.382**	**17.331**
Available for sale portfolio		
Impairment of equities	(2.200)	-
Gains / (Losses) from foreign exchange differences	(13.929)	1.414
Subtotal	**(16.129)**	**1.414**
Total fair value gains / (losses) on financial assets	**(11.718)**	**19.569**

NOTE 30: OTHER INCOME

(amounts in € thousand)	From 01/01 to 31/12/2020	From 01/01 to 31/12/2019
Revenue from personnel premiums	13	21
Revenue from personnel lending	214	210
Currency Translation differences on current deposits and cash	(15)	(17)
Income from unused provisions	25	69
Other income	44	45
Total other income	**281**	**328**

NOTE 31: MOVEMENT IN TECHNICAL RESERVES AND OTHER INSURANCE PROVISIONS

(amounts in € thousand)	From 01/01 to 31/12/2020	From 01/01 to 31/12/2019
Change in technical reserves – Life	(14.948)	(80.925)
Change in technical reserves - pensions (DAF)	(12.407)	(53.908)
Plus: Taxes	(442)	(471)
Change in insurance provisions for insurance contracts where the policyholders bear the investment risk (Unit Linked)	(132.590)	(51.860)
Total movement in technical reserves and other insurance provisions	**(160.388)**	**(187.164)**

NOTE 32: CLAIMS AND INSURANCE BENEFITS INCURRED

(amounts in € thousand)	From 01/01 to 31/12/2020	From 01/01 to 31/12/2019
Surrenders – Life	(154.495)	(156.511)
Surrenders – DAF	(12.118)	(5.922)
Surrenders - Unit Linked	(75.420)	(46.116)
Subtotal	**(242.033)**	**(208.548)**
Claims paid	(39.847)	(38.576)
Change in outstanding claims reserve (note 21)	1.652	(2.232)
Subtotal	**(280.228)**	**(249.357)**
Reinsurers' share on Claims paid	2.069	5.099
Acquisition of reinsurer's share on outstanding claims portfolio	13.671	-
Reinsurers' share on change in outstanding claims (note 21)	(14.381)	(895)
Subtotal	**1.359**	**4.203**
Company's share on claims paid	(266.139)	(242.026)
Company's share on outstanding claims' reserve (note 21)	(12.729)	(3.128)
Total claims and insurance benefits incurred	**(278.869)**	**(245.154)**

The acquisition of reinsurer's share on outstanding claims portfolio of amount € 13.671 thousand that took place in 2020 is due to the expiration of the reinsurance agreement according to which the Company ceded a part of the risk of the credit life portfolio. (Note 17).

NOTE 33: ACQUISITION EXPENSES

	From 01/01 to 31/12/2020	From 01/01 To 31/12/2019
(amounts in € thousand)		
Commission and overcommission fees on premium production	(20.203)	(20.117)
Other commission fees and production expenses	(5.826)	(7.166)
Commissions to cedents	(46)	(58)
	(26.075)	**(27.341)**
Change in deferred acquisition costs	**2.788**	**3.575**
Mandatory contributions on premium production	(2.677)	(3.520)
Decrease/ (Increase) of provision for doubtful debt	51	59
Interest expenses on Reinsurers' reserves	(22)	(15)
	(2.648)	**(3.476)**
Total Acquisition Expenses	**(25.936)**	**(27.243)**

NOTE 34: ADMINISTRATIVE EXPENSES

	From 01/01 to 31/12/2020	From 01/01 To 31/12/2019
(amounts in € thousand)		
Employee benefit expenses	(10.202)	(9.468)
Third party fees	(7.354)	(5.428)
Taxes	(36)	(23)
Other expenses	(2.122)	(2.457)
Depreciation expense	(1.629)	(1.461)
Provisions	(43)	(26)
Interest and other investment expenses	(9.377)	(11.483)
Extraordinary losses	(8)	-
Subtotal	**(30.772)**	**(30.346)**
Plus/Minus: Capitalized acquisition costs	(985)	(108)
	(31.757)	**(30.454)**
Salaries and other benefits	(8.303)	(7.552)
Social security contribution	(1.246)	(1.226)
Other provisions related to personnel	(22)	(49)
Defined benefit plans and other costs	(632)	(642)
Total	**(10.202)**	**(9.468)**
Average Number of Personnel	**160**	**158**

The Company, in its effort to enhance the creation of pension funds for its employees, provide them with certain defined contribution plans. On December 31st, 2020, following relevant Board of Directors' decisions, the Company decided to terminate the defined contribution plans that were in force and to return the total contributions to their employees. At the same time, instead of the previous plans, the Company has proceeded with all actions necessary to establish an Employee Occupational Insurance Fund in which all employees will be able to participate as members.

