Annual Financial Report

Eurolife FFH Insurance Group Holdings S.A.

For the year ended
31 December 2021

Eurolife FFH Insurance Group

A FAIRFAX Company

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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 Insurance Group

The Board of Directors presents their report together with the Annual Consolidated and Separate Financial Statements for the year ended 31 December 2021.

Developments in the Greek insurance market during 2021: significant recovery, potentially covering last 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 latest data published by the Hellenic Statistical Authority (ELSTAT), the growth rate for 2021 is estimated at 8,3%. This increase will be one of the highest in the Eurozone and will adverse the effects of 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 (2020:-3,7%) and, 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 recorded an increase of 9,1% compared to 2020, while the motor insurance business, recorded 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. Given the magnitude of the change, businesses are already assessing the impact of the adoption of IFRS 9 and IFRS 17 on their financial results, while at the same time they are examining both personnel and infrastructure issues in order to be able to support these new standards.

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

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

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

Financial Results Review

2021 was another successful year for Eurolife FFH Insurance Group ("Group" or "Eurolife FFH Group"), during which gross written premiums marked a significant increase of 34,8% and high levels of profitability and strong capital position were maintained for another year.

Financial Figures of the Group

Key financial figures

(amounts in € mil.)	2021	2020 Restated
Gross written premiums *(IFRS)*	605,0	448,7
Gross earned premiums *(IFRS)*	606,1	450,9
Total Investment Income [1]	131,0	259,3
Total Investment Income [1] *(excluding unit-linked)*	97,9	245,7
Administrative Expenses *(excluding interest and other investment expenses)*	(42,9)	(41,5)
Profit before tax	86,9	151,9
Income tax	(20,2)	(38,4)
Profit for the year	66,8	113,5
Total assets	3.584,4	3.508,7
Equity *(IFRS)*	702,1	738,6
Technical Reserves, Other Insurance Provisions and Liabilities for Unit-Linked products [2]	2.746,8	2.588,6
Number of Employees at 31 December	421	410

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

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

Financial Ratios

	2021	2020 Restated
Return on equity after tax (ROE)	9,3%	15,6%
Return on assets before tax (ROA)	2,5%	4,5%
Profit margin before tax	14,4%	33,9%
Annualized premium equivalent (APE) (amounts in € mil.)	315,6	282,6
Administrative expense ratio	13,6%	14,7%
Acquisition costs ratio	8,1%	8,8%
Net loss ratio of general insurance business	27,5%	27,7%

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.

Net Loss ratio: Incurred claims (net of reinsurance share) divided by the net earned premiums.

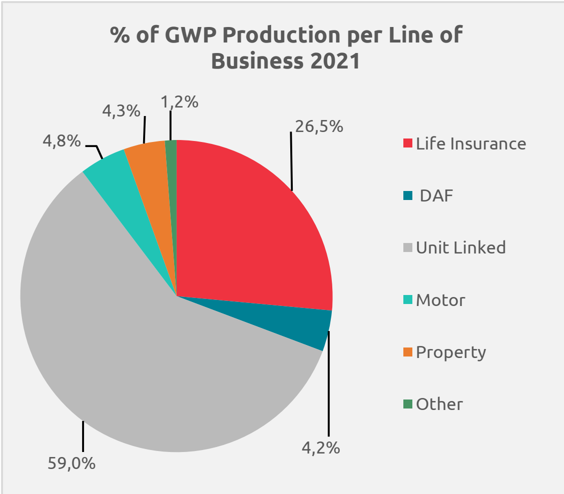
Gross written premiums

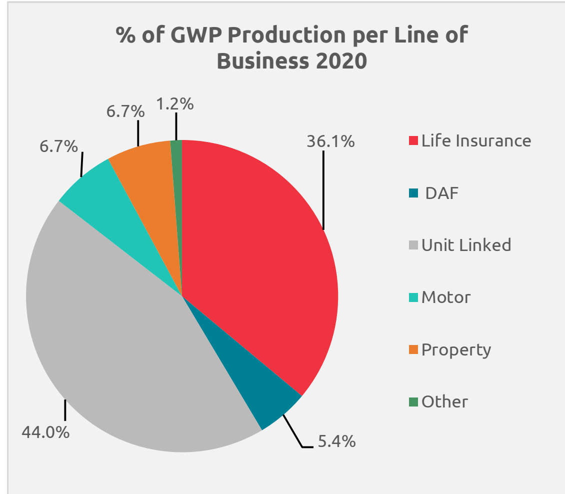
In 2021, the Group's total insurance premium production reached €605,0 mil., showing an increase of 34,8% compared to 2020 (2020: €448,7 mil.). In more detail, the life insurance premium production in Greece in 2021 amounted to € 539,9 mil. compared to € 380,9 in 2020 showing an increase of 41,7%. The 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. The non-life insurance premium production in Greece amounted to € 60,6 mil., showing a decrease of 5,5% compared to 2020.

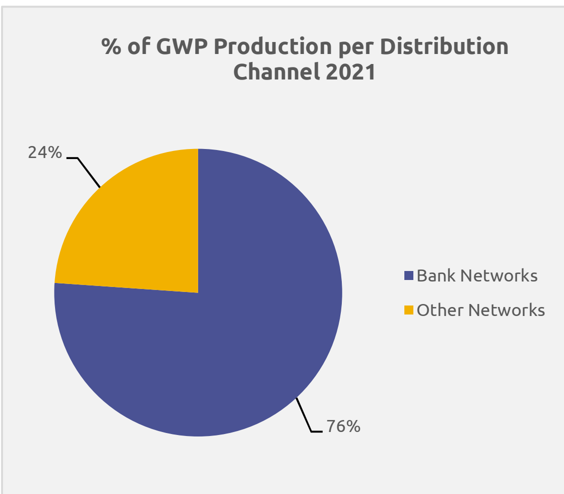
In terms of market share, the Greek insurance subsidiaries (Eurolife FFH Life Insurance SA and Eurolife FFH General Insurance SA) gathered 14,1%[1] (2020: 11,3%) of the total market in 2021, increasing the market share and confirming the leading position of the Group. In particular, in 2021 the market share of Eurolife FFH Life Insurance SA amounted to 27,0%[1] (2020: 21,0%), and of Eurolife FFH General Insurance SA to 2,7%[1] (2020: 3,0%).

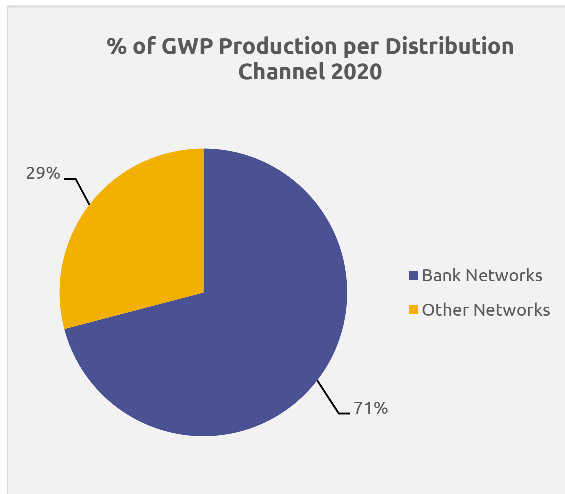
[1] According to the premium production published by the Hellenic Association of Insurance companies ("H.A.I.C"). that includes information only for the insurance companies that are members of H.A.I.C (http://www1.eaee.gr/paragogi-asfalistron)

The following charts present the gross written premium production per line of business and per distribution channel for the years 2021 and 2020 respectively:









Investments

The total investment income of the Group amounted to € 131,0 million in the year 2021 compared to € 259,3 million in the previous year, showing a decrease of 49%. This change is mainly attributable to the increased realised gains from the sale of Greek Government Bonds recorded by the Group in the year 2020.

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. compared to €202,4 mil. in 2020, the unrealized valuation gains of the bonds to reach €2,5 mil. in 2021 compared to unrealized losses of €-14,3 mil. in 2020, whereas the interest income decreased to €42,4 mil. in 2021 compared to €66,7 mil. in 2020. Furthermore, the equities portfolio demonstrated positive fluctuations with the unrealized valuation gains to amount to €5,0 mil. in 2021 compared to losses of €-3,7 mil. in 2020. In 2021 Goup increased its position in mutual funds whose total income in 2021 reached €5.0 mil.

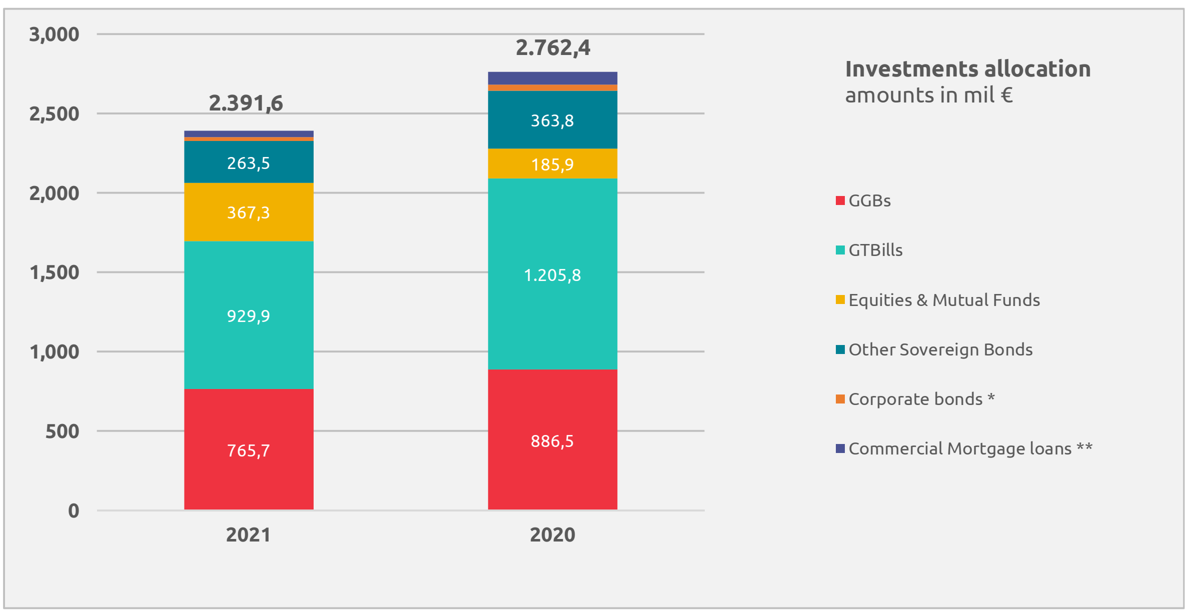
The following tables present the analysis of the total investment income per asset class for the years 2021 and 2020, respectively:

31 December 2021 (amounts in € thousand)	Investment Income	Realised gains / (losses)	Fair value gains / (losses	Gains / (losses) on joint ventures	Gains / (losses) on derivatives	Total
Bonds	42.382	41.224	2.453	-	-	86.059
Equities	1.258	(527)	4.992	2.424	-	8.147
Mutual Funds	1.408	3.647	(68)	-	-	4.986
Commercial mortgage loans	297	-	-	-	-	297
Deposits [1]	1.074	-	-	-	-	1.074
Others	102	-	2	-	(2.753)	(2.649)
Total Investment Income (excluding Unit-Linked)	**46.521**	**44.343**	**7.379**	**2.424**	**(2.753)**	**97.914**
Unit-Linked	-	11.499	21.632	-	-	33.130
Total Investment Income	**46.521**	**55.842**	**29.011**	**2.424**	**(2.753)**	**131.044**

31 December 2020 (amounts in € thousand)	Investment Income	Realised gains / (losses)	Fair value gains / (losses	Gains / (losses) on joint ventures	Gains / (losses) on derivatives	Total
Bonds	66.658	202.448	(14.318)	-	-	254.788
Equities	1.335	(9)	(3.731)	(4.542)	-	(6.947)
Mutual Funds	9	0	-	-	-	9
Commercial mortgage loans	359	-	-	-	-	359
Deposits [1]	(2.768)	-	-	-	-	(2.768)
Others	91	-	(1)	-	121	210
Total Investment Income (excluding Unit-Linked)	**65.683**	**202.440**	**(18.051)**	**(4.542)**	**121**	**245.651**
Unit-Linked	-	8.313	5.382	-	-	13.695
Total Investment Income	**65.683**	**210.753**	**(12.669)**	**(4.542)**	**121**	**259.346**

[1] Includes foreign exchange differences of amount € 660 thousand as at 31 December 2021 and € (3.449) thousand as at 31 December 2020.

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



** Corporate Bonds: 2021: € 24,4mil. (2020: € 38,2 mil.)*

*** Commercial Mortgage loans: 2021: € 40,8 mil. (2020: € 82,3 mil.)*

Financial Results

Profit before tax amounted to € 86,9 million in 2021, showing a decrease of 42,8 % compared to 2020 (2020: € 151,9 mil.). The change is mainly attributed to the increased realized gains recorded in 2020 due to the sale of a large portion of the Greek Government Bonds portfolio.

Summary of financial data of the Company

Eurolife FFH Insurance Group Holdings SA (hereinafter the "Company") reported earnings from subsidiaries of € 85,5 mil. in 2021 (2020: € 2,1 mil.), showing an increase compared to the previous year mainly due to increased intra-group dividends received in 2021.

Net profit for the year 2021 amounted to € 85,2 million compared to € 1,9 million in the previous year.

Financial Figures of the Company

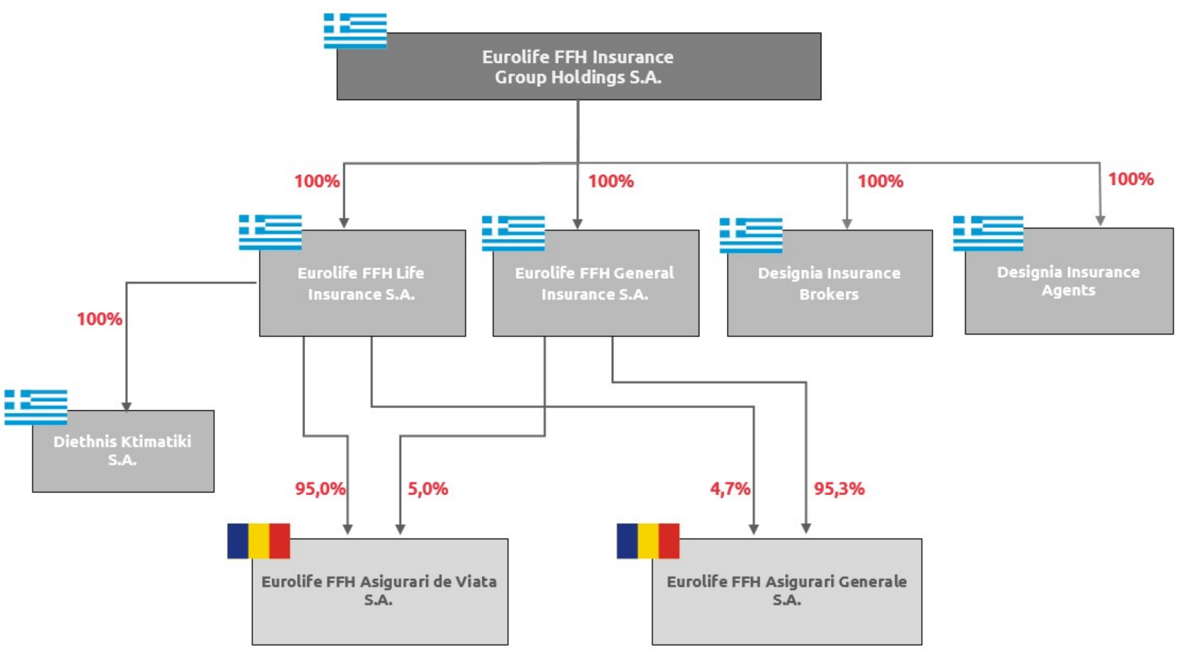
(amounts in € mil.)	2021	2020
Revenue from subsidiaries	85,5	2,1
Profit before tax	85,1	1,9
Profit for the year	85,2	1,9
Total assets	350,3	350,6
Equity	350,1	350,4

Financial Ratios of the Company

	2021	2020
Return on equity after tax (ROE)	24,3%	0,6%
Return on assets before tax (ROA)	24,3%	0,5%

Subsidiaries – Main shareholders – Share capital – Equity

The company has five direct and indirect subsidiaries in Greece and two indirect subsidiaries in Romania. The following chart presents the composition of the Group as at 31 December 2021:



On May 18th, 2020 the Commercial and Industrial Chamber of Athens, based on its decision 5257/18-05-2020, approved the amendment of article 1 of the Company's Articles of Association and specifically the change of its name and distinctive title to "Eurolife FFH Insurance Group Holdings S.A." and "Eurolife FFH Insurance Group" respectively. The amendment of the Articles of Association was decided by the Extraordinary General Meeting of the Company's shareholders, on May 12th, 2020.

Additionally, on May 22th, 2020 the change of the name of the subsidiaries "Eurolife ERB General Insurance S.A." and "Eurolife ERB Life Insurance S.A." to "Eurolife FFH General Insurance Single Member S.A." and "Eurolife FFH Life Insurance Single Member S.A. ", respectively, was completed. The new distinctive titles of the subsidiaries are "Eurolife FFH General Insurance S.A." and "Eurolife FFH Life Insurance S.A.", respectively.

Furthermore, on July 9th, 2020 the change of the name of the subsidiaries "ERB Insurance Services S.A. " and "ERB Insurance Agents S.A." to "Designia Single Member Société Anomyme of Insurance Brokerage" and "Designia Single Member Société Anomyme of Insurance Agents", respectively was completed. The new distinctive titles of the subsidiaries are "Designia Insurance Brokers S.A." and "Designia Insurance Agents S.A.", respectively.

Finally, on May 29th 2020, the rebranding process of the Romanian subsidiaries "Eurolife ERB Asigurari de Viata S.A" and "Eurolife ERB Asigurari Generale S.A." was completed and their corporate names was changed to "Eurolife FFH Asigurari de Viata S.A" and "Eurolife FFH Asigurari Generale S.A" respectively.

The Company 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 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 14 th, 2021, Colonnade Finance S.à r.l exercised its option to purchase the remaining shares in Costa from OPG Commercial Holdings (Lux) S.à r.l.. 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 initial share capital of the Company amounted to €350.000 thousand, divided into 100.000.000 registered ordinary shares of a nominal value of €3,50 each. Following Extraordinary Shareholder's Meeting of 24.10.2018 the share capital decreased by €125,0 mil, through decrease in the nominal value of each share at €2,25. The total number of common shares issued are fully paid. As at 31 December 2021 and 2020 the share capital of the Company amounted to €225.000 thousands, divided into 100.000.000 ordinary shares of nominal value of €2,25 each.

With the decision of 30.06.2021 of the Annual Shareholders' General Meeting of the subsidiary Designia Insurance Agents SA, the subsidiary increased its share capital by € 300 thousand through capitalization of the total amount of the account "Amounts intended for share capital increase" by increasing the nominal value of each share from € 10 to € 25. At the same time, share capital decrease decided in order to offset losses, by the amount of € 174 thousand, by delisting the account "Losses carried forward", with a reduction of the nominal value of each share from € 25 to € 16,30. Following the above, the share capital of the subsidiary amounts to € 326 thousand, divided into 20.000 registered ordinary shares of nominal value of € 16,3 each.

Share Capital increase of Eurolife FFH Asigurari Generale S.A.

According to 02.12.2020 decision of the Extraordinary General Meeting of Shareholders of the subsidiary Eurolife FFH Asigurari Generale S.A., the subsidiary proceeded to an increase of share capital by € 999 thousand (RON 4.871 thousand) by issuing 3.446 new shares at a nominal value of € 290 (RON 1.413,6), covered by its shareholders, Eurolife FFH General Insurance S.A. (with a percentage of 95,3%) and Eurolife FFH Life Insurance S.A. (with a percentage of 4,7%). Following the increase, the subsidiary's share capital amounts to € 5.779 thousand (RON 22.230 thousand).
The Group's Equity amounted to € 702,1 mil. on December 31th, 2021 compared to € 738,6 million in 2020.

In summary, the Group's insurance activities (including brokerage and insurance agency services) in Greece and Romania are as follows:

31 December 2021 *(amounts in € mil.)*	Eurolife FFH Life Insurance	Eurolife FFH General Insurance	Designia Insurance Brokers/ Agents	Eurolife FFH Asigurari de Viata	Eurolife FFH Asigurari Generale
Gross written premiums (IFRS)	539,9	60,6	-	3,0	2,0
Other insurance related income	6,6	1,9	4,3	0,1	0,2
Total investment income [1]	128,0	-	-	0,6	0,2
Profit before tax	75,6	7,7	1,3	-	(0,6)
Profit for the period	58,0	5,5	0,9	-	(0,5)

31 December 2020 *(amounts in € mil.)*	Eurolife FFH Life Insurance	Eurolife FFH General Insurance	Designia Insurance Brokers/ Agents	Eurolife FFH Asigurari de Viata	Eurolife FFH Asigurari Generale
Gross written premiums (IFRS)	380,9	64,1	-	3,2	1,4
Other insurance related income	3,8	1,3	4,1	0,1	0,2
Total investment income [1]	254,3	6,8	-	0,6	0,2
Profit before tax	135,3	18,2	1,2	(0,3)	(0,6)
Profit for the period	102,5	13,3	0,9	(0,2)	(0,5)

[1] Total investment income is the sum of the income statement lines: Investment income, Income from subsidiaries, Realized gains/(losses) on financial assets, Fair value gains/(losses) on financial assets and Gains/(losses) on derivatives (investment income of Unit-Linked is included).

Investment in Joint Venture

Grivalia Hospitality S.A. ("GH") was established from Grivalia Properties REIC ("Grivalia") on June 26th 2015 with initial paid capital of €2mil. The core activities of GH are the acquisition, development and management of hospitality property mainly in Greece.

On February 19th 2017, the subsidiary Eurolife FFH Life Insurance S.A. participated as strategic investor in the share capital increase of GH, headquartered in Luxemburg.

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

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

On July 27th ,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 Eurolife FFH Life Insurance S.A. and 50% by the New Investor.

On July 25th, 2018 the subsidiary Eurolife FFH Life Insurance S.A. participated in the new share capital increase of Grivalia Hospitality S.A ("GH") of €60 mil. The increase was fully covered by the existing shareholders of GH in proportion to its share capital. Specifically, out of the €60mil, €15 mil were paid by Grivalia, €15mil were paid by Eurolife FFH Life Insurance S.A and €30 mil by the New Investor. Following this share capital increase, the paid in share capital of GH amounted to €180 mil to be used for the implementation of its investment plan.

Furthermore, it is noted that on May 17th, 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 10th, 2020 the subsidiary Eurolife FFH Life Insurance S.A. participated in the new share capital increase of GH, amounting to € 20 mil.. The increase was fully covered by the existing shareholders of GH in proportion to its share capital. Specifically, the subsidiary Eurolife FFH Life Insurance S.A. paid € 5 million and the additional € 15 mil were paid by the other shareholders of GH. After the completion of the increase, the paid in share capital of GH now amounts to € 200 mil and will be used for the implementation of its investment plan.

On March 9th, 2021 the subsidiary Eurolife FFH Life Insurance S.A. 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 subsidiary Eurolife FFH Life Insurance S.A. 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 in share capital of GH now amounts to € 225,0 mil and will be used for the implementation of its investment plan.

The Group 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 for with the equity method.

The total assets and labilities of GH Group amount to €416.735 thousand as at December 31st 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 Group, as 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 experience of the Group, the market dynamics and its harmonization with the regulatory requirements. In this context, a Risk, Asset-Liability & Investment Management Committee has been established overseeing all risk management activity of the Group 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 risk management framework supported by the methodology and the procedures about risk identification, measurement, monitoring, controlling and reporting. The risk management framework is applied by all the organizational units of the Group which fall into the 1st line of defense, the Risk Management Function, the Actuarial Function and the Function of Regulatory Compliance which fall into the 2nd line of defense as well as the Internal Audit Function which falls into the 3rd line of defense.

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

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. The insurance risk manifests itself in both the General and the Life & Health portfolio. The General Insurance portfolio covers almost all insurance sectors with all types of losses. The Life & Health portfolio consists of categories of protection and saving products (individual and group contracts).

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

Mortality risk refers to the risk that the actual number of deaths is higher than expected resulting in increased insurance provisions.

Longevity risk related to future losses which may arise if the insured 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 (or not) future premiums and terminate the contract completely. Hence, the importance of the risk is significantly affected by the policyholder's behavior (for products that give option). Policyholder behaviors can be affected by many factors external to business operations such as economic and financial market conditions.

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

Expense risk arises from the time mismatch and / or the amount of expenses in relation to what was estimated at the invoicing of the products.

Catastrophe arises from the occurrence of an event that has a low probability of occurrence but a high severity during its occurrence resulting in a significant deviation in the compensation / payment of benefits in relation to the expected. In general, the frequency and severity of catastrophic events are unpredictable.

Assessment and risk mitigation techniques used for Life 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 Group reduces the likelihood that a single risk event will have a material impact on the Group's financial condition.

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

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

The Key Insurance risks (as quantified by the standard method) that the Non-Life Companies of the Group are exposed to are set out below:

Premium and reserve risk: reflects the risk of loss or adverse change in the valuation of insurance liabilities, resulting from fluctuations in time, frequency and severity of insured events, as well as the time and amount of compensation' s settlement.

Catastrophe risk: assesses the risk of loss or adverse change in the valuation of insurance liabilities, resulting from significant uncertainty in the pricing assumptions and the creation of technical provisions, due to extreme or extraordinary events. Such events are of low frequency but with high severity (such as natural disasters) and may lead to significant deviations between actual and expected claims.

Insurance policy cancellation risk: assesses the risk of loss or adverse change in the valuation of insurance liabilities, resulting from changes in the level or volatility of cancellation rates.

Assessment and risk mitigation techniques used for Non-Life insurance risks

In **motor liability insurance**, the process of underwriting and product pricing constitute material mechanisms of risk management. Product pricing depends on the use of multi-parametric models aiming to better risk assessment and more appropriate matching between risk and premium for every client. The premium's calculation covers both the losses and the expenses of portfolio. Additionally, reinsurance arrangements including excess of loss with a maximum underwriting limit for the Group in Motor TPL per incident are in place and high value vehicle insurance.

In **property insurance**, for the estimation of frequency and severity of claims, the Group regularly monitors its portfolio per package. Appropriate underwriting procedures are in place, taking into consideration criteria such as nature of risk, quality of risk, fire and theft protection measures, geographical location, earthquake accumulation, building construction type and construction year, deductibles, sub-limits for certain categories of covers and loss history.

Management of insurance risks also includes establishment of a maximum level of risk accumulation and a maximum level of loss per risk or event. Any excess amounts are, in both cases, subject to reinsurance cessions through reinsurance treaties or facultative cessions.

The Group maintains reinsurance treaties with creditworthy reinsurers, in order to mitigate catastrophe risks. The majority of non-life reinsurance treaties protecting the majority of the Group's portfolio are on an excess of loss ("XoL") basis. The Group focuses on modifying both the capacity and its retention by re-evaluating the relevant portfolios each and every year. There is further protection via proportional reinsurance treaties. There are also instances of mid-term re-evaluation in the event of a significant change to the Group's portfolio, followed up with changes if and when deemed necessary.

Moreover, claims' management is also a significant process related to underwriting risks. The estimated cost of claims also includes the cost of claims' handling. In this context, the Group has also put in place adequate claims' management procedures in order to cover the overall cycle of claims: announcement, receipt, assessment, processing and settlement, complaints and dispute settlement and reinsurance recoverable.

Finally, through monitoring reserves maintained it is ensured that Group have the ability to pay obligation for each insured person. On a semi-annual basis the forecast repair cost for damages is estimated and the required reserve is built. In the reserve for repairing damages also reserve for IBNR damages is held, as well as the cost for handling this damage. For forecast damages entity estimates also the adequacy of insurance contracts and builds unexpired risk reserve (URR).

Market risk

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

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

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

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

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

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

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

<u>Assessment and risk mitigation techniques used for market risk</u>

From the quantitative perspective, the Group is monitoring market risk on an ongoing basis, by measures defined in the individual risk management policies at entity level. To this end, the Group:

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

To monitor and measure market risks, the Group for Greek Companies: uses the above risk limits, applies the Value at Risk (VaR) methodology, monitors asset portfolio's 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.

Credit risk

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

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

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

Regarding credit risk related to **premium** receivables, credit risk refers to the inability of an intermediary/agent to pay the insurance subsidiaries of the Group the premiums collected from clients.

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

<u>Assessment and risk mitigation techniques used for credit risk</u>

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

Reinsurance arrangements are reviewed by the Group 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 Group 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.

Liquidity risk

Liquidity risk may arise from the Group's inability to liquidate investments and other assets in order to meet its 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 Group. In order to address the above issues, the Group retains liquid assets and reinsurance treaties covering catastrophic risks. The Group's liquidity position is closely monitored on a daily basis.

<u>Assessment and risk mitigation techniques used for liquidity risk</u>

In order for the Group 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.

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

The Group'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 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 Group'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 Group.

Capital Adequacy

The capital management strategy of the Group aims to ensure that the Group and the insurance subsidiaries have 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 Group 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 Group and its insurance subsidiaries are being performed on a quarterly basis and results are submitted to the Supervisor Authority. In addition, for the two Greek insurance entities, the SCR capital adequacy ratio is estimated on a constant basis, using estimates on the eligible own funds and SCR, taking into account market data and the data of assets' portfolio. The main objective is to ensure timely information and action of the Management whenever necessary.

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

As of 31 December 2021 and 31 December 2020, the eligible own funds of the Group exceed the Solvency Capital Requirement (SCR).

Labour issues

The Group's employees are the greatest asset for its success and sustainable development. As at 31 December 2021, the Group employed 421 employees. Gender and age distribution reflects the equal opportunities approach that the Group implements. In particular, the gender distribution is quite balanced with women reaching 56% of the total employees.

The Group is committed to provide equal opportunities for employment and complying with the related legislation on employment opportunities. The Group 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 Group. Specifically, the skills, know-how and technical specialization of the employees are evaluated and explored in order to contribute to the success and differentiation of the Group against its peers. Through development schemes that are linked to the Group's strategy and the individual goals of each employee, the skills and the career development of the personnel are enhanced. Performance evaluation is performed through a modern tool that ensures the meritocracy, transparency and objectivity of the process.

The Group, 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 Group's strategy and that 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 Group in order to make work safe, improve the quality of employees' working life and prevent related risks. More specifically, within the year 2021, the Group took all measures necessary for 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 Eurolife FFH Group 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 Group is committed to return a part of the annual profit to it. In this context, it has implemented a corporate social responsibility program, through which it designs and implements ideas, initiatives and actions that prove its commitment to support people and society to evolve and thrive.

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

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

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

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

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

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

A) For the quality of life and its upgrade

This pillar implements actions aimed at giving more optimism and improving the quality of people's lives. Eurolife FFH Insurance Group collaborates with key organizations