Annual Financial Report

Eurolife FFH Life Insurance S.A.

For the year ended
31 December 2021

EUROLIFE FFH

A FAIRFAX Company

Eurolife FFH Life Insurance S.A
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The information contained in these Financial Statements has been translated from the original Financial Statements that have been prepared in the greek language. In the event that differences exist between this translation and the original Financial Statements in Greek, the Greek Financial Statements will prevail over this document.

Contents

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 2021.

Developments in the Greek economy in 2021: significant recovery, potentially covering prior year losses

In 2021 Greek economy marked a strong GDP recovery setting the foundations for a sustainable growth as of 2022 and for a number of years forward. According to the latest data published by the Hellenic Statistical Authority (ELSTAT), the growth rate for 2021 is estimated at 8,3%. This increase is one of the highest in the Eurozone and will adverse the deep recession of the previous years. The significant recovery is mainly due to the increase in consumption, accompanied by a high increase in exports of both goods and services, as well as a decrease in unemployment.

Inflationary pressure escalated at the end of 2021. Its dynamics are no longer solely affected by rising energy prices, but are also impacted by the disruptions this has caused to supply chains, as well as its effects on the production cost of other products and services. These developments are slowing down the global economic recovery. At the beginning of 2022, it was announced that new measures would be applied, in order to contain the effects of rising energy prices. As long as energy prices remain high, subsidies to households and businesses are expected to continue.

A significant part of the European economy is already exercising pressure for increased interest rates to soothe inflation. In addition to the aforementioned drawbacks, there is a risk that an excessively rapid increase in the cost of money will downgrade the overall growth prospects, especially in economies with high debt such as the greek.

Development of the Greek insurance market in 2021

The greek insurance market was positively affected, as anticipated, by the aforementioned growth rates. The production of insurance premiums[1] , amounted to € 4,3 billion, increased by 7,7% compared to 2020.

Specifically, in the greek insurance market, according to available data[1], total insurance premium production amounted to €4.264,0 mil. in 2021 (2020: €3.924,3 mil.), out of which €2.263,5 mil. is attributed to general insurance business and €2.000,5 mil. to life insurance business. Compared to 2020, insurance premium production increased by approximately 7,7% in 2021. More specifically, the non-life insurance premiums increased by 5,7% (2020: 0,4%) while life insurance premiums increased by 10,0% (2020: -8,0%). Regarding the non-life insurance business, the non-motor lines of business record an increase of 9,1% compared to 2020, while the motor insurance business records decrease of -1,0%. Regarding life insurance lines of business, life insurance policies linked to investments (unit-linked products) grew by 57,7%, while deposit administration funds products increased by 3,0% and the traditional life insurance products decreased by 4,5%.

The following table presents the insurance premium production of the greek market[1] per insurance line of business for the year 2021 and the respective variations compared to 2020.

Insurance premiums of the greek market	2021	%	Change % compared to 2020
(amounts in € mil.)			
Life traditional	1.165	27%	-4,5%
Life insurance linked to investments (Unit-linked)	630	15%	57,7%
Management of group pension funds	206	5%	3,0%
Motor vehicle liability	727	17%	-1,0%
Other non-life	1.536	36%	9,1%
Total gross written premiums	**4.264**	**100%**	**7,7%**

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 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. Insurance companies are already preparing to be able to adopt the new standards starting from 1/1/2023. It is expected that there will be a significant impact on their financial results while at the same time examining both personnel and infrastructure issues in order 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.

Financial Results Review

2021 was another successful year for Eurolife FFH Life Insurance S.A. (the "Company"), during which gross written premiums marked a significant increase of 41,7% and high levels of profitability and strong capital position were maintained for another year.

Financial Figures of the Company

Key Financial Figures

	2021	2020 Restated
(amounts in € mil.)		
Gross written premiums *(IFRS)*	539,9	380,9
Gross earned premiums *(IFRS)*	537,7	379,2
Total Investment Income[1]	128,0	254,3
Total Investment Income[1] *(excluding Unit-Linked)*	94,9	240,6
Administrative Expenses *(excluding interest & other investment expenses)*	(23,4)	(22,4)
Profit Before Tax	75,6	135,3
Income Tax	(17,6)	(32,8)
Profit for the year	58,0	102,5
Total Assets	3.375,5	3.301,3
Equity *(IFRS)*	617,1	659,0
Technical Reserves, Other Insurance Provisions and Liabilities for Unit-Linked products [2]	2.638,6	2.478,2
Number of Employees at 31 December	163	157

[1] Total investment income is the sum of the Income Statement lines: Investment income, Realised gains on financial assets, Fair value gains/(losses) on financial assets, 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

	2021	2020 Restated
Return on equity after tax (ROE)	9,1%	15,8%
Return on assets before tax (ROA)	2,3%	4,2%
Profit margin before tax	14,0%	35,5%
Annualized premium equivalent (APE) (amounts in € mil.)	250,6	214,9
Administrative expense ratio	9,4%	14,8%
Acquisition costs ratio	6,5%	6,8%

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.

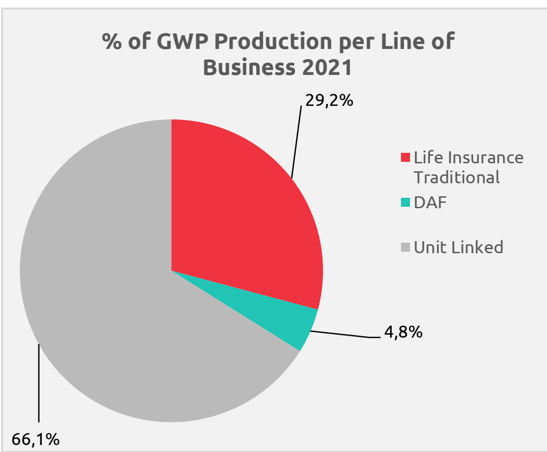
Acquisition costs ratio: Acquisition Expenses of the year divided by the gross earned premiums.

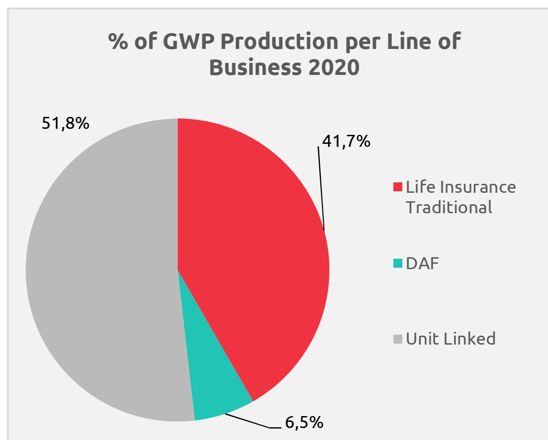
Gross written premiums

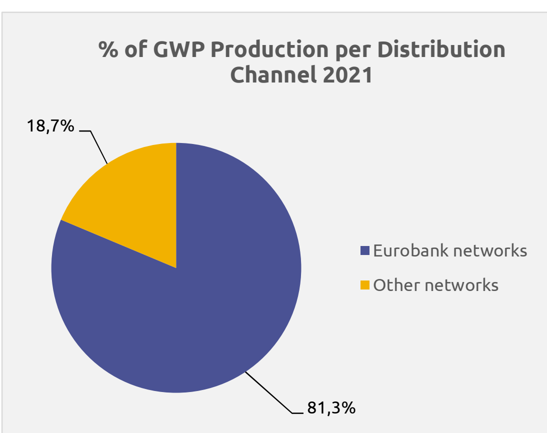
In the fiscal year 2021, the total premium production of the Company reached € 539,9 mil., showing an increase of 41,7% compared to 2020 (2020: -11,6%). The increase in the insurance premium production is mainly attributable to the rise of the life insurance linked to investments (Unit-linked) of which the production in 2021 amounted to €356,8 mil. showing an increase of 80,7% compared to 2020.

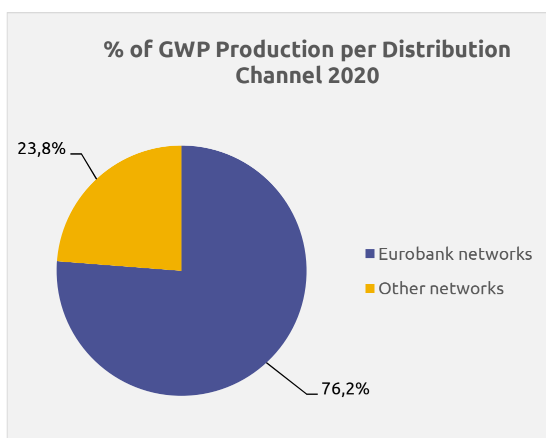
In terms of market shares, in 2021 the Company gathered 27,0%[2] (2020: 21,0%) of the total market, confirming its leading position and its growth course.

The following charts show the gross written premiums per insurance branch and per distribution network for the years 2021 and 2020, respectively:









[2] 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 € 128 mil. in the year 2021 compared to € 254,30 mil. in the previous year, showing a decrease of 49,7%.

Specifically, the restructuring of the bonds portfolio and the sale of a large portion of the Greek Government Bonds in 2020 resulted in the realized gains from the sale of bonds to decrease to €41,2 mil. in 2021, compared to €193,5 mil. in 2020, the unrealized valuation gains of the bonds to reach €2,4 mil. in 2021 compared to unrealized losses of €-14,3 mil. in 2020, whereas the interest income decreased to €41,8 mil. in 2021 compared to €64,9 mil. in 2020. Furthermore, the equities portfolio demonstrated positive fluctuations with the unrealized valuation gains to amount to €4,4 mil. in 2021 compared to losses of €-2,8 mil. in 2020. In 2021 the Company increased its position in mutual funds whose total income in 2021 reached €4,7 mil.

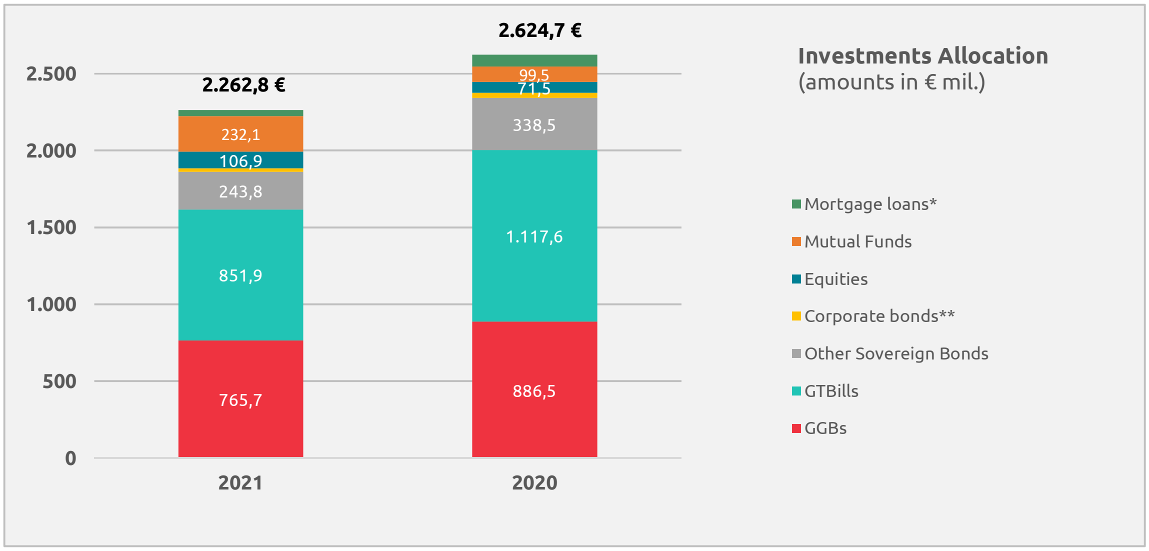
The following tables present the analysis of total investment income by category of financial data in the fiscal year 2021 and 2020:

31 December 2021 (amounts in € thousand)	Investment Income	Realised gains / (losses)	Fair value gains / (losses)	(Losses) on Derivatives	Total
Bonds	41.772	41.212	2.429	-	85.413
Equities	1.095	544	4.397	-	6.035
Mutual Funds	1.236	3.503	(41)	-	4.698
Loans	284	-	-	-	284
Deposits[1]	998	-	-	-	998
Other	46	-	-	(2.616)	(2.570)
Total Investment Income (excluding Unit-Linked)	**45.431**	**45.258**	**6.785**	**(2.616)**	**94.858**
Unit-Linked	-	11.499	21.632	-	33.130
Total Investment Income	**45.431**	**56.757**	**28.416**	**(2.616)**	**127.988**

31 December 2020 (amounts in € thousand)	Investment Income	Realised gains / (losses)	Fair value gains / (losses)	Gains on 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**

[1] Includes foreign exchange differences of amount € 600 thousand as at 31 December 2021 and € (2.879) thousand as at 31 December 2020.

The allocation of the Company's investment portfolios per asset class at 31 December 2021 and 31 December 2020 is as follows:



* Mortgage loans: 2021: € 39 mil. (2020: € 78,6 mil.)
** Corporate Bonds: 2021: € 23,6 mil. (2020: € 32,6 mil.)

Financial Results

Profit before tax amounted to € 75,6 mil. in 2021, showing a decrease of 44,1% compared to 2020 (2020: € 135,3 mil.). The decrease is mainly attributed to the increased realized gains recorded by the Company in 2020 due to the sale of Greek Government Bonds.

Furthermore, the acquisition cost ratio was equal to 6,5% (2020: 6,8%).

Share capital – Equity – Main shareholders

The share capital of the Company on December 31, 2021 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 Holdings S.A. 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.. Costa is domiciled in Luxembourg and was jointly controlled, until the 14th of July 2021, by Colonnade Finance S.à. r.l., member of the Fairfax Group, and OPG Commercial Holdings (Lux) S.à r.l.. On July 14th, 2021, Colonnade Finance S.à.r.l. exercised its option to purchase the remaining shares in Costa from OPG Commercial Holdings (Lux) S.à rl. Costa is now wholly owned by Colonnade Finance S.à.r.l. The remaining 20% of the share capital of the Company is held by Eurobank SA. (hereinafter referred to as "Eurobank") which is a related party.

The equity of the Company for the year ended 31 December 2021 amounted to €617,1 mil. compared to €659,0 mil. in 2020.

Dividend Distribution

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.

On 30 June 2021 the Annual Shareholders' General Meeting of the Company approved the distribution of the dividend of € 80.000 thousand to the shareholder Eurolife FFH Insurance Group. The dividend was derived from the profits of the fiscal year ended on 31 December 2020. The dividend was paid to the shareholder on 6 August 2021.

Subsidiaries

During 2021, 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 € 3,0 mil. (2020: € 3,2 million). For the year 2021, the losses before taxes amounted to € 40 thousand (2020: losses of € 270 thousand).

In 2015, the Company bought 100% of the shares of International Real Estate S.A.. International Real Estate S.A. 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 € 755 thousand (2020: € 748 thousand) and profits after taxes for the current year amounted to € 576 thousand (2020: € 563 thousand).

Investment in Joint Venture

On 19 February 2017, the Company participated as strategic investor in the share capital increase of Grivalia Hospitality S.A. ("GH"), domiciled in Luxembourg. GH was established from Grivalia Properties REIC ("Grivalia") on 26 June 2015 with initial paid capital of €2,0 mil. The core activities of GH are the acquisition, development and management of hospitality property in Greece and abroad.

More specifically, the share capital of GH increased by €58 mil, out of which €30 mil. 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 amounted 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, namely Grivalia Properties and the Company each paid from €15.0 mil. and an additional €30 mil. was paid by the New Investor. Following this share capital increase, the paid in share capital of GH amounted to €180 mil. and will 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 mil.. The increase was fully covered by the existing shareholders of GH in proportion to its share capital. Specifically, the Company paid € 5 mil. 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 € 200,0 mil. and will be used for the implementation of its investment plan.

On March 9, 2021 the Company participated in the new share capital increase of GH, amounting to € 25 mil.. The increase was fully covered by the existing shareholders of GH in proportion to its share capital. Specifically, the Company paid € 6,25 mil. and the additional € 18,75 mil. was paid by the other shareholders of GH. Following the completion of the increase, the paid share capital of GH now amounts to € 225,0 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 GH Group amount to €416.735 thousand as at 31 December 2021 (2020: €355.948 thousand) and €167.308 thousand (2020: €139.848 thousand), respectively. The equity of GH Group net of non-controlling interests amounts to €216.054 thousand (2020: €181.118 thousand).

The most significant assets of the GH Group include the own-use tangible assets which at 31 December 2021 amount to €212.141 thousand (2020: €181.146 thousand), the investment properties amount to €124.706 thousand (2020: €102.117 thousand) and its bank deposits amounting to €25.954 thousand (2020: €26.993 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 risk management framework is reviewed and updated if and when it is required, taking into consideration the Company's experience, the market dynamics and its alignment with the regulatory requirements. In this context, a Risk, Asset-Liability & Investment Management Committee has been established overseeing 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 for identifying, measuring, monitoring, controlling and reporting the risks. 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 Control Function which falls into the 3rd line of defense.

The Company, due to the nature of its operations, is mainly exposed to the following risks: underwriting & reserving (insurance), market , credit , liquidity , operational , concentration , strategic risk and reputational.

A. Insurance Risk

Insurance risk is the inherent risk in every insurance contract and relates 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 Company is exposed to (through the traditional Life products and DAF contracts), are:

Mortality risk: is the risk the actual number of deaths to be higher than expected, increasing insurance claims.

Longevity risk: related to future losses that may occur 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 premiums and/or terminate the contract Therefore, the size of the risk depends significantly on the behavior of the insured (on the products that provide this right). Policyholder behaviors can be affected by many factors, including the conditions prevailing in the economy and in the financial markets.

Morbidity/disability risk: is the risk payoff being paid more than expected due to an increase in the frequency and severity of disability and sickness compensation..

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 : arises when a low frequency, high severity event leads to a significant deviation in actual benefits and payments from the total expected. In general, the frequency and severity of catastrophic events 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 – mortality, return on investment, expenses- made in product pricing, 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 of a business entity, 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 the direction, fluctuation or correlation of interest rates, the shape of the 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 the direction, fluctuation or correlation of currencies which affect the assets and the liabilities.

Equity risk: The Company's holding positions in shares and equity mutual 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 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. To this end:

- An Investment Strategy and an Investment Risk Management Policy have been established and implemented, on which the Company's investment activity is based,
- The exposure of the asset portfolio in each sub category of market risk is monitored and limits per asset category 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 inability to meet its financial obligations as a result of its deteriorating financial condition. The Company is exposed to credit risk arising principally from: bonds, reinsurance claims, insurance premiums and cash and cash equivalents.

Credit risk in bonds is related to the inability of the issuer to meet its financial obligations 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 obligations. The Company has placed several types of reinsurance arrangements, with various reinsurers, and is therefore exposed to credit risk. While these agreements mitigate insurance risk, the receivables from reinsurers expose the Company to potential credit risk.

Regarding credit risk related to **premium** receivables, credit risk refers to the inability of an intermediary/agent to repay to 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 regularly, 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 may arise from the Company's inability to liquidate investments and other assets in order to meet it's financial obligations when they become due.

Factors such as a financial crisis or a pandemic could potentially influence the policyholders' behavior. In such cases customers may proceed with the surrender of their policies resulting in significant cash outflows for the Company. In order to deal with such a contingency, the Company retains sufficient assets that can be immediately liquidated, as well as 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

In order for the Company to effectively manage liquidity risk, it has established, recorded and follows a set of documents consisting of the Liquidity Management Policy and a specific implementation directive.

Specific principles govern these documents and ensure the effective management which is mainly achieved by holding sufficient cash and cash equivalents as well as highly marketable financial assets that can easily be liquidated to meet operational needs. In addition, the time mismatch of cash inflows and outflows is monitored.

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, to identify the manifestations of operational risk events, to determine the tolerance limits and, where necessary, to 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 in the near future). The above framework is embedded in the decision making processes and in the corporate culture by raising 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 (ORA), in the assessment of cloud computing service providers, in the conduct risk assessment of business practices (conduct risk assessment), in the management of operational risk events (operational losses) and is described in the corresponding 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.

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 on the one hand in the macroeconomic environment and on the other hand in the internal environment, in order to assess the resilience of the future status of the available funds (at Greek insurance entities level).

It is noted that as at 31 December 2021 and 31 December 2020, the eligible own funds of the Company exceed the Solvency Capital Requirement (SCR).

Labor issues

The Company's employees are an important asset for its success and development. As at 31 December 2021, the Company employed 163 employees. Gender and age distribution reflects the defense of equal opportunities that the Company stands for. In particular, the gender distribution of the Company is balanced, with the percentage of women being 51% of the total number of employees.

The Company is committed to provide equal opportunities for employment and to comply 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 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 appraisal is performed in such a way as to ensure 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 2021, 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 implements 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, the Company aims to provide substantial benefit to society and people, encouraging them to fight for and accomplish more every day and empowering them to claim more for their lives. For the implementation of the program, the Company systematically collaborates with organizations actively 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 financial support on social and educational institutions and organizations.

A) For the quality of life and its upgrade

This pillar implements actions aimed at giving more optimism and improving the quality of people's lives. The Company 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, the Company 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 and also cooperates with Municipality of Athens City Hall, supporting its efforts to upgrade the city center. The company participates in the dialogue on climate change in Athens, supporting the Athens Climate Lab of the Global Shapers Athens Hub.It has been certified as a climate neutral company, offsetting its environmental footprint with projects that enhance environmental issues in developing countries. Finally, the Company has signed the Charter of Diversity and is committed to implementing and promoting equal opportunities.

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. The Company 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.

The Company is collaborating with two of the country's leading cultural institutions in order to achieve its goals with regard to this pillar: 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 educational activities for children, families and adults that are traveling in various Greek cities.

The 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.

Finally, through the collaboration with the Cyber Security International Institute, it implements trainings for parents and children on cyber security, internet browsing, robotics and game development.

C) For entrepreneurship and equal opportunities in business

Through this action pillar, the Company 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.

In this context, it has created the Eurolife Business Academy, in collaboration with the innovation body Foundation. This is the first digital skills academy for professional insurers who want to gain knowledge on remote work and digital marketing.

Corporate Social Responsibility Actions for 2021

The Company, participated in the following activities in 2021, 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 living in remote areas, who are either already pregnant or wish to give birth to a child, but do not have regular or direct access in maternity hospitals and health centers. With this support, HOPEgenesis provides women with specialized medical practitioners, as well as counseling and psychological support during pregnancy and childbirth.Until 2023, the company supports through the program the following areas: Patmos, Agrafa, Kasos, Kastellorizo, Lipsi, Tilos, Halki, Nisyros, Anafi, Ano Koufonisi.
- Construction of the **kindergarten in Paleokatouna Agrafa**, so that the children have their own space, where they can work creatively and develop their skills. This is the second kindergarten inaugurated by the Company (the first was in Patmos in 2020), while it has committed to build a kindergarten in each of the above areas. Work on the construction of the remaining eight kindergartens is continuing normally.
- Collaboration with the NGO People Behind, supporting the laboratories of the Elderly University. In this context, the company enables people over the age of 60 to be trained in various topics, such as: literature seminars, European history workshops, cooking, physical exercise, theatrical play, counseling and empowerment, use of social media
- Purchase of a "solidarity subscription" to the street magazine "Shedia" on behalf of each employee – 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.
- Financial support of the organizations "Together for Children", Homo Digitalis and "Make A Wish" in order to continue to offer their social and educational work.
- Signing of the Charter of Diversity, which it undertakes to implement equal opportunities and diversity within it, ensuring equal treatment of its human resources, regardless of gender, race, color, national or ethnic origin, genealogical, religious or other beliefs, disability or chronic illness, age, marital or social status, sexual orientation, identity or gender characteristics.
- Exclusive support of the Athens Climate Lab which is an initiative of the Global Shapers Athens Hub and aims to map the main challenges of climate change and improve the quality of life in Athens.
- The Company was certified as climate neutral, following a study carried out on behalf of the CSE Sustainability Center, while proceeding with carbon offsets to minimize it and choosing as a project the REDD + Project, in the Amazon basin in Peru.

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

- Sponsoring **Greek National Opera's** annual artistic program and support for the children's play "Silence, the King Listens".
- 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).
- 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.

- Donation to the Craft Industrial Educational Museum to support its work.

Organizing activities to support entrepreneurship, such as:

- Design and operation of the Eurolife Business Academy, the first digital skills academy for professional insurers, regardless of whether they collaborate with the company or not. Through online courses from the presenters of the non-profit organization Foundation, participants gain useful knowledge about digital tools, digital marketing, remote work and social media, in order to improve their daily work and the quality of services they offer to their customers.

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.
• Donation to the organization Partnership for Athens, to support its work

External Auditors

The Board of Directors, after taking into consideration the appointment of external auditors for 2022, 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 COVID-19 pandemic

The COVID-19 pandemic, which began in early 2020, affected both the global and greek economies negatively; more specifically Greece experienced a deep recession of -9%. The economic impact of the pandemic was extensive, leading to a significant reduction in household income and consumption, shrinking investments and limited external demand for Greek goods and services.

During 2021 though, the global economies including Greece recovered, as societies have adapted to the Covid-19 pandemic conditions. Following the progress of vaccination programs, the latest lockdown restrictions ended in May 2021. All domestic movement restrictions were removed, and Greece reopened its borders to international travelers. Previously suspended economic activities were allowed to resume, with certain protective measures remaining in place.

Financial impact on macroeconomic level

The economic activity in 2021 rapidly recovered, following the significant recession recorded in 2020 due to the pandemic and the restrictions imposed. The economy' s restart gave rise to a significant increase of real GDP during the second and third quarters of 2021, while according to the first estimate announced by the Hellenic Statistical Authority (ELSTAT), GDP in 2021 increased by 8.3% compared to 2020. This growth is mainly attributed to the increased disposable income which led to increased private consumption, while important roles were also played by exports of goods and services, public consumption and increased companies' investments.

In response to the Covid-19 outbreak and in order to address the effects of the pandemic, there has been an unprecedented monetary, fiscal and regulatory support to the businesses and employees since 2020. As a sovereign action against the pandemic, the European Union has created the EC's Next Generation EU framework (NGEU), that will fund development initiatives in the period 2021-2027. Furthermore, the European Central Bank's decision to include Greek Government Bonds in the Pandemic Emergency Purchase Program (PEPP) and their acceptance as collateral for liquidity from the Euro system were also particularly favorable.

In 2021, the favorable international monetary and financial environment, as well as the performance of the Greek economy positively affected investments in the Greek government bond market. Yields on Greek government bonds of all maturities, were low, facilitating the Greek government to issue new bonds at a low borrowing cost. European Central Bank's decision, on December 16th, to purchase Greek Government bonds after March 2022 and until the end of the reinvestment period by 2024 end, is expected to sustain favorable financial conditions and low borrowing cost in both public and private sector.

Since June 2021, inflation escalated, largely due to deflation presented in 2020 and sharp increases in prices of energy, food, and imported goods as a result of disruptions in global supply chains. Despite the recorded price increases in recent months, inflation in Greece remains one of the lowest in the eurozone, while it is not expected to exceed 0.6% on an annual basis in 2021.

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 reducing their awareness, along with the experience of managing the situation for over 2 years, 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 and adjusting the percentage of employees working remotely according to the pandemic conditions as well as relevant measures applied by the government and provision of 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 allocation 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, two years later, the Company succeeds in achieving its business goals, without reducing its risk awareness.

Financial situation and solvency of the Company

Despite the adverse effects of the pandemic during the past two years 2020 - 2021, the Company successfully responded to the new conditions and proved it's resilience to unprecedented challenges but also its quick adaptability. For the Company, 2021 is described as a year of gradual adaptation to the new era of the pandemic and return to a new normality. More specifically:

- The government bond purchase program of the European Central Bank resulted in the reduction of Greek bond yields and the improvement of the country's borrowing cost. In this context, the Company recorded significant realized gains mainly in 2020 and reduced gains in 2021, by disinvesting a significant part of its position in Greek government bonds. Another result of the liquidation of the bonds was the strengthening of the Company's liquidity.

- The Company's profits before tax amounted to € 135,3 mil. in 2020 and € 75,6 mil. in 2021.

- No significant changes were observed in the behavior of insurance policyholders and their insurance needs. The Company continues its digital transformation so that it can cover any increased needs of distribution channels, insurance policyholders and claims' beneficiaries.

- In terms of insurance underwriting procedures, in cases where it was required to be adjusted, this was done in line with reinsurance coverage.

- There was no significant lag in the production of insurance premiums in 2020, while in 2021 there was a significant increase in the production of insurance premiums.

- In terms of claims, there was a decrease in paid claims in the health line of business, mainly in 2020. The reduction in claims is attributable on one hand to the lock-down measures adopted to control the spread of the pandemic and on the other hand to the instructions of the national public health organization.

- The existing products and insurance coverages offered smoothly support the Company's business planning without identifying a significant negative impact from the effects of the pandemic.

The Company conducts "Own Risk and Solvency Assessment" exercises at least annually considering, among other things, the special conditions of Covid 19. During 2020, the Company, considering that the effects of the pandemic outbreak had penetrated the entire economic activity, updated its business plan and carried out the first exercise "Own Risk and Solvency Assessment" under these new special conditions (1st ORSA report in COVID-19 conditions). At the beginning of 2021, the Company further updated the new business plan and reperformed the annual exercise "Own Risk and Solvency Assessment" based on the new data (2nd ORSA report in COVID-19 conditions). In these exercises, stress tests adjusted to the updated risk profile were selected and no significant financial impact of the pandemic on the Company's financial figures was identified. Also, the results showed that the solvency situation of the Company will not be threatened in the future.

During 2021, calculations of the Solvency Capital Requirement (SCR), the Minimum Capital Requirement (MCR) as well as the eligible own funds of the Company are made on a quarterly basis and are submitted to the regulator. In addition, the Company assesses its capital adequacy SCR ratio on an ongoing basis, considering market data and actual data on the asset portfolio. As of December 31, 2021, the Company's solvency ratio (SCR coverage ratio) is estimated at 180% with volatility adjustment.

Prospects for 2022: Positive dynamics, concerns and uncertainties

Significant recovery and easier access to ways of finance are the basis of the prospects for the greek economy in 2022. However, these conditions do not ensure that the systemic problems that have prevailed in the economy in recent years, combined with the preceding 10-years crisis, are resolved. Growth is expected to be maintained in 2022 (even though at a lower level than 2021).

The recent geopolitical situation in Ukraine creates risks, affecting among others the energy and agriculture prices, resulting in heightened inflationary pressures both in intensity and duration above initial estimates. Second-order effects may exert a negative impact on consumption and business activity. As the situation is still evolving, it is premature to assess the long-term impact to the Greek economy and society. However, as the prerequisites for sustainable growth for the Greek economy have been set, the consequences of the crisis could be mitigated based on relief measures at European level, similar to the ones taken to address the pandemic.

The budget deficits of Greece in the two previous years, during which there was a need to tackle the pandemic and relax fiscal rules in the European context, were particularly deep. In Greece's case, with a particularly high public debt and a tendency in creating deficits, it is essential to achieve a sustainable fiscal balance, in order to support high growth rates. A key issue is the shift of the production model, with the strengthening of exports and investments. There are positive signs, such as the interest of foreign companies and investors in the Greek economy, the resilience presented by tourism and the ongoing significant increase in exports of goods from vital sectors of the manufacturing industry. Although the pandemic is under control and there are reasonable grounds to believe that the situation will be further normalized by spring, the cost to be paid is still high.

At the same time, the uncertainties from the geopolitical issues and the inflation risk could weaken the growth of the economy marked in 2021. Therefore, strengthening of competitiveness, productivity, adaptability of the economy, as well as efficiency of the public sector have become imperative.

It is crucial that the expected general increase in interest rates will be not accompanied by an increase but a reduction in the differential cost of finance (spread) that separates the greek economy from other European ones.

Inflation will be at the center of attention both in an economic and a political context. Price increases in products and services are expected when economies rapidly recover after a deep recession and demand increases. However, due to the intensed inflationary pressures raised as a result of the geopolitical issues, actions at European level are deemed necessary to safeguard against a strong and dangerous upward spin of prices and wages that will undermine real growth and reduce real incomes.

Recognizing the challenges, the Company continues to place at the top of its strategic goals organic profitable growth and digital transformation. In that respect, the Company systematically invests in new technologies and strategic alliances having as first priorities the upgrading of the infrastructure, the utilization of international practices, and the integration of modern technologies in its functions.

The key to achieving all the strategic objectives and priorities of the Company is human resources. Taking into account that people are the Company's driving force, they are considered to be its most important asset. With the intention to build a competitive advantage, the Company aims to employee with the most capable and efficient human resources. At the same time, policies are implemented that enhance commitment, facilitate communication, strengthen teamwork, as well as the development, training and evaluation of human resources. All activities related to human resource management contribute significantly not only to the achievement of the Company's objectives, but also to the acquisition and maintenance of its competitive advantage.

Events after the Balance Sheet date

The recent geopolitical events in Ukraine, the military actions from Russia and the response from the European countries and the United States in the form of economic sanctions may affect the global and domestic economies and lead to strong inflationary pressures and increases in energy and agriculture prices. The international community is responding to the conflict with a broad array of sanctions targeting the Russian and Belarussian economies, certain Russian and Belarussian businesses and the assets of certain Russian citizens. The number of nations implementing sanctions and the nature of sanctions are constantly evolving, which requires regular monitoring of changes.

The Company closely monitors and assesses the conditions created in the international and Greek economy and has increased its readiness to make decisions on protecting it from the economic effects of recent geopolitical events in Ukraine. Management recognizes the significance of the impacts that the conflict will have on the business environment, liquidity and asset values in the affected region and the fact that the economic sanctions will have broad impacts to many businesses. Company does not operate in the region where the conflict is taking place and the imposed sanctions are not expected to have a direct impact on the operations of the Company.

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, 6 April 2022

Chairman of the B.O.D and CEO

Alexandros Sarrigeorgiou

(amounts in € thousand)	Notes	31/12/2021	31/12/2020 Restated*
ASSETS			
Property, plant and equipment	5	462	716
Right of use assets	6	2.953	3.505
Intangible assets	7	3.801	2.769
Deferred acquisition costs (DAC)	8	29.476	30.082
Investment in subsidiaries	9	19.419	19.419
Investment in joint ventures	9	56.250	50.000
Financial assets at FVTPL:			
-Derivative financial instruments		-	101
- Financial assets held on behalf of policyholders who bear the Investment risk (Unit Linked)	11	558.782	300.505
- Financial assets held for trading	12	929.351	1.155.758
Available for sale financial assets	13	1.294.474	1.390.385
Financial assets classified as loans and receivables	14	38.982	78.576
Income tax receivable		6.413	-
Insurance receivables	15	7.404	7.196
Other receivables	16	4.478	4.648
Reinsurance receivables	17	1.945	1.750
Cash and cash equivalents	18	421.316	255.843
Total assets		**3.375.506**	**3.301.254**
EQUITY			
Share capital	19	29.134	29.134
Share premium	19	79.014	79.014
Reserves	20	451.012	448.299
Retained Earnings		57.984	102.523
Total equity		**617.145**	**658.971**
Technical reserves and other insurance provisions	21	2.624.924	2.466.485
Financial liabilities			
- Investment contract liabilities	22	13.629	11.738
Employee benefits	23	554	516
Deferred tax liabilities	10	64.338	77.161
Income tax liabilities		-	9.229
Lease liabilities	6	3.161	3.668
Insurance and other liabilities	24	51.755	73.485
Total liabilities		**2.758.361**	**2.642.283**
Total equity and liabilities		**3.375.506**	**3.301.254**

**More information regarding the restatements made in the amounts of the year ended 31 December 2020 is given in note 2.1.2*

Athens, 6 April 2022

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 26 to 86 are an integral part of these financial statements.

(amounts in € thousand)	Notes	From 01/01 To 31/12/2021	From 01/01 To 31/12/2020 Restated*
Gross written premiums		539.927	380.944
Gross change in unearned premium reserve		(2.189)	(1.705)
Gross earned premiums		**537.737**	**379.239**
Minus: Premium ceded to reinsurers		(5.963)	(5.386)
Net earned premiums	**25**	**531.774**	**373.853**
Other insurance related income	**26**	6.611	3.773
Investment income	**27**	45.431	64.171
Gains from sale of financial assets	**28**	56.757	201.766
Fair value gains / (losses) on financial assets	**29**	28.416	(11.718)
Gains / (losses) on derivatives	**30**	(2.616)	101
Other income	**31**	351	281
Total income		**666.724**	**632.228**
Movement in technical reserves and other insurance provisions	**32**	(154.352)	(160.388)
Claims and insurance benefits incurred	**33**	(371.961)	(280.228)
Claims and insurance benefits incurred -Reinsurers share	**33**	2.503	1.359
Total insurance provisions and claims		**(523.810)**	**(439.257)**
Acquisition expenses	**34**	(34.694)	(25.936)
Administrative expenses	**35**	(32.591)	(31.760)
Profit before tax		**75.629**	**135.276**
Income tax expense	**36**	(17.644)	(32.752)
Profit for the year		**57.984**	**102.523**

**More information regarding the restatements made in the amounts of the year ended 31 December 2020 is given in note 2.1.2*

Athens, 6 April 2022

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 26 to 86 are an integral part of these financial statements.

(amounts in € thousand)	Notes	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020 Restated*
Profit for the year		**57.984**	**102.523**
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**	(19.819)	(85.018)
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	**20**	9	(18)
Other comprehensive income for the year, net of tax		(19.810)	(85.036)
Total comprehensive income for the year, net of tax		**38.174**	**17.487**

**More information regarding the restatements made in the amounts of the year ended 31 December 2020 is given in note 2.1.2*

Athens, 6 April 2022

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 26 to 86 are an integral part of these financial statements.

(amounts in € thousand)	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Balance at 1 January 2021	**29.134**	**79.014**	**448.299**	**102.523**	**658.971**
Profit of the year	**-**	**-**		**57.984**	**57.984**
Change in available for sale financial assets reserve, net of tax	-	-	(19.819)	-	(19.819)
Re-measurement of post-employment benefit obligations, net of tax	-	-	9	-	9
Other comprehensive income, net of tax	**-**	**-**	**(19.810)**	**-**	**(19.810)**
Total comprehensive income, net of tax	**-**	**-**	**(19.810)**	**57.894**	**38.174**
Transfer of retained earnings to reserves	-	-	22.523	(22.523)	-
Distribution of dividends to shareholders	-	-	-	(80.000)	(80.000)
Total transactions with shareholders	**-**	**-**	**22.523**	**(102.523)**	**(80.000)**
Balance at 31 December 2021	**29.134**	**79.014**	**451.012**	**57.984**	**617.145**

(amounts in € thousand)	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Restated Balance at 1 January 2020*	**29.134**	**79.014**	**482.989**	**50.564**	**641.701**
Profit of the year	**-**	**-**	**-**	**102.523**	**102.523**
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	-	-	(18)	-	(18)
Other comprehensive income, net of tax	**-**	**-**	**(85.036)**	**-**	**(85.036)**
Total comprehensive income, net of tax	**-**	**-**	**(85.036)**	**102.523**	**17.487**
Transfer of retained earnings to reserves	-	-	50.347	(50.347)	-
Distribution of dividends to shareholders	-	-	-	(217)	(217)
Total transactions with shareholders	**-**	**-**	**50.347**	**(50.564)**	**(217)**
Restated Balance at 31 December 2020*	**29.134**	**79.014**	**448.299**	**102.523**	**658.971**

**More information regarding the restatements made in the amounts of the year ended 31 December 2020 is given in note 2.1.2*

The notes on pages 26 to 86 are an integral part of these financial statements.

(amounts in € thousand)	Notes	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020 Restated*
Cash Flows from Operating Activities			
Profit before Tax		**75.629**	**135.276**
Adjustments for non cash items :			
Depreciation of property, plant and equipment and amortization of intangible assets	**35**	1.568	1.629
Change in other provisions		4.685	3.303
Non realized foreign exchange differences	**29**	(2.657)	14.247
Fair value (gains) / losses on financial assets	**29,30**	(25.659)	(2.630)
Change in insurance reserves & deferred acquisition costs	**26,32,33,34**	159.760	172.085
Realized gains on financial assets	**28**	(56.757)	(201.766)
(Gains) / losses from disposals of fixed assets		13	8
Interest income and expenses, dividends and other investment income		(41.894)	(59.306)
Bonds amortization and interest on deposits		(4.533)	(4.794)
(Gains)/Losses on derivatives	**30**	2.515	-
Changes in Operating Assets and Liabilities :			
(Purchases) of financial assets	**11,12,13**	(2.661.971)	(2.742.394)
Sales of financial assets		2.782.642	2.746.949
Loans received	**14**	38.200	-
Loans granted	**14**	-	(76.400)
Change in insurance receivables and other receivables		(2.396)	10.148
Change in insurance and other liabilities, investment contracts and insurance provisions		(29.595)	18.349
Interest received / paid and other investment income		43.926	83.696
Income tax received/ (paid)		(26.759)	14.793
(Losses) on derivatives paid		(2.515)	-
Net Cash Inflows from Operating Activities		**254.202**	**113.191**
Cash Flows from Investing Activities			
Proceeds from sales of property and equipment		-	7
(Purchases) of property, equipment and intangible assets	**5,7**	(1.815)	(1.831)
(Increase) of interest in joint ventures	**9**	(6.250)	(5.000)
Net Cash (Outflows) from Investing Activities		**(8.065)**	**(6.825)**
Cash Flows from Financing Activities			
Principal repayment of lease liabilities		(664)	(770)
Dividends paid	**39**	(80.000)	(217)
Net Cash (Outflows) from Financing Activities		**(80.664)**	**(987)**
Net increase in cash and cash equivalents		165.474	105.379
Cash and cash equivalents at the beginning of the year	**18**	255.843	150.463
Cash and Cash Equivalents at the end of the year	**18**	**421.316**	**255.843**

**More information regarding the restatements made in the amounts of the year ended 31 December 2020 is given in note 2.1.2*

The notes on pages 26 to 86 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 linked 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 11 May 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.

The number of staff as at 31 December 2021 was amounted to 163 (2020: 157).

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
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 6 April 2022 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 was controlled until the 14th of July 2021 jointly by Colonnade Finance S.à rl, a member of the Fairfax Group, and OPG Commercial Holdings (Lux) S.àrl. On July 14th, 2021, Colonnade Finance S.àrl exercised its option to purchase the remaining shares in Costa from OPG Commercial Holdings (Lux) S.àrl. Costa is now wholly owned by Colonnade Finance S.àrl. The remaining 20% of the share capital of the Company is held by Eurobank S.A. (hereinafter referred to as "Eurobank") which is a related party.

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 2021 and 2020, 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

In 2021, economic activity in Greece recovered with high rates, after the significant recession of -9% recorded in 2020, due to the pandemic and social distancing measures imposed to address it. According to forecasts announced by the Hellenic Statistical Authority (ELSTAT), the growth rate for the Greek economy is expected to exceed 8% for the whole of 2021, which is the third highest growth rate in the Eurozone. This development is mainly attributed to the increase in private consumption, which was enhanced by the increase in disposable income, while a significant role was played by exports of goods and services, public consumption and the increase in companies' investments. The insurance market, which followed the general course of GDP, also recorded a similar growth in 2021.

Russia's recent military action in Ukraine and the response of European countries and the United States in the form of economic sanctions may affect the global and domestic economies and lead to higher inflationary pressures and increases in energy prices.

The Company closely monitors developments in the international and greek macroeconomic environment and, taking into account its exposure to financial and insurance risks, examines on a daily basis the possible effects of fluctuating market conditions and has increased its readiness to decision making in terms of protective measures against economic consequences of both the pandemic and recent geopolitical events in Ukraine.

The Management of the Company systematically monitors its capital adequacy in accordance with Solvency II requirements and takes the appropriate actions to maintain a strong capital base and a high-quality investment portfolio. As at 31 December 2021, the eligible own funds of the Company outweigh the Solvency Capital Requirement.

2.1.1 Adoption of International Financial Reporting Standards (IFRS)

i) 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 2021:

IFRS 16, Amendment - COVID-19 Related Rental Concessions

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 did not have an impact on the Company's financial statements.

IFRS 4, Amendment - Extension of the provisional exemption from the application of IFRS 9

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 January 2023.

IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Amendments - Interest rate benchmark reform - Phase 2

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 did not have an impact on the Company's financial statements.

ii) New standards, amendments to standards and new interpretations not yet adopted by the Company

A number of new standards and amendments to existing standards will enter into force after 2021, as they have not yet been adopted for use in the European Union or the Company has not has adopted them earlier than the date of their mandatory application. What may be related to the Company are as follows:

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 contracts. 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 € 2.321,0 mil., € 2.478,2 mil. and € 2.638,6 mill. for 31 December 2019, 31 December 2020 and 31 December 2021 respectively, and represent a percentage of 93,9% ,93,8% and 95,7% 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, adopted by the EU)

IFRS 17 was issued in May 2017 and, together with Amendments to IFRS 17 issued in June 2020, replaces IFRS 4. IFRS 17 establishes the principles for the identification, measurement and presentation of insurance policies that fall within the scope of the standard as well as the relevant disclosures. The purpose of the standard is to ensure that an entity provides relevant information that provides a reasonable picture of these contracts. The new standard solves the comparability problems created by IFRS 4 as it requires all insurance policies to be accounted for consistently. Insurance liabilities will be measured at current values and not at 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 Rental Concessions - Extended Period (effective from 1 April 2021, adopted by the EU)

The amendment extends the application period of the practical expedient provided for rent concessions under one year to cover the reductions in rents due on or until 30 June 2022. The adoption of the amendment is not expected to have an impact on the Company's financial statements.

IAS 16, Amendment - Property, Plant and Equipment – Proceeds before Intended Use (effective from 1 January 2022, adopted by the EU)

The amendment prohibits an entity from deducting from the cost of an item of Property, Plant & Equipment 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, 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, 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.

IFRS 3, Amendment - Reference to the Conceptual Framework (effective from 1 January 2022, adopted by the EU)

The amendment updated the standard to refer to the Conceptual Framework for the Financial Reporting issued in 2018, when it is necessary to determine what constitutes asset or liability in a business combination. In addition, an exemption was added for certain types of liabilities and contingent liabilities acquired in a business combination. Finally, it is clarified that the acquirer should not recognize any 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.

IAS 1, Amendments - Presentation of Financial Statements and Second IFRS Practice Statement Disclosure of accounting policies (effective from 1 January 2023, adopted by the EU)

Amendments require companies to provide information regarding their accounting policies when they are essential and provide guidance on the meaning of the essential when applying it to accounting policy disclosures. The adoption of the amendments is not expected to have an impact on the Company's financial statements.

IAS 8, Amendments - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective from 1 January 2023, adopted by the EU)

The amendments clarify how companies should discern changes in accounting policies from changes in accounting estimates. The adoption of the amendments is not expected to have an impact on the Company's financial statements.

IAS 12, Amendments - Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (effective from 1 January 2023, not adopted by the EU)

The amendments require companies to recognize deferred tax on specific transactions that, upon initial recognition, lead to equal amounts of taxable and deductible temporary differences. This usually applies to transactions such as leases for tenants and recovery obligations. The adoption of the amendments is not expected to have a significant impact on the Company's financial statements.

IFRS 17, Amendment - Initial Application of IFRS 17 and IFRS 9 - Comparative Information (effective from 1 January 2023, not adopted by the EU)

Amendment is a transition option related to comparative information on financial assets are presented in the original application of IFRS 17. The amendment is intended to help entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve the usefulness of comparative information for users of financial statements. The Company is currently examining the impact of the application of IFRS 17 and IFRS 9, which cannot be quantified at the date of publication of these financial statements.

Annual improvements to IFRS 2018–2020 (effective from 1 January 2022, 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.

iii) Decision of the International Financial Reporting Interpretation Committee (IFRIC)

IAS 19, Employee Benefits - Distribution of Employment Benefits

In May 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) IAS 19 regarding the distribution of benefits over periods of service. The decision includes explanatory material on the manner of distribution of benefits in periods of service on a specific program of defined benefits (analogous to that defined in article 8 of L.3198 / 1955 regarding the provision of compensation due to retirement). This explanatory information differs from the way in which the basic principles and rules of IAS 19 have been applied in the past. which the employee's service leads for the first time to benefits under the terms of the program until the date on which further service by the employee will lead to insignificant amounts of additional benefits. The final decision of the Commission was treated as a retroactive change of accounting policy in accordance with IAS 8 "Accounting policies, changes in accounting estimates and errors". The impact of the above decision on the financial statements of the Company is described in detail in Note 2.1.2.

2.1.2. Accounting Policies, Changes in Accounting Estimates and Errors

Changes in Accounting Policies

Changes in accounting policies are recorded retrospectively in the financial statements of all periods that are disclosed with the financial statements of the current period, so that the items presented are comparable. In the year ended 31 December 2021 there was a need for such a change.

More specifically, in May 2021, the International Financial Reporting Standards Interpretations Committee (IFRIC) issued a final decision on the application of IAS 19 regarding the allocation of benefits over periods of service.

The Company, until the issuance of the Decision of IFRIC, distributed the cost of benefits provided by article 8 of Law 3198/1955, Law 2112/1920 and its amendment by Law 4093/2012 in the period from recruitment until the date of retirement of employees. Now, based on the decision of IFRIC, the distribution of benefits is made in the last 16 years until the date of retirement of employees following the scale of Law 4093/2012.

Therefore, the Company, implementing the program of defined benefits, provided by the provisions of article 8 of Law 3198/1955, distributes the exit benefits of the staff from the service per year of service of the employees, during the period of the last 16 years before leaving the service, in accordance with the conditions of establishment for receiving a full pension. This period is the reasonable basis for the formation of the relevant provision, as beyond this period the retirement benefits are not substantially increased. A reasonable basis for completing the formation of the provision for severance pay is considered the 62nd year of age of employees, so the distribution of retirement benefits takes place from the 46th to the 62nd years of age, subject to those cases where the retirement age is proven to be over 62 years, in which case the start-up time varies accordingly.

Based on the above, the firm recalculated in the financial statements for the year ended 31 December 2021 the provision for "Employee benefits" for the years ended 31 December 2019 and 31 December 2020 and restated the comparative information presented in the financial statements. for the year ended 31 December 2021. The effects of this restatement are presented in the tables below:

STATEMENT OF FINANCIAL POSITION

(amounts in € thousand)	Notes	Published Data 31/12/2019	Changes in accounting policy	Restated Data 31/12/2019
EQUITY AND LIABILITIES				
Reserves	**20**	482.884	105	482.989
Retained earnings		50.564	-	50.564
Total equity		**641.596**	**105**	**641.701**
Employee benefits	**23**	606	(138)	468
Deferred tax liabilities	**10**	107.680	33	107.713
Total Liabilities		**2.472.504**	**(105)**	**2.472.399**
Total Equity and Liabilities		**3.114.100**	**-**	**3.114.100**

(amounts in € thousand)	Notes	Published Data 31/12/2020	Changes in accounting policy	Restated Data 31/12/2020
EQUITY AND LIABILITIES				
Reserves	**20**	448.183	116	448.299
Retained earnings		102.525	(2)	102.523
Total equity		**658.856**	**114**	**658.970**
Employee benefits	**23**	666	(150)	516
Deferred tax liabilities	**10**	77.125	36	77.161
Total Liabilities		**2.642.397**	**(114)**	**2.642.283**
Total Equity and Liabilities		**3.301.254**	**-**	**3.301.254**

INCOME STATEMENT

(amounts in € thousand)	Notes	Published Data from 01/01 to 31/12/2020	Changes in accounting policy	Restated Data from 01/01 to 31/12/2020
Administrative expenses	**35**	(31.757)	(2)	(31.760)
Profit before tax		**135.278**	**(2)**	**135.276**
Income tax expense	**36**	(32.753)	1	(32.752)
Profit for the year		**102.525**	**(2)**	**102.523**

STATEMENT OF COMPREHENSIVE INCOME

(amounts in € thousand)	Published Data from 01/01 to 31/12/2020	Changes in accounting policy	Restated Data from 01/01 to 31/12/2020
Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods:			
Restated Remeasurement of past employment benefit obligation, net of tax	(31)	13	(18)
Other comprehensive income for the year, net of tax	**(85.049)**	**13**	**(85.036)**
Total comprehensive income for the year, net of tax	**17.476**	**11**	**17.487**

STATEMENT OF CHANGES IN EQUITY

(amounts in € thousand)	Share capital	Share Premium	Reserves	Retained earnings	Total
Published Balance as at 1 January 2020	**29.134**	**79.014**	**482.884**	**50.564**	**641.596**
Changes in accounting policy	-	-	105	-	105
Restated Balance as at 1 January 2020	**29.134**	**79.014**	**482.989**	**50.564**	**641.701**
Restated profit for the year	**-**	**-**	**-**	**102.523**	**102.523**
Restated remeasurement of post-employment benefit obligations,net of tax	-	-	(18)	-	(18)
Restated other comprehensive income for the year,net of tax	**-**	**-**	**(85.036)**	**-**	**(85.036)**
Restated total comprehensive income for the year,net of tax	**-**	**-**	**(85.036)**	**102.523**	**17.487**
Total transactions with shareholders	**-**	**-**	**50.347**	**(50.564)**	**(217)**
Restated Balance as at 31 December 2020	**29.134**	**79.014**	**448.299**	**102.523**	**658.971**

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 differences (gains/ 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, 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 the acquisition cost of the property, plant and equipment to their 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 amortization and accumulated impairment losses. Intangible assets are periodically reviewed for impairment and any impairment loss is recognized directly to the income statement.

Amortization 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 paid 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 2021 and 2020.

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 financial assets 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 requirements of the plan, they participate in the return of the above investments. The contributions made by the Company are recognized as an expense in the period in which they occur.

ii) Defined post-employment benefit plans

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 during the last 16 years of service of the employees until the date of retirement, 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 23).

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.

iii) Employee termination benefits

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. Cash 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 and investment 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’s 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) <u>Right of use asset</u>

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) <u>Lease liabilities</u>

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 of the Company ; 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 liability and as a deduction in the Company’s equity at the time at which they are approved by the General Assembly of the Company's shareholders. Interim dividends are recognized as a liability and 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 by the Company 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.

Iinvestment management fees arise from services rendered, which 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.

When an interest bearing asset is impaired, its carrying amount is reduced to its recoverable amount, which is the present value of the expected future cash flows discounted at the original effective interest rate. Interest is subsequently calculated at the same interest rate on the impaired (new book value).

Dividend income

Dividend income from financial assets is recognized in the income statement when the right to receive them has been substantiated.

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)

As of December 31, 2020, the Company held 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 had 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, 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 that had resulted from the exchange of 15 November 2017 as well as subsequent GGBs issues of the Hellenic Republic. This spread which represented 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 a range that is considered reasonable based on market conditions.

On December 17, 2021 the Hellenic Republic implemented a program of voluntary exchange of Greek Government Bonds (SWAP), based on which the holders of government bonds issued during the restructuring of the Greek debt in 2012 (PSI GGBs) and which expired from 2023 to 2042, they could exchange their bonds for 4 new bond issues expiring in 2027, 2033, 2037 and 2042 (new GGBs).

The purpose of the call for exchanges was to align the terms of the outstanding debt of the Hellenic Republic with the market standards for government issuers, in order to normalize their yield curve and to provide the market with limited series of new GGBs, which are expected to be significantly more liquid than PSI GGBs.

The Company participated in the voluntary exchange with PSI GGBs with a nominal value of € 462,095 thousand. The exchange was considered as a "Modification" of the existing PSI GGBs terms, as the new terms were not considered to be substantially different from the terms of the PSI GGBs. Therefore, the transaction did not result to the "De-recognition" of PSI GGbs and had no effect on the Company's income statement (see note 12).

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 is a committee of the Board of Directors.

The main responsibilities of the Committee is:

- to ensure and provide assurance to the BoD regarding the continuous compliance with Solvency II Capital Requirements;
- to develop appropriate risk strategies for all types of risks potentially affecting the Company;
- to establish the principles and rules governing risk identification, assessment, measurement, monitoring, management and reporting of risks including asset-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 Company;
- to monitor, review and confirm 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 monitor the Company's compliance with the legal and regulatory framework governing its full range of operations;
- to establish appropriate communication channels with the respective committees of the subsidiaries.

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 Company; develop and adopt the appropriate methodology for management of all major risks to which the Company 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 insurance subsidiaries' 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;
- calculation and validation 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 test);
- establish, implement and monitor projects in the area of Information Security in order to be within the Company'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, 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);
- establish (and annually revise) 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 which includes; assessment of the criticality of activities before outsourcing, risk assessment of cloud computing services, Operational Risk Assessments (ORA) etc.

- participate in Reinsurance Committee aiming to contribute in the development of reinsurance program 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 87,4% of the total business (31 December 2020: 81,0%). 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 0,52% of total production (31 December 2020: 2,2%), Unit Linked products of single premium at approximately 78% of total production (31 December 2020: 51,8%) and insurance contracts of periodic payments (savings plan, pension plans and insurance protection of borrowers/ primary health coverage) at approximately 21,4% of total written premiums (31 December 2020: 46,1%).

The distribution of the portfolio in terms of written insurance premium for individual-group insurance, Unit Linked and DAF products for the current period amounts to 25%,68% and 6% 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 31 December 2021	**Before reinsurance**		**After reinsurance**	
	(amounts in € millions)	**%**	*(amounts in € millions)*	**%**
0-6.000	169,0	6,8	169,2	10,1
6.000-15.000	231,1	9,3	177,9	10,6
15.000-20.000	99,3	4,0	81,3	4,8
>20.000	1.994,6	80,0	1.249,2	74,5
Total	**2.494,1**	**100,0**	**1.677,7**	**100,0**

Sum assured per life assured 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**

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 2021	**Total annuities payable**	
	(amounts in € millions)	%
0-500	4,7	9
500-1.000	10,4	20
1.000-2.000	12,0	23
2.000-3.000	6,6	13
3.000-4.000	4,4	9
4.000-5.000	4,0	8
5.000-6.000	1,8	4
6.000-8.000	2,5	5
8.000-10.000	1,7	3
>10.000	3,3	6
Total	**51,3**	**100**

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**

- **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 2020: 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.

- **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 for the Deposit Administration Funds (DAF) at the end of the current year resulted formation need in additional reserves of €8,8 mil. (31 December 2020: the additional reserves were €30,8 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	
		31/12/2021	31/12/2020
(amounts in € thousand)			
Increase in lapses and surrenders rates	10%	(3.228)	(4.900)
Decrease in lapses and surrenders rates	-10%	3.377	5.148
Increase in administrative expenses	10%	6.294	6.376
Decrease in administrative expenses	-10%	(6.301)	(6.384)
Decrease in surrenders upon retirement	-10%	8.161	11.971
Increase in interest rates	0,50%	(48.948)	(57.065)
Decrease in interest rates	-0,50%	52.058	60.399

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.

(amounts in € thousand)	Change	Impact on the adequacy of insurance reserves 31/12/2021	Impact on the adequacy of insurance reserves 31/12/2020
Increase in lapses and surrenders rates	10%	(3)	(290)
Decrease in lapses and surrenders rates	-10%	3	297
Increase in administrative expenses	10%	780	923
Decrease in administrative expenses	-10%	(780)	(921)
Increase in interest rates	0,50%	(2.599)	(11.962)
Decrease in interest rates	-0,50%	3.961	14.860

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 0,70% (31 December 2020: 0,75%).

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, €6.000 or €10.000 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 structure of its asset portfolio: 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 2021 and 2020.

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	**31/12/2021**	**31/12/2020**
(amounts in € thousand)		
Financial assets at FVTPL:		
-Derivative financial instruments	-	101
- Financial assets where the policyholders bear the investment risk (Unit Linked)	558.782	300.505
- Financial assets held for trading	929.351	1.155.758
Available for sale financial assets	1.294.474	1.390.385
Financial assets classified as loans and receivables	38.982	78.576
Insurance receivables	7.404	7.196
Other receivables	4.478	4.648
Reinsurance receivables	1.945	1.750
Cash and cash equivalents	421.316	255.843
Total assets bearing credit risk	**3.256.733**	**3.194.763**

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 2021, 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 (amounts in € thousand)	**Rating Fitch**	**31/12/2021**	**Rating Fitch**	**31/12/2020**
Greece	BB	1.617.871	BB	2.004.036
Germany	AAA	96.995	AAA	103.271
Spain	A-	29.684	A-	31.070
Italy	BBB-	4.180	BBB-	4.405
Ireland	A+	33.535	A+	53.685
South Africa	BB-	77.055	BB-	75.877
USA	AAA	-	AAA	70.167
Total		**1.861.319**		**2.342.510**

Corporate Bonds (amounts in € thousand)	**Rating Fitch**	**31/12/2021**	**Rating Fitch**	**31/12/2020**
Financial institutions (Banks)	NR	11.979	-	-
Non-financial institutions (Other commercial companies)	BBB+	-	BBB+	18.073
	BBB	-	BBB	8.150
	BB	11.393	BB	6.393
	NR	182	NR	-
Total		**23.553**		**32.616**

As at 31 December 2021 and 2020, the largest concentration in the Company's debt securities portfolio is in European sovereign debt which constitute a 94,7% and 92,5% respectively of the total debt securities portfolio and 55% and 69% 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 (50% of total investments) and € 1.617.538 thousand (63% of total investments) as of 31 December 2021 and 2020, 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 2021 amounts to 78,2% (2020: 67,3%). 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	**31/12/2021**	**31/12/2020**
(amounts in € thousand)		
Company's network	556	248
Bancassurance	2.656	2.873
Agents and brokers	4.192	4.075
Total	**7.404**	**7.196**

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 2021 and 31 December 2020, the cash placements to Eurobank group amounted to € 31.442 thousand and € 26.135 thousand respectively.

The following table presents the financial assets by credit rating category as at 31 December 2021 and 2020:

				31 December 2021						
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	-	-	-	96.995	-	-	-	-	-	**96.995**
AA+	-	-	-	-	-	-	42	350	-	**392**
AA-	-	-	-	-	-	-	-	1.520	241.972	**243.492**
A+	-	-	-	35.868	-	-	632	65	-	**36.565**
A-	-	-	-	29.684	-	-	-	-	-	**29.684**
BBB	-	-	-	4.180	-	-	-	-	-	**4.180**
BB	-	406	851.850	777.080	-	-	-	-	-	**1.629.336**
B	-	286	-	-	-	-		-	-	**286**
B-	-	442	1.549	51.521	-	-	-	-	79.247	**132.759**
BB-	-	431	-	77.055	-	-	-	-	-	**77.486**
CCC+	-	-	-	-	-	-	4	-	100.095	**100.099**
Non Rated	-	557.217	75.951	222.092	38.982	7.404	3.800	10	2	**905.459**
Total	**-**	**558.782**	**929.351**	**1.294.474**	**38.982**	**7.404**	**4.478**	**1.945**	**421.316**	**3.256.733**

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**

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 2021								
	Trade Portfolio	**AFS Portfolio**	**Loans**	**Derivatives**	**Insurance Receivables**	**Re-insurance Receivables**	**Other Receivables**	**Total**
(amounts in € thousand)								
Neither past due nor impaired financial assets	**929.351**	**1.229.635**	**38.982**		**-**	**1.945**	**4.444**	**2.204.358**
Past due but not impaired financial assets	-	-	-	-	-	-	-	**-**
Past due by:								
1 to 90 days	-	-	-	-	7.328	-		**7.328**
> 90 days	-	-	-	-	76	-	34	**110**
Total	**929.351**	**1.229.635**	**38.982**	**-**	**7.404**	**1.945**	**4.478**	**2.211.796**
Impaired financial assets								
Gross carrying value of financial assets	**-**	**67.360**	**-**	**-**	**34**	**-**	**726**	**68.120**
Less: impairment allowance								
Impairment allowances on individually assessed financial assets	-	(2.521)	-	-	(34)	-	(726)	**(3.281)**
Net carrying value of financial assets	**929.351**	**1.294.474**	**38.982**	**-**	**7.404**	**1.945**	**4.478**	**2.276.635**

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**

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 2021	**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)	3.321	1.669	-	4.990
- Financial assets held for trading	851.850	-	-	851.850
Available for sale financial assets	245.142	710.826	77.055	1.033.022
Financial assets classified as loans and receivables	-	38.982	-	38.982
Cash and cash equivalents	408.344	12.972	-	421.316
Total	**1.508.657**	**764.449**	**77.055**	**2.350.161**

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	931.107	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**	**1.009.683**	**75.877**	**2.712.861**

Analysis of interest bearing financial assets by type of rate:

31 December 2021	**Fixed rate**	**Floating Rate**	**Total**
(amounts in € thousand)			
Financial assets at FVTPL:			
- Financial assets where the policyholders bear the investment risk (Unit Linked)	4.990	-	4.990
- Financial assets held for trading	851.850	-	851.850
Available for sale financial assets	1.033.022	-	1.033.022
Financial assets classified as loans and receivables	-	38.982	38.982
Cash and cash equivalents	421.316	-	421.316
Total	**2.311.178**	**38.982**	**2.350.161**

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)	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	1.220.392
Financial assets classified as loans and receivables	-	78.576	78.576
Cash and cash equivalents	255.843	-	255.843
Total	**2.634.284**	**88.369**	**2.712.861**

(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 9,1% at 31 December 2021 (2020: 7,7%), and is summarized below:

% of Investment portfolio under management	31 December 2021	31 December 2020
Exposure to listed equity markets	7,0%	6,0%
Exposure to REITS	2,1%	1,7%
Total Equities & MF's Exposure	**9,1%**	**7,7%**

(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 2021 amounted to 5,2% (2020: 6,9%) and is not considered significant.

The table below presents the Company's exposure to foreign currency exchange rate risk as at 31 December 2021 and 2020 respectively. The table includes the Company's assets and liabilities at carrying amounts categorized by currency.

	31 December 2021					
(amounts in € thousand)	EUR	USD	RON	GBP	ZAR	Total
ASSETS						
Deferred acquisition costs (DAC)	29.476	-	-	-	-	29.476
Investments in subsidiaries	15.327	-	4.092			19.419
Investments in joint ventures	56.250	-	-	-	-	56.250
Financial assets at FVTPL:						-
-Derivative financial instruments	-	-	-	-		-
- Financial assets where the policyholders bear the investment risk (Unit Linked)	558.782	-	-	-	-	558.782
- Financial assets held for trading	929.351	-	-	-	-	929.351
Available for sale financial assets	1.138.449	78.696	274	-	77.055	1.294.474
Financial assets classified as loans and receivables	38.982	-	-	-	-	38.982
Cash and cash equivalents	404.744	3.780	-	1	12.792	421.316
Insurance receivables	7.404	-	-	-	-	7.404
Reinsurance receivables	1.945	-	-	-	-	1.945
Other assets	18.106	-	-	-	-	18.106
Total assets	**3.159.834**	**82.476**	**4.367**	**1**	**89.846**	**3.375.506**

LIABILITIES						
Technical reserves and other insurance provisions	2.624.924	-	-	-	-	2.624.924
Financial liabilities	13.629	-	-	-	-	13.629
Other Liabilities	119.808	-	-	-	-	119.808
Total liabilities	**2.758.361**	**-**	**-**	**-**	**-**	**2.758.361**
Total Equity	**440.455**	**82.476**	**4.367**	**1**	**89.846**	**617.145**

	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	164.060	-	-	-	-	164.060
Total liabilities	**2.642.283**	**-**	**-**	**-**	**-**	**2.642.283**
Total Equity	**431.188**	**70.167**	**4.367**	**77.372**	**75.877**	**658.971**

(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 2021	**31 December 2020**
(amounts in € milion)		
Total VaR	**19,5**	**27,4**

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 in order to effectively manage liquidity risk, it has established, recorded and followed a set of documents consisting of the Liquidity Risk Management Policy and a specific Implementation Directive.

Specific principles govern these documents and ensure the effective management which is mainly achieved by holding sufficient cash and cash equivalents as well as highly marketable financial assets that are easy to liquidate to meet operational needs. In addition, the time mismatch of cash inflows and outflows is monitored. 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 2021	Carrying Value	0-1 months	1-3 months	3-12 months	> 1 year	Total
Financial Liabilities						
(amounts in € thousand)						
Reinsurance payables	313	-	313	-	-	**313**
Agents and Insurance Brokers	10.656	9.387	1.218	51	-	**10.656**
Other creditors	1.361	1.023	337	-	-	**1.361**
Lease liabilities	3.161	42	84	385	2.650	**3.161**
Other liabilities	31.134	645	1.026	21.450	8.013	**31.134**
Total financial liabilities	**46.625**	**11.097**	**2.978**	**21.886**	**10.663**	**46.625**

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**

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

31 December 2021	Carrying Value	0-1 years	1 - 3 years	3-5 years	5-10 years	>10 years	Total
(amounts in € thousand)							
Outstanding claims	46.638	37.145	7.015	2.093	265	120	**46.638**
Unearned premiums	13.946	13.946	-	-	-	-	**13.946**
Technical Reserves – Life individual	1.810.031	144.027	340.357	480.348	642.198	361.035	**1.967.965**
Technical Reserves – Pensions (DAF)	207.919	11.009	140.159	-596	6.968	56.233	**213.772**
Unit Linked	546.390	21.047	102.917	100.586	242.377	13.358	**480.285**
Total Life Insurance Reserves	**2.624.924**	**227.174**	**590.448**	**582.431**	**891.808**	**430.746**	**2.722.607**
Investment Contracts							
Unit Linked	13.629	3.194	1.065	426	4.685	4.259	**13.629**
Total investment contracts	**13.629**	**3.194**	**1.065**	**426**	**4.685**	**4.259**	**13.629**
Total Life Insurance Reserves	**2.638.553**	**230.368**	**591.513**	**582.857**	**896.493**	**435.005**	**2.736.236**

31 December 2020	Carrying Value	0-1 years	1 - 3 years	3-5 years	5-10 years	>10 years	Total
(amounts in € thousand)							
Outstanding claims	43.831	35.543	5.549	2.363	284	92	**43.831**
Unearned premiums	11.756	11.756	-	-	-	-	**11.756**
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 Insurance Reserves	**2.478.223**	**198.381**	**356.007**	**409.746**	**937.371**	**734.651**	**2.636.156**

(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 2021	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:	19.986	19.986	-	-	-	-	**19.986**
Listed debt securities:	57.515	57.515					**57.515**
– Fixed rate							
Available for sale:	851.850	851.850	-	-	-	-	**851.850**
Listed equity securities							
Unlisted equity securities	86.613	86.613	-	-	-	-	**86.613**
Listed debt securities:	174.840	174.840	-	-	-	-	**174.840**
– Fixed rate							
– Floating rate	1.033.022	354.727	288.437	208.427	250.858	213.605	**1.316.054**
Loans and receivables:							
- Floating rate loans	38.982	40.524	-	-	-	-	**40.524**
Derivative financial instruments							
Cash and cash equivalents	421.316	421.316	-	-	-	-	**421.316**
Total	**2.684.124**	**2.006.520**	**288.437**	**208.427**	**250.858**	**213.605**	**2.967.847**

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	**2.078.534**	1.175.502	649.431	257.409	56.935	103.044	**2.242.321**

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**

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 is described in relevant documents and / or policies and includes methodologies related to: Risk Control Self-Assessment, scenario evaluation, Fraud risk exposure assessment (FRA).), the evaluation of outsourcing relations (ORA), the evaluation of cloud computing service providers, the conduct risk assessment of business practices (conduct risk assessment), the management of operational risk events (operational losses).

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. On a quarterly basis the results of the calculations are submitted to the Supervising Authority. Estimates on SCRs and eligible Equity are made on an ongoing basis, depending on the needs

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 2021 and 31 December 2020, 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 2021	**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	558.782	-	-	558.782
- Financial asset held for trading	871.836	57.515	-	929.351
Available for sale financial assets	1.121.025	167.784	5.666	1.294.474
Total Financial Assets	**2.551.643**	**225.298**	**5.666**	**2.782.607**
Financial Liabilities		-	-	
Investment contract liabilities	13.629	-	-	13.629
Total Financial Liabilities	**13.629**	**-**	**-**	**13.629**

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**

The change in the value of financial assets that have been categorized at Level 3 from € 3.295 thousand on December 31, 2020 to € 5.666 thousand on December 31, 2021 is mainly due to fair value changes.

No reclassifications were made between levels 1 and 2 during the year ended 31 December 2021 and 2020, respectively.

As of 31 December 2021 the Company did not had in its possession Greek Government bonds issued during the restructuring of the Greek debt in 2012 and were classified as Level 2 of the hierarchy of IFRS 13 ("PSI GGBs") (2020: € 637.280 thousand). The change in the value of financial assets that have been classified as Level 2 from € 732.600 thousand on 31 December 2020 to € 225.298 thousand on 31 December 2021 is attributed by € 637.280 thousand to the Company's participation in the exchange of Greek Government bonds , by € 119.740 thousand in purchases and by € 10.197 thousand in fair value differences. The valuation method used is described in detail in note 3.

(b) Financial assets and liabilities 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 2021	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**	**Total Book Value**
(amounts in € thousand)					
Financial assets					
Financial assets Loans and Receivables	-	38.432	-	38.432	38.432
Total financial assets	**-**	**38.432**	**-**	**38.432**	**38.432**

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 € 78.576 on December 31, 2020 to €38.982 thousand on December 31, 2021 is due to the partial repayment of loans 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 2021	**118**	**363**	**2.267**	**2.747**
Additions	10	-	27	37
Sales and write offs	(31)	-	-	(31)
Balance at 31 December 2021	**96**	**363**	**2.293**	**2.752**
Accumulated depreciation:				
Balance at 1 January 2021	**(68)**	**(233)**	**(1.731)**	**(2.032)**
Depreciation charge	(12)	(71)	(192)	(275)
Sales and write offs	15	-	-	15
Balance at 31 December 2021	**(64)**	**(304)**	**(1.922)**	**(2.291)**
Net book value at 31 December 2021	**32**	**59**	**371**	**462**

(amounts in € thousand)	Leasehold improvements	Vehicles	Furniture and other equipment	Total
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**

As at 31 December 2021 and 2020 there were no capital commitments for property, plant and equipment.

NOTE 6: RIGHT OF USE ASSET AND LEASE LIABILITIES

The movements of the Company's right of use assets for the year ended 31 December 2021 and 2020 respectively, are presented in the table below:

(amounts in € thousand)	Buildings	Vehicles	Other Equipment	Total
Cost:				
Balance at 1 January 2021	4.407	134	199	4.739
Additions	-	96	22	118
Reductions	(131)	(20)	(120)	(271)
Modifications	0	-	-	-
Balance at 31 December 2021	**4.276**	**210**	**100**	**4.586**
Accumulated Depreciation:				
Balance at 1 January 2021	(1.012)	(77)	(146)	(1.235)
Depreciation charge	(499)	(37)	(11)	(547)
Reductions	62	18	67	148
Balance at 31 December 2021	**(1.449)**	**(96)**	**(89)**	**(1.634)**
Net book value at 31 December 2021	**2.828**	**114**	**11**	**2.953**

(amounts in € thousand)	Buildings	Vehicles	Other Equipment	Total
Cost:				
Balance at 1 January 2020	4.376	113	174	4.664
Additions	-	20	-	20
Modifications	31	-	25	56
Balance at 31 December 2020	**4.407**	**134**	**199**	**4.739**
Accumulated Depreciation:				
Balance at 1 January 2020	(484)	(36)	(65)	(585)
Depreciation charge	(528)	(41)	(81)	(650)
Balance at 31 December 2020	**(1.012)**	**(77)**	**(146)**	**(1.235)**
Net book value at 31 December 2020	**3.395**	**57**	**53**	**3.505**

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

(amounts in € thousand)	31/12/2021	31/12/2020
Short-term lease liabilities	511	551
Long-term lease liabilities	2.650	3.117
Total	**3.161**	**3.668**

Additionally, lease liabilities are due as follows:

(amounts in € thousand)	31/12/2021	31/12/2020
Within a year	511	551
Within the second year	516	529
From 3 to 5 years	1.605	1.509
After 5 years	529	1.079
Total lease liabilities	**3.161**	**3.668**

In addition, the amounts recognized by the Company in the income statement for the years 2021 and 2020 relating to leases, are as follows:

(amounts in € thousand)	01/01-31/12/2021	01/01-31/12/2020
Depreciation charge of right of use assets	(547)	(650)
Interest expense on lease liabilities	(165)	(192)
Expenses related to short-term leases and non-lease components	(103)	(101)
Variable lease expense not included in the measurement of lease liabilities	(4)	(7)
Total	**(819)**	**(950)**

NOTE 7: INTANGIBLE ASSETS

(amounts in € thousand)	Software	Trademarks	Total Intangible Assets
Cost:			
Balance at 1 January 2021	**8.254**	**5**	**8.259**
Additions	1.778	-	1.778
Disposals and Write-offs	-	-	-
Balance at 31 December 2021	**10.033**	**5**	**10.038**
Accumulated Depreciation:			
Balance at 1 January 2021	**(5.488)**	**(3)**	**(5.490)**
Depreciation charge	(746)	0	**(747)**
Disposals and Write-offs	-	-	-
Balance at 31 December 2021	**(6.234)**	**(3)**	**(6.237)**
Net book value at 31 December 2021	**3.799**	**2**	**3.801**

(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 Depreciation:			
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**

NOTE 8: DEFERRED ACQUISITION COSTS (DAC)

(amounts in € thousand)	31/12/2021	31/12/2020
Technical Reserves	26.980	27.915
Acquisition costs	2.496	2.167
Total DAC	**29.476**	**30.082**

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
Balance at 1 January 2021	**27.915**	**2.167**	**30.082**
Capitalization	577	477	**1.054**
Amortization	(1.513)	(147)	**(1.660)**
Balance at 31 December 2021	**26.980**	**2.496**	**29.476**

(amounts in € thousand)	Technical Reserves	Acquisition Costs	Total DAC
Balance at 1 January 2020	**26.404**	**1.875**	**28.279**
Capitalization	2.455	417	**2.871**
Amortization	(944)	(125)	**(1.069)**
Balance at 31 December 2020	27.915	**2.167**	**30.082**

NOTE 9: INVESTMENT IN SUBSIDIARIES AND JOINT VENTURES

Investment in subsidiaries

	2021	2021
(amounts in € thousand)	EUROLIFE FFH ASIGURARI DE VIATA	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

	2020	2020
(amounts in € thousand)	EUROLIFE FFH ASIGURARI DE VIATA	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

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 in Greece and abroad.

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 amounted 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 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, and specifically €15 mil. were paid by Grivalia Properties, €15mil were paid by tha Company and €30 mil. by the New Investor. Following this share capital increase, GH's paid up share capital amounted to €180 mil. and will 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 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 Company paid € 5 mil. 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.

On March 9, 2021, the Company participated in the new share capital increase of GH, amounting to € 25 mil.. The increase was fully covered by the existing shareholders of GH in proportion to its share capital. Specifically the Company paid € 6,25 mil. and the additional € 18,75 million was paid by the other shareholders of GH. After the completion of the increase, the paid share capital of GH now amounts to € 225,0 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 2021 amount to € 416.735 thousand (2020: € 355.948 thousand) and € 167.308 thousand (2020: € 139.848 thousand), respectively. The equity of the GH Group net of non-controlling interest amounts to € 216.054 thousand (2020: € 181.118 thousand).

The most significant assets of the GH Group include the property for own use which at 31 December 2021 amount to €212.141 thousand (2020: €181.146 thousand), the investment properties amount to €124.706 thousand (2020: €102.117 thousand) and its bank deposits amounting to €25.954 thousand (2020: €26.993 thousand).

NOTE 10: DEFERRED TAX

(amounts in € thousand)	Opening Balance 01/01/2021	Changes in Income Statement	Changes in OCI	Closing Balance 31/12/2021
Valuation of Investments				
Fair value changes of available for sale financial assets	(80.635)	183	13.971	(66.481)
Changes in fair value of available for sale financial assets due to impairment	617	(62)	-	555
Changes in fair value of financial assets held for trading	(85)	(890)	-	(976)
Changes in the amortized cost of Financial assets classified as Loans and Receivables	(411)	290	-	(121)
Changes in the Fair Value of Derivative Financial Instruments	(24)	24	-	-
Miscellaneous Provisions				
Provision for staff leaving indemnities	124	5	(7)	122
Provision for unused personnel leave	73	(6)	-	67
Provision for other doubtful and disputed receivables	231	48	-	279
Other temporary differences	127	70	-	197
Foreign exchange differences of investment securities				
Changes in fair value due to foreign exchange differences	2.759	(814)	-	1.945
Property, plant and equipment				
Adjustment to the depreciation/ amortization of property, plant and equipment and intangible assets	62	13	-	76
Total Deferred Tax Assets / (Liabilities)	**(77.161)**	**(1.141)**	**13.963**	**(64.338)**

(amounts in € thousand)	Opening Balance 01/01/2020 Restated*	Changes in Income Statement	Changes in OCI	Closing Balance 31/12/2020 Restated*
Valuation of Investments				
Fair value changes of available for sale financial assets	(107.482)	-	26.848	(80.635)
Change in fair value of available for sale financial assets due to impairment	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	112	6	6	124
Provision for unused personnel leave	50	23	-	73
Provision for other doubtful and disputed receivables	233	(2)	-	231
Other temporary differences	137	(10)	-	127
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)	**(107.713)**	**3.698**	**26.854**	**(77.161)**

**More information regarding the restatements made in the amounts of the year ended 31 December 2020 is given in note 2.1.2*

The deferred tax movement from fair value changes of the available-for-sale financial assets is analyzed as follows: €4.918 thousand (2020: € 46.946 thousand) attributable to changes in fair value and € 9.235 thousand (2020: € (20.099) 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)	31/12/2021	31/12/2020
Government securities:		
Greek government	-	2.690
Foreign governments	-	-
Subtotal	**-**	**2.690**
Other issuers' securities:		
Banks	1.043	1.248
Other	555.305	296.473
Subtotal	**556.348**	**297.721**
Total	**556.348**	**300.411**
Bonds	2.556	3.221
Equity shares	8.270	8.131
Mutual Funds	545.522	289.059
Subtotal	**556.348**	**300.411**
Plus:		
Accrued interest from bonds	37	73
Cash and cash equivalents	2.398	21
Subtotal	**2.434**	**95**
Total	**558.782**	**300.505**

The movement of securities is as follows:

	2021	2020
Balance at 1 January	**300.505**	**172.048**
Additions	358.413	198.031
Sales / Liquidations	(122.871)	(70.768)
Changes in cash and cash equivalents	2.376	(1.750)
Changes in fair value	20.395	2.916
Changes in accrued interest	(37)	28
Balance at 31 December	**558.782**	**300.505**

NOTE 12: FINANCIAL ASSETS HELD FOR TRADING

(amounts in € thousand)	31/12/2021	31/12/2020
Government securities:		
Greek government	851.850	1.117.573
Foreign governments	-	37.161
Subtotal	**851.850**	**1.154.734**

Other issuers' securities:		
Banks	1.549	1.006
Other	75.951	18
Subtotal	**77.501**	**1.024**
Total	**929.351**	**1.155.758**
Treasury bills	851.850	1.154.734
Equity shares	19.986	1.024
Mutual Funds	57.515	-
Subtotal	**929.351**	**1.155.758**
Total	**929.351**	**1.155.758**

The movement of securities is as follows:

	2021	2020
Balance at 1 January	**1.155.758**	**312.996**
Additions	2.221.999	2.251.030
Sales / Liquidations	(2.450.506)	(1.407.532)
Bonds amortization and interest income of treasury bills	(2.381)	236
Foreign exchange differences	401	(318)
Fair value changes of debt securities	(228)	(78)
Fair value changes of equity securities	4.307	(575)
Balance at 31 December	**929.351**	**1.155.758**

NOTE 13: AVAILABLE FOR SALE FINANCIAL ASSETS

	31/12/2021	31/12/2020
(amounts in € thousand)		
Government securities:		
Greek government	749.713	868.333
Foreign governments	237.355	294.266
Subtotal	**987.068**	**1.162.599**
Other issuers' securities:		
Banks	51.521	33.442
Other	233.247	168.920
Subtotal	**284.768**	**202.362**
Total	**1.271.837**	**1.364.960**
Bonds	1.010.384	1.194.967
Equity shares	86.887	70.459
Mutual funds	174.565	99.534
Subtotal	**1.271.837**	**1.364.960**
Plus:		
Accrued interest from bonds	22.638	25.425
Subtotal	**22.638**	**25.425**
Total	**1.294.474**	**1.390.385**

The movement of securities is as follows:

	2021	2020
Balance at 1 January	**1.390.385**	**2.309.578**
Additions	81.559	293.334
Sales / Liquidations	(150.038)	(1.064.386)
Bonds amortization and interest income of treasury bills	6.841	4.650
Foreign exchange differences	2.256	(13.929)
Fair value change of debt securities	(70.032)	(94.782)
Fair value change of equity securities	36.242	(17.084)
Impairment of equity securities	49	(2.200)
Change in accrued interest	(2.787)	(24.795)
Balance at 31 December	**1.294.474**	**1.390.385**

The Hellenic Republic invited on 6 December 2021 the holders of Greek Government Bonds with maturity dates between 2023 and 2042, which were issued during the restructuring of the Greek debt in 2012 ("PSI GGBs"), to exchange them with 4 new bond issues ("New GGBs"). The Company, taking into account the financial consequences of the announced exchange program of PSI GGBs ("Exchange of GGBs") decided to participate in the program with all the PSI GGBs it held in the available for sale investment portfolio. Specifically, the Company proceeded to the exchange of PSI GGBs with a nominal value of € 462.095 thousand, which at the date of completion of the GGBs Exchange on 17 December 2022 had an amortized cost of € 355.545 thousand and unrealized gains of € 268.638 thousand.

The modification of the contractual cash flows of the bonds as a result of the Exchange of GGBs did not meet the criteria for the "De-recognition" of financial assets in accordance with IAS 39 and as a result the transaction was treated as a "Modification" of the contractual terms of the bonds. Therefore, after the Exchange of GGBs, the unrealized gains were not recycled in the income statement, but remained in the AFS reserve.

NOTE 14: FINANCIAL ASSETS CLASSIFIED AS LOANS AND ASSETS

	31/12/2021	31/12/2020
(amount in € thousand.)		
Loans		
Commercial Mortgage Loans	38.750	78.111
Total	**38.750**	**78.111**
Plus		
Accrued interest on loans	232	465
Total	**38.982**	**78.576**

The movement of loans is as follows:

(amounts in € thousand)	2021	2020
Balance at 1 January	**78.576**	-
Loans granted/(received)	(38.200)	76.400
Capitalized expenses	-	1.834
Loans amortization	(1.161)	(122)
Changes in accrued interest	(232)	465
Balance at 31 December	**38.982**	**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. During 2021, a loan with a nominal value of € 38.200 thousand was repaid.

NOTE 15: INSURANCE RECEIVABLES

(amounts in €thousand)	31/12/2021	31/12/2020
Insurance receivables up to 30 days	6.147	5.645
Insurance receivables between 30 to 90 days	1.515	1.602
Insurance receivables over 90 days	111	187
Provision for doubtful receivables	(34)	(53)
Less: premium prepayments	(334)	(184)
Total	**7.404**	**7.196**

Insurance receivables from the parent company and related parties represent 30,3% (2020: 12,3%) 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)	31/12/2021	31/12/2020
Reinsurance receivables (current accounts)	674	1.119
Receivables from ceding insurers (current accounts)	185	169
Advances to agents and brokers	759	853
Provisions for doubtful debt from agents and brokers	(726)	(730)
Other prepaid expenses	749	752
Receivables from accrued interests	4	13
Other receivables	2.833	2.473
Total	**4.478**	**4.648**

NOTE 17: REINSURANCE RECEIVABLES

(amounts in € thousand)	31/12/2021	31/12/2020
Receivables from unearned premiums reserves (U.P.R.) (note 21)	-	90
Receivables from outstanding claims reserves (O.C.R.) (note 21)	1.945	1.660
Total	**1.945**	**1.750**

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

NOTE 18: CASH AND CASH EQUIVALENTS

(amounts in € thousand)	31/12/2021	31/12/2020
Cash on hand	2	2
Deposits on demand	246.905	98.815
Time deposits	174.409	157.026
Total	**421.316**	**255.843**

Time deposits have a maturity of less than 90 days. The weighted average effective interest rate on time deposits of the Company during the year was 3,31%, which comes from time deposits in foreign currency.

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 FFH Insurance Group Holdings S.A." owns 100% of its share capital. The Company has no stock option plan.

(amounts in € thousand)	31/12/2021	31/12/2020
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 2021	**39.777**	**160.260**	**(139)**	**248.401**	**448.299**
Transfer of prior year's profit	-	22.523	-	-	**22.523**
Change in AFS financial assets	-	-	-	(33.790)	**(33.790)**
Deferred tax on change in AFS financial assets	-	-	-	13.971	**13.971**
Remeasurement of defined benefit obligation, net of tax	-	-	9	-	**9**
Balance at 31 December 2021	**39.777**	**182.783**	**(130)**	**228.582**	**451.012**

(amounts in € thousand)	Statutory Reserve	Extraordinary Reserves	Reserve for post employment benefit obligation	AFS investments revaluation Reserve	Total
Balance at 1 January 2020 Restated*	**39.777**	**109.913**	**(121)**	**333.419**	**482.989**
Transfer of prior year's profit	-	50.347	-	-	**50.347**
Change in AFS financial assets	-	-	-	(111.866)	**(111.866)**
Deferred tax on change in AFS financial assets	-	-	-	26.848	**26.848**
Remeasurement of defined benefit obligation, net of tax	-	-	(18)	-	**(18)**
Balance at 31 December 2020 Restated*	**39.777**	**160.260**	**(139)**	**248.401**	**448.299**

Statutory reserve has been formed based on the provisions of laws and cannot be distributed to the shareholders of the Company.

Extraordinary Reserves include: a) reserves from previous years profits following General Shareholders' Assembly decisions. These reserves can be distributed to shareholders 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. The reserve from actuarial gain or loss has been created in accordance with the provisions of the revised IAS 19 and cannot be distributed.

AFS investments revaluation reserve is recycled to the 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

	31/12/2021			31/12/2020		
	Company	Reinsurers	Total	Company	Reinsurers	Total
(amounts in € thousand)						
Technical reserves - Life	1.810.031	-	1.810.031	1.935.607	-	1.935.607
Technical reserves – pensions (DAF)	207.919		207.919	184.225	-	184.225
Unearned premiums reserves (UPR)	13.946	-	13.946	11.666	90	11.756
Outstanding claims reserves	44.694	1.945	46.638	42.172	1.660	43.831
Total Life insurance reserves	**2.076.589**	**1.945**	**2.078.534**	**2.173.670**	**1.750**	**2.175.420**
Insurance provisions for life insurance contracts where the policyholders bear the investment risk (Unit Linked)	546.390	-	546.390	291.066	-	291.066
Total	**2.622.979**	**1.945**	**2.624.924**	**2.464.736**	**1.750**	**2.466.485**

Life technical reserves amount to € 1.810 mil. as at 31 December 2021 compared to € 1.935,6 mil. in the previous year, presenting a decrease of € 125,6 mil. The movement of life technical reserves is analyzed mainly as follows: a) an increase of € 97 mil. due to new life insurance premiums production, b) a decrease of € 191,4 mil. driven by surrenders, lapses, deaths and maturities of life insurance policies and c) a decrease of € 33,2 mil. attributed to the movement of the liability adequacy reserve. The decrease in the liability adequacy reserve in the traditional life insurance portfolio is mainly due to the revised interest rate curves as well as to the changes in the insurance portfolio (maturities / redemptions).

DAF technical reserves amount to € 207,9 mil. as at 31 December 2021 compared to € 184,2 mil. in the previous year, presenting an increase of € 23,7 mil. The movement of DAF technical reserves is analyzed mainly as follows: a) an increase of € 28,8 mil. due to new DAF premiums production, b) an increase of € 33,5 mil. due to the excess investment return of the DAF technical reserves c) decrease of € 18,4 mil. driven by surrenders, deaths and maturities of DAF insurance policies and d) decrease of € 22,1 mil. attributed to the movement of the liability adequacy reserve. The decrease in the liability adequacy reserve in the Group contracts, is due to both the revised interest rate curves and the expected termination of specific D.A.F. contracts.

The insurance provisions for life insurance contracts where the policyholders bear the investment risk (Unit Linked) amount to € 546,4 mil. compared to € 291,1 mil. in the previous year, presenting an increase of € 255,3 mil. This movement is mainly due to increased new Unit Linked premiums production.

MOVEMENT OF TECHNICAL RESERVES INSURANCE PROVISIONS

	Life	Pensions (DAF)	Unit Linked	U.P.R	Total
(amounts in € thousand)					
Balance at 1 January 2021	**1.935.607**	**184.225**	**291.066**	**11.756**	**2.422.654**
New production, renewals	97.230	28.799	257.835	2.959	**386.822**
Surrenders, lapses, maturities, deaths etc.	(191.427)	(18.433)	(125.520)	(680)	**(336.060)**
Additional reserves (LAT)	(33.217)	(22.049)	-	-	**(55.266)**
Return on investments	-	-	123.009	-	**123.009**
Excess investment return on technical reserves	1.838	33.524	-	-	**35.362**
Provisions' movement – Company's share	**(125.576)**	**21.840**	**255.324**	**2.279**	**153.867**
Provisions' movement - Reinsurers' share	-	-	-	(90)	**(90)**
Portfolio acquisition	-	1.854	-	-	**1.854**
Balance at 31 December 2021	**1.810.031**	**207.919**	**546.390**	**13.946**	**2.578.285**

(amounts in € thousand)	Life	Pensions (DAF)	Unit Linked	U.P.R	Total
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**

MOVEMENT OF OUTSTANDING CLAIMS RESERVES

	31/12/2021			31/12/2020		
	Company	Reinsurers	Total	Company	Reinsurers	Total
(amounts in € thpusand)						
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 1 January	**42.172**	**1.660**	**43.831**	**29.442**	**16.041**	**45.483**
Decrease from paid claims	(13.353)	(1.533)	(14.886)	(13.258)	(1.246)	(14.503)
Increase/ (Decrease) from current year' s claims	18.753	1.396	20.149	17.031	822	17.853
Increase/ (Decrease) from prior years' claims	(3.071)	423	(2.648)	9.347	(286)	9.061
Additional reserves	193	-	193	(391)	-	(391)
Acquisition of reinsurer's share on outstanding claims portfolio (note 17)	-	-	-	-	(13.671)	(13.671)
Outstanding claims movement	**2.522**	**285**	**2.807**	**12.729**	**(14.381)**	**(1.652)**
Outstanding claims	41.312	1.945	43.257	38.983	1.660	40.643
Additional reserves	3.382	-	3.382	3.189	-	3.189
Balance at 31 December	**44.694**	**1.945**	**46.638**	**42.172**	**1.660**	**43.831**

NOTE 22: INVESTMENT CONTRACT LIABILITIES

(amounts in € thousand)	31/12/2021	31/12/2020
Balance at 1 January	**11.738**	**14.504**
Additions	1.819	-
Liquidations	(271)	(301)
Realized gains/(losses) from disposals	1.478	(92)
Interest and Dividend Income	102	93
Fair value (losses)	(1.236)	(2.466)
Balance at 31 December	**13.629**	**11.738**

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. According to the Company's policy, compensation is provided only at retirement age and the employer's liability is distributed during the last 16 working years prior to retirement. 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	**31/12/2021**	**31/12/2020 Restated***
(amounts in € thousand)		
Balance at 1 January	516	468
Benefits paid by the employer	(64)	(200)
Total expense recognized in the income statement	118	225
Actuarial (gains)/ losses recognized in OCI	(16)	24
Balance at 31 December	**554**	**516**

Amounts recognized in the income statement	**2021**	**2020 Restated***
(amounts in € thousand)		
Current service cost	54	53
Net interest	-	2
Curtailments / settlements / terminations	64	169
Total expense in income statement	**118**	**225**

**More information regarding the restatements made in the amounts of the year ended 31 December 2020 is given in note 2.1.2*

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	**2021**	**2020**
Discount rate	0,55%	0,06%
Future salary increases	0,0% to 4,0%	0,0% to 4,0%
Inflation	1,4%	1,4%
Expected remaining service life (years)	4,57	4,82

A quantitative sensitivity analysis based on reasonable changes to significant actuarial assumptions as at 31 December 2021 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 (€14,4) thousand / €15,5 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 €15,0 thousand / (€14,4) thousand
- A zero rate of voluntary retirements would result in increase of the retirement benefit obligation by €43,2 thousand

NOTE 24: INSURANCE AND OTHER LIABILITIES

	31/12/2021	**31/12/2020**
(*amounts in € thousand*)		
Reinsurers – current accounts	313	388
Agents and insurance brokers	10.656	8.057
Taxes	7.181	4.105
Social security	1.110	931
Other Creditors	1.361	36.649
Surrenders payable and claims settlement	22.170	17.773
Other liabilities	8.964	5.582
Total	**51.755**	**73.485**

As at 31 December 2020 other creditors amounting of € 36.649 thousand included an amount of € 34.943 thousand concerning transactions for the purchase of financial assets that were 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 31/12/2021	From 01/01 to 31/12/2020
Gross Written premiums	539.785	380.799
Policy fees	86	82
Change in unearned premium reserve (note 21)	(2.204)	(1.717)
Gross Earned premiums	**537.668**	**379.163**
Inward Reinsurance gross written premiums	55	63
Change in unearned premium reserve (note 21)	14	12
Inward Reinsurance Gross Earned premiums	**69**	**76**
Total Gross Earned Premiums	**537.737**	**379.239**
Premiums Ceded to Reinsurers	(5.873)	(5.335)
Change in unearned premium reserve (note 21)	(90)	(51)
Total Premium ceded to reinsurers	**(5.963)**	**(5.386)**
Total Net Earned Premiums	**531.774**	**373.853**

NOTE 26: OTHER INSURANCE RELATED INCOME

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Commission income from reinsurers	2.210	1.885
Income from reinsurance activities	**2.210**	**1.885**
Management fees- Mutual Funds	56	54
Management fees from Mutual Funds	**56**	**54**
Management fees - Unit Linked contracts	3.806	1.616
Lapse and exit fees - Unit Linked contracts	472	162
Income from Unit Linked Products	**4.279**	**1.778**
Management fees - Investment Unit Linked products	67	57
Income from Investment contracts	**67**	**57**
Total other income related to insurance activities	**6.611**	**3.773**

NOTE 27: INVESTMENT INCOME

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Trading Portfolio and Deposits		
Interest on debt securities	(2.741)	517
Interest income on deposits	397	588
Foreign exchange differences from deposits	600	(2.879)
Subtotal	**(1.743)**	**(1.773)**

Available for sale financial assets		
Dividend income on equity shares and mutual funds	2.331	1.156
Interest income on debt securities	44.513	64.405
Subtotal	**46.884**	**65.561**
Loans and receivables financial assets		
Interest income on commercial mortgage loans	284	343
Subtotal	**284**	**343**
Other interest	46	40
Subtotal	**46**	**40**
Total Investment Income	**45.431**	**64.171**

NOTE 28: GAINS FROM SALE OF FINANCIAL ASSETS

	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
(amounts in € thousand)		
Trading Portfolio		
Losses from equities disposal	(39)	-
Gains from mutual funds disposal	830	-
Subtotal	**791**	**-**
Financial assets held on behalf of policyholders who bear the investment risk (Unit Linked)		
Gains from mutual funds disposal	11.499	8.313
Subtotal	**11.499**	**8.313**
Available for sale financial assets		
Gains/ (Losses) from equities disposal	583	(9)
Gains from bonds disposal	41.212	193.461
Gains from mutual funds disposal	2.673	-
Subtotal	**44.468**	**193.453**
Total gains from sale of financial assets	**56.757**	**201.766**

Gains from the sale of financial assets amount to € 56.757 thousand at 31 December 2021, presenting a € 145.009 thousand decrease compared to the prior year (2020: € 201.766 thousand). The decrease is mainly attributable to the increased gains from the disposal of Greek Government Bonds which were realized in 2020.

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

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Trading Portfolio		
Gains/ (Losses) from equities valuation	4.022	(575)
(Losses) from bonds valuation	(228)	(78)
Gains from valuation of Mutual Funds	285	
Gains / (Losses) from foreign exchange differences	401	(318)
Subtotal	**4.480**	**(971)**
Financial assets held on behalf of policyholders who bear the investment risk (Unit Linked)		
Unrealized fair value gains / (losses) on Unit Linked contracts	21.632	5.382
Subtotal	**21.632**	**5.382**
Available for sale portfolio		
Impairment of equities	49	(2.200)
Gains / (Losses) from foreign exchange differences	2.256	(13.929)
Subtotal	**2.304**	**(16.129)**
Total fair value gains / (losses) on financial assets	**28.416**	**(11.718)**

NOTE 30: GAIN/(LOSSES) DERIVATIVES

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Derivatives Losses	(2.515)	-
Gains / (Losses) from derivatives valuation	(101)	101
Net value from derivatives	**(2.616)**	**101**

The Company entered into foreign exchange futures contracts in both the current and the previous year in order to hedge the foreign exchange risk from financial assets in foreign currency. The losses incurred from the closing of the positions of these contracts in the year 2021 amount to € 2,5 mil..

NOTE 31: OTHER INCOME

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Revenue from personnel premiums	-	13
Revenue from personnel lending	210	214
Currency Translation differences on current deposits and cash	(207)	(15)
Income from unused provisions	14	25
Other income	333	44
Total other income	**351**	**281**

NOTE 32: MOVEMENT IN TECHNICAL RESERVES AND OTHER INSURANCE PROVISIONS

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Change in technical reserves – Life	125.576	(14.948)
Change in technical reserves - pensions (DAF)	(21.840)	(12.407)
Plus: Taxes	(2.764)	(442)
Change in insurance provisions for insurance contracts where the policyholders bear the investment risk (Unit Linked)	(255.324)	(132.590)
Total movement in technical reserves and other insurance provisions	**(154.352)**	**(160.388)**

NOTE 33: CLAIMS AND INSURANCE BENEFITS INCURRED

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Surrenders – Life	(182.586)	(154.495)
Surrenders – DAF	(18.268)	(12.118)
Surrenders - Unit Linked	(128.292)	(75.420)
Subtotal	**(329.159)**	**(242.033)**
Claims paid	(40.008)	(39.847)
Change in outstanding claims reserve (note 21)	(2.807)	1.652
Subtotal	**(371.961)**	**(280.228)**
Reinsurers' share on Claims paid	2.218	2.069
Acquisition of reinsurer's share on outstanding claims portfolio	-	13.671
Reinsurers' share on change in outstanding claims (note 21)	285	(14.381)
Subtotal	**2.503**	**1.359**
Company's share on claims paid	(366.936)	(266.139)
Company's share on outstanding claims' reserve (note 21)	(2.522)	(12.729)
Total claims and insurance benefits incurred	**(369.458)**	**(278.869)**

In 2020, a portfolio of outstanding losses amounting to € 13.671 thousand was acquired, which was due to the expiration of the reinsurance contract by which the Company assigned part of the insurance risk on the life of borrowers.

NOTE 34: ACQUISITION EXPENSES

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 To 31/12/2020 Restated*
Commission and overcommission fees on premium production	(21.084)	(20.203)
Other commission fees and production expenses	(9.683)	(5.826)
Commissions to cedents	(39)	(46)
	(30.806)	**(26.075)**
Change in deferred acquisition costs	**(606)**	**2.788**
Mandatory contributions on premium production	(3.283)	(2.677)
Decrease/ (Increase) of provision for doubtful debt	4	51
Interest expenses on Reinsurers' reserves	(4)	(22)
	(3.282)	**(2.648)**
Total Acquisition Expenses	**(34.694)**	**(25.936)**

** More information regarding the restatements made in the amounts of the year ended 31 December 2020 is given in note 2.1.2.*

NOTE 35: OTHER ADMINISTRATIVE EXPENSES

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 To 31/12/2020 Restated*
Employee benefit expenses	(11.749)	(10.205)
Third party fees	(6.847)	(7.354)
Taxes	(58)	(36)
Other expenses	(2.688)	(2.915)
Depreciation and amortization expense	(1.568)	(1.629)
Provisions	(511)	(43)
Interest and other investment expenses	(9.155)	(9.569)
Extraordinary losses	(16)	(8)
Total other administrative expenses	**(32.591)**	**(31.760)**

Salaries and other benefits	(10.225)	(8.303)
Social security contribution	(1.130)	(1.246)
Other provisions related to personnel	(54)	(22)
Defined benefit plans and other costs	(341)	(632)
Total employee benefit expenses	**(11.749)**	**(10.205)**
Average Number of Personnel	**159**	**160**

**More information regarding the restatements made in the amounts of the year ended 31 December 2020 is given in note 2.1.2*

The Company, in its effort to enhance the creation of pension funds for its employees, provided them with certain defined (employer and voluntary individual) 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 the employees. At the same time, in replacement 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 analyzed as follows:

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Statutory Audit	(86)	(86)
Tax audit-article 65a, Law 4174/2013	(32)	(34)
Other audit related assignments	(58)	(72)
Non audit assignments	(3)	(3)
Total	**(177)**	**(194)**

NOTE 36: INCOME TAX EXPENSE

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020 Restated*
Current Income tax		
Current tax on profits for the year	(16.666)	(36.808)
Adjustment on previous years' income tax	162	357
Total current income tax	**(16.504)**	**(36.451)**
Deferred tax		
Increase / (Decrease) in deferred tax assets	(747)	557
(Increase) / Decrease in deferred tax liabilities	(394)	3.141
Total deferred tax income / (expense)	**(1.141)**	**3.698**
Total income tax	**(17.644)**	**(32.752)**

According to the provisions of article 120 of Law 4799/2021 (Government Gazette A 78), 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 22% for the 2021 tax year onwards.

This change in the tax rate led to a decrease of the net deferred tax liability by € (6.419) thousand as at 31 December 2021, of which € 103 thousand in the income statement and € (6.522) thousand directly in equity.

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

(amounts in € thousand)	31/12/2021	31/12/2020 Restated*
Profit before tax	75.629	135.276
Income tax at applicable tax rate 22% (2020: 24%)	(16.638)	(32.466)
Tax effect of amounts which are not deductible in calculating taxable income:		
Provisions	0	6
Non tax deductible expenses	(1.065)	(637)
Effect from change in tax rate	103	-
Adjustment on previous years' income tax and other adjustments	162	357
Total income tax	**17.644**	**(32.752)**

**More information regarding the restatements made in the amounts of the year ended 31 December 2020 is given in note 2.1.2.*

NOTE 37: 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 was jointly controlled, until 14th July 2021, by Colonnade Finance S.à r.l, member of the Fairfax Group, and OPG Commercial Holdings (Lux) S.à r.l.. On July 14th, 2021, Colonnade Finance S.àrl exercised its option to purchase the remaining shares in Costa from OPG Commercial Holdings (Lux) S.àrl. Costa is now wholly owned by Colonnade Finance S.àrl.

All transactions with related parties are conducted by the Company 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 31/12/2021	**Receivables**	**Payables**	**Revenue**	**Expense**
Deposits on demand & time deposits	31.360	-	366	-
Insurance operations	1.991	9.089	28.690	20.997
Investment operations	-	-	250	-
Other transactions	-	-	-	1.260
Total	**33.352**	**9.089**	**29.306**	**22.257**

(amounts in € thousand)

Other Related Parties 31/12/2021	**Receivables**	**Payables**	**Revenue**	**Expense**
Deposits on demand & time deposits	86	-	-	-
Insurance operations	252	384	1.716	1.239
Investment operations	1.319	-	3.729	6.386
Other transactions	37	44	210	713
Total	**1.693**	**428**	**5.655**	**8.338**

Transactions with key management personnel	2	354	116	21
Remuneration and benefits of key management personnel	-	-	-	3.066

(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 31/12/2020	**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

The above table does not include dividend payments of the Company to its shareholder in 2021 and 2020. These transactions are described in detail in note 39 "Dividends".

As at 31 December 2021, there were no loans to the members of the Management (31 December 2020: 0,8 thousand), also no provisions had been made for loans to related parties.

The Company holds investments in bonds, mutual funds and equities issued by related parties. More specifically on 31 December 2021 the fair value of the relevant bonds amounted to € 11.775 thousand (31 December 2020: € 0 thousand), of the mutual funds amounted to € 226.689 thousand (31 December 2020: € 96.514 thousand)and of the equities amounted to € 53.070 thousand (31 December 2020 € 34.448 thousand).

NOTE 38: 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, as at 31 December 2021, the right of the Greek State to impose taxes has been time-barred up to year ended 31 December 2015.

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 2015-2020. The tax audit conducted in this context for 2021 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 39: DIVIDENDS

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

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.

On 30 July 2021, the Annual General Meeting of the Company's shareholders approved the distribution of a dividend of € 80,000 thousand to the shareholder Eurolife FFH Insurance Group. The dividend was derived from the profits of the fiscal year ended on 31 December 2020. The dividend was paid to the shareholder on 6 August 2021.

NOTE 40: IMPACT OF THE PANDEMIC

The COVID-19 pandemic, which began in early 2020, affected both the global and greek economies negatively; more specifically Greece experienced a deep recession of -9%. The economic impact of the pandemic was extensive, leading to a significant reduction in household income and consumption, shrinking investments and limited external demand for Greek goods and services.

During 2021 though, the global economies including Greece recovered, as societies have adapted to the Covid-19 pandemic conditions. Following the progress of vaccination programs, the latest lockdown restrictions ended in May 2021. All domestic movement restrictions were removed, and Greece reopened its borders to international travelers. Previously suspended economic activities were allowed to resume, with certain protective measures remaining in place.

<u>Financial impact on macroeconomic level</u>

The economic activity in 2021 rapidly recovered, following the significant recession recorded in 2020 due to the pandemic and the restrictions imposed. The economy' s restart gave rise to a significant increase of real GDP during the second and third quarters of 2021, while according to the first estimate announced by the Hellenic Statistical Authority (ELSTAT), GDP in 2021 increased by 8.3%

compared to 2020. This growth is mainly attributed to the increased disposable income which led to increased private consumption, while important roles were also played by exports of goods and services, public consumption and increased companies' investments.

In response to the Covid-19 outbreak and in order to address the effects of the pandemic, there has been an unprecedented monetary, fiscal and regulatory support to the businesses and employees since 2020. As a sovereign action against the pandemic, the European Union has created the EC's Next Generation EU framework (NGEU), that will fund development initiatives in the period 2021-2027. Furthermore, the European Central Bank's decision to include Greek Government Bonds in the Pandemic Emergency Purchase Program (PEPP) and their acceptance as collateral for liquidity from the Euro system were also particularly favorable.

In 2021, the favorable international monetary and financial environment, as well as the performance of the Greek economy positively affected investments in the Greek government bond market. Yields on Greek government bonds of all maturities, were low, facilitating the Greek government to issue new bonds at a low borrowing cost. European Central Bank's decision, on December 16th, to purchase Greek Government bonds after March 2022 and until the end of the reinvestment period by 2024 end, is expected to sustain favorable financial conditions and low borrowing cost in both public and private sector.

Since June 2021, inflation escalated, largely due to deflation presented in 2020 and sharp increases in prices of energy, food, and imported goods as a result of disruptions in global supply chains. Despite the recorded price increases in recent months, inflation in Greece remains one of the lowest in the eurozone, while it is not expected to exceed 0.6% on an annual basis in 2021.

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 reducing their awareness, along with the experience of managing the situation for over 2 years, 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 and adjusting the percentage of employees working remotely according to the pandemic conditions as well as relevant measures applied by the government and provision of 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 allocation 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, two years later, the Company succeeds in achieving its business goals, without reducing its risk awareness.

Financial situation and solvency of the Company
Despite the adverse effects of the pandemic during the past two years 2020 - 2021, the Company successfully responded to the new conditions and proved it's resilience to unprecedented challenges but also its quick adaptability. For the Company, 2021 is described as a year of gradual adaptation to the new era of the pandemic and return to a new normality. More specifically:

- The government bond purchase program of the European Central Bank resulted in the reduction of Greek bond yields and the improvement of the country's borrowing cost. In this context, the Company recorded significant realized gains mainly in 2020 and reduced gains in 2021, by disinvesting a significant part of its position in Greek government bonds. Another result of the liquidation of the bonds was the strengthening of the Company's liquidity.
- The Company's profits before tax amounted to € 135,3 mil. in 2020 and € 75,6 mil. in 2021.

- No significant changes were observed in the behavior of insurance policyholders and their insurance needs. The Company continues its digital transformation so that it can cover any increased needs of distribution channels, insurance policyholders and claims' beneficiaries.
- In terms of insurance underwriting procedures, in cases where it was required to be adjusted, this was done in line with reinsurance coverage.
- There was no significant lag in the production of insurance premiums in 2020, while in 2021 there was a significant increase in the production of insurance premiums.
- In terms of claims, there was a decrease in paid claims in the health line of business, mainly in 2020. The reduction in claims is attributable on one hand to the lock-down measures adopted to control the spread of the pandemic and on the other hand to the instructions of the national public health organization.
- The existing products and insurance coverages offered smoothly support the Company's business planning without identifying a significant negative impact from the effects of the pandemic.

The Company conducts "Own Risk and Solvency Assessment" exercises at least annually considering, among other things, the special conditions of Covid 19. During 2020, the Company, considering that the effects of the pandemic outbreak had penetrated the entire economic activity, updated its business plan and carried out the first exercise "Own Risk and Solvency Assessment" under these new special conditions (1st ORSA report in COVID-19 conditions). At the beginning of 2021, the Company further updated the new business plan and reperformed the annual exercise "Own Risk and Solvency Assessment" based on the new data (2nd ORSA report in COVID-19 conditions). In these exercises, stress tests adjusted to the updated risk profile were selected and no significant financial impact of the pandemic on the Company's financial figures was identified. Also, the results showed that the solvency situation of the Company will not be threatened in the future.

During 2021, calculations of the Solvency Capital Requirement (SCR), the Minimum Capital Requirement (MCR) as well as the eligible own funds of the Company are made on a quarterly basis and are submitted to the regulator. In addition, the Company assesses its capital adequacy SCR ratio on an ongoing basis, considering market data and actual data on the asset portfolio. As of December 31, 2021, the Company's solvency ratio (SCR coverage ratio) is estimated at 180% with volatility adjustment.

NOTE 41: POST BALANCE SHEET EVENTS

The recent geopolitical events in Ukraine, the military actions from Russia and the response from the European countries and the United States in the form of economic sanctions may affect the global and domestic economies and lead to strong inflationary pressures and increases in energy and agriculture prices. The international community is responding to the conflict with a broad array of sanctions targeting the Russian and Belarussian economies, certain Russian and Belarussian businesses and the assets of certain Russian citizens. The number of nations implementing sanctions and the nature of sanctions are constantly evolving, which requires regular monitoring of changes.

The Company closely monitors and assesses the conditions created in the international and Greek economy and has increased its readiness to make decisions on protecting it from the economic effects of recent geopolitical events in Ukraine. Management recognizes the significance of the impacts that the conflict will have on the business environment, liquidity and asset values in the affected region and the fact that the economic sanctions will have broad impacts to many businesses. Company does not operate in the region where the conflict is taking place and the imposed sanctions are not expected to have a direct impact on the operations of the Company.