Other administrative expenses include fees charged by the independent auditor “PricewaterhouseCoopers S.A.”. The fees paid by the Company for audit and other services provided are analysed as follows:

(amounts in € thousand)	**From 01/01 to 31/12/2020**	**From 01/01 to 31/12/2019**
Statutory Audit	(86)	(86)
Tax audit-article 65a, law 4174/2013	(34)	(27)
Other audit related assignments	(72)	(58)
Non audit assignments	(3)	(3)
Total	**(194)**	**(173)**

NOTE 35: INCOME TAX EXPENSE

(amounts in € thousand)	**From 01/01 to 31/12/2020**	**From 01/01 to 31/12/2019**
Current Income tax		
Current tax on profits for the year	(36.808)	(21.577)
Adjustment on previous years’ income tax	357	(50)
Total current income tax	**(36.451)**	**(21.627)**
Deferred tax		
Increase / (Decrease) in deferred tax assets	4.147	(3.221)
(Increase) / Decrease in deferred tax liabilities	(449)	139
Total deferred tax income / (expense)	**3.698**	**(3.082)**
Total income tax	**(32.753)**	**(24.710)**

According to the provisions of article 22 of Law 4646/2019 (Government Gazette A 201), profits from business acquired by legal entities and legal entities in Greece that hold double-entry books, excluding credit institutions, are taxed at a rate of 24% for the 2019 tax year onwards.

Income tax on pre-tax profits, based on the applicable rates, is as follows:

(amounts in € thousand)	**31/12/2020**	**31/12/2019**
Profit before tax	135.278	100.273
	135.278	**100.273**
Income tax at applicable tax rate 24% (2019: 24%)	(32.467)	(24.066)
Tax effect of amounts which are not deductible in calculating taxable income:		
Provisions	(6)	7
Non tax deductible expenses	(637)	(543)
Effect from change in tax rate (L.4646/2019)	-	(54)
Adjustment on previous years’ income tax and other adjustments	357	(50)
Total income tax	**(32.753)**	**(24.710)**

NOTE 36: RELATED PARTY TRANSACTIONS

The Company is controlled by Eurolife FFH Insurance Group Holdings S.A.(thereafter “Eurolife FFH Insurance Group”) which owns 100% of its share capital. Eurobank Ergasias S.A. (thereafter “Eurobank”), a bank domiciled in Athens and listed in the Athens Stock

Exchange, was the ultimate parent of the Company until 4 of August 2016 and owned 100% of the share capital of Eurolife FFH Insurance Group.

On 4 August 2016, the disposal of 80% of the share capital of Eurolife FFH Insurance Group was completed and control of Eurolife FFH Insurance Group was transferred to Costa Luxembourg Holding S.à r.l, while Eurobank retained the remaining 20% of the share capital of the Company and consequently has significant influence. The new parent company of Eurolife FFH Insurance Group is domiciled in Luxembourg and is jointly controlled by Colonnade Finance S.à r.l, member of the Fairfax Group, and OPG Commercial Holdings (Lux) S.à r.l..

All transactions with related parties are conducted in the normal course of business and on arm's length basis. The volume of the transactions with related parties and the balances at year end are shown in the tables below, in which, due to materiality, transactions with Eurobank are presented separately:

(amounts in € thousand)

Related Party Eurobank 31/12/2020	**Receivables**	**Payables**	**Revenue**	**Expense**
Deposits on demand & time deposits	26.051	-	295	-
Insurance operations	653	6.124	28.904	17.786
Other transactions	-	-	-	1.103
Total	**26.704**	**6.124**	**29.199**	**18.889**

(amounts in € thousand)

Other Related Parties 31/12/2019	**Receivables**	**Payables**	**Revenue**	**Expense**
Deposits on demand & time deposits	86	-	-	-
Insurance operations	235	401	2.108	1.327
Investment operations	995	238	1.716	7.311
Other transactions	41	42	214	735
Total	**1.357**	**681**	**4.037**	**9.372**

Transactions with key management personnel	2	150	48	33
Remuneration and benefits of key management personnel	-	-	-	2.375

(amounts in € thousand)

Related Party Eurobank 31/12/2020	**Receivables**	**Payables**	**Revenue**	**Expense**
Deposits on demand & time deposits	14.228	-	395	-
Insurance operations	3.564	7.091	33.368	20.751
Other transactions	-	-	-	879
Total	**17.793**	**7.091**	**33.763**	**21.630**

(amounts in € thousand)

Other Related Parties 31/12/2019	**Receivables**	**Payables**	**Revenue**	**Expense**
Deposits on demand & time deposits	194	-	-	-
Insurance operations	459	302	2.928	1.415
Investment operations	322	1.610	1.116	8.628
Other transactions	40	37	210	1.110
Total	**1.015**	**1.949**	**4.255**	**11.153**

Transactions with key management personnel	2	164	61	45
Remuneration and benefits of key management personnel	-	-	-	3.592

The above table does not include dividend payments of the Company to its shareholder in 2020 and 2019. These transactions are described in detail in note 37 "Dividends".

As of December 31, 2020, the loans to the members of the Management amounted to € 0,8 thousand (December 31, 2019: 3,2 thousand), also no provisions had been made for loans to related parties.

The Company holds investments in mutual funds and equities issued by related parties. More specifically on 31 December 2020 the fair value of the relevant mutual funds amounted to € 96.514 thousand (31 December 2019: € 21.696 thousand) and of the equities amounted to € 34.448 thousand (31 December 2019: € 54.773 thousand).

NOTE 37: COMMITMENTS AND CONTINGENT LIABILITIES

Legal issues

There are no pending litigations against the Company or other contingent liabilities and commitments as at 31 December 2020 which may materially affect the financial position of the Company.

Unaudited tax years

The Company has been audited by tax authorities up to 2009.

In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, additional taxes and penalties may be imposed by the Greek tax authorities following a tax audit within five years as from the end of the fiscal year within which the relevant tax return should have been submitted. Based on the above the right of the Greek State to impose taxes has been time-barred up to year ended 31 December 2014.

For the year ended 31 December 2011 and onwards as the Law 4174/2013 (article 65A) currently stands (and as Law 2238/1994 previously provided in article 82), up to and including fiscal years starting before 1 January 2016, the Greek sociétés anonymes and limited liability companies whose annual financial statements are audited compulsorily, were required to obtain an 'Annual Tax Certificate', which is issued after a tax audit is performed by the same statutory auditor or audit firm that audits the annual financial statements. For fiscal years starting from 1 January 2016 and onwards, the 'Annual Tax Certificate' is optional, however, as a general rule the Company will continue to obtain such certificate.

The Company has obtained unqualified "Annual Tax Certificates" for fiscal years 2014-2019. The tax audit conducted in this context for 2020 is currently in progress. Upon completion, the Company's Management does expect to incur significant tax liabilities other than those already recorded and provided in the financial statements.

Due to the existence of unaudited tax years, additional fines and taxes may be imposed, the amounts of which cannot be accurately determined at present. However, it is estimated that they will not have a significant impact on the Company's Balance Sheet.

NOTE 38: DIVIDENDS

Dividends are accounted for after they have been ratified by the Annual Shareholders' General Meeting or the Board of Directors.

On 23 April 2019 the Annual Shareholders' General Meeting of the Company approved the distribution of the interim dividend decided on 16 October 2018 and the distribution of additional dividend of € 834 thousand to the shareholder Eurolife FFH Insurance Group. The dividend was derived from the profits of the fiscal year ended on 31 December 2018. The dividend was paid to the shareholder on 24 April 2019 and 22 May 2019.

On 23 September 2019, the Board of Directors of the Company approved an interim dividend distribution of €25.000 thousand to the shareholder Eurolife FFH Insurance Group. The interim dividend was paid to the shareholder on 18 December 2019.

On 18 May 2020 the Annual Shareholders' General Meeting of the Company approved the distribution of the interim dividend decided on 23 September 2019 and the distribution of additional dividend of € 217 thousand to the shareholder Eurolife FFH Insurance Group. The dividend was derived from the profits of the fiscal year ended on 31 December 2019. The dividend was paid to the shareholder on 25 May 2020.

NOTE 39: IMPACT OF THE PANDEMIC

The rapid spread of the COVID-19 virus brought humanity in early 2020 face to face with a dangerous pandemic that so far threatens public health and has cost the lives of millions of people. At the same time, it has extensive economic effects, while the possibility that it will be catastrophic for some sectors remains. On the one hand, lock-downs forced and social distance imposed lead to the restriction or even suspension of business activities for a long time. On the other hand, the intense concern and insecurity about the effects of the pandemic on public health, causes prolonged and intense uncertainty with serious consequences on the proper functioning of the economies. The central banks and governments of the world's strongest economies reacted immediately in order to avoid a serious global economic crisis that would have been caused by the pandemic and to limit its economic consequences to a manageable recession. Thus, governments have been given the opportunity to focus on defending public health and protecting their citizens.

Financial impact on macroeconomic level

During 2020, the coronavirus pandemic led the Greek economy into a major recession, mainly due to reduced household income and consumption, shrinking investments and limited external demand for Greek goods and services. Inflation returned to negative levels, after three consecutive years of positive growth. In the labor market, the increase in total employment and the fall in unemployment rate were halted. Fiscal, monetary and financial interventions have been adopted to support businesses and employees and reduce the consequences. The temporary easing of the rules of the Stability and Growth Pact and the institutional framework for state aid, as well as the European aid package provided in April 2020, have allowed European members to support production and employment. However, the dominant action of the European Union's policy towards the pandemic is the creation of the European Next Generation EU (NGEU) recovery instrument, which will fund development initiatives in the period 2021-2026.

The effects of the decision of the European Central Bank to include Greek government bonds in the Pandemic Emergency Purchase Program (PEPP) and their acceptance by the Eurosystem as collateral in order to increase liquidity were particularly favorable. As a result, Greek government and corporate bond yields fell and in November 2020, Moody's upgraded Greece by one notch. The Company closely monitors developments in the macroeconomic environment of Greece, examines the possible effects of changing market conditions on a daily basis and has increased its readiness to make decisions to protect itself against the economic effects of the pandemic.

Operating Capability

From the very beginning of the pandemic, the Company has activated a Special Action Plan to deal with the emergency. The commitment of the Board of Directors that the protection of employees' health and safety is a priority remains non-negotiable. Another key priority is business continuity. The Company has managed to achieve business continuity, meet its business objectives as well as fulfill its obligations to all stakeholders such as: Customers, Partners, Supervisory Authority, Shareholders by taking immediate actions and measures. Also demonstrating social sensitivity, the Company undertook initiatives to alleviate and support vulnerable groups by supporting the Society.

Without complacency, along with the experience of managing the situation for over 1 year, both the Board of Directors and the Management Team of the Company, closely monitor the developments and then decide and act accordingly. The core measures taken to achieve the smooth operation of the Company under the new conditions imposed by the pandemic are:

- Measures for the safety and health of employees such as review of human resource management policies and practices (vulnerable groups, special purpose leave, rules regarding business travel, etc.), implementation of working remotely policy in 70-98% of employees, providing information /enhancing staff awareness on the pandemic and remote working conditions.
- Measures related to the new Work at Home operating model (W@H) such as alternative procedures and control mechanisms adapted to the new needs / conditions, appropriate distribution of employees, job rotation, provision of additional tools to facilitate work and collaboration, supply of equipment (laptops, headsets, etc.) to support working remotely.
- Other measures taken that are meant to support the implementation of working remotely are the use of "Information and Communication Technology" (ICT) infrastructures, the protection of such infrastructures, the prevention of data leakage, the provision of safe and uninterrupted access to the necessary infrastructures and increasing employee awareness.

Based on all the above, a year later, the Company succeeds in achieving its business goals without being complacent about the risk.

Financial situation and solvency of the Company

In 2020, despite the unprecedented challenges, the Company proved its resilience once again. The Government Bonds' purchase program of the European Central Bank resulted in the reduction of Greek bonds' yields and consequently the country's borrowing cost. In this context, the Company recorded significant realized gains by selling some of its investments in Greek Government Bonds. Profit before tax amounted to € 18,2 million, exceeding expectations. The strengthening of the Company's liquidity position also came as a result of the bonds' disposal.

Despite the adverse effects of the pandemic, the Company successfully responded to the new conditions applied.

- So far no significant changes have been observed in the behavior of insurance recipients and their insurance needs. It is not anticipated that this will change in the near future. The Company continues its digital transformation so that it can cover any increased needs of distribution channels, insurance recipients and claims' beneficiaries.
- With regard to the underwriting of insurance risk, in cases where the process needed to be adjusted, this has been done in line with reinsurance coverage.
- There was no significant lag in the production of premiums.

- With regard to claims, there was a decrease in the claims paid mainly in the motor and health sectors. The decreased claims is attributable, on the one hand, to the lock-down imposed in order to control the spread of the pandemic and, on the other hand, to the instructions given by the national public health organization.
- The existing products and insurance coverage offered smoothly support the Company's business planning without identifying a significant negative impact from the effects of the pandemic.

In mid-2020, the Company, taking into account that the effects of the spread of the pandemic had penetrated into all economic activity, updated its business plan and conducted the first "Own Risk and Solvency Assessment" exercise under these new special conditions (1st ORSA report under COVID-19 conditions). The report did not show a significant financial impact of the pandemic on the Company's financial figures. Also, the results showed that the solvency position of the Company will not be threatened in the future. At the end of 2020, the Greek insurance subsidiaries prepared their new business plan and re-performed the annual "Own Risk and Solvency Assessment" exercise based on the new data available (2nd ORSA report in COVID-19 conditions). In this exercise, extreme stress scenarios were selected, adapted to the updated risk profile. The capital requirements and eligible own funds were calculated and assessed in the med-term (three years) and their adequacy was confirmed. As at 31 December 2020, without any dividend distribution being calculated, the Company's solvency ratio (SCR coverage ratio) is estimated in the area of 176% using the adjustment due to volatility.

NOTE 40: POST BALANCE SHEET EVENTS

There are not any significant subsequent events that need to be reported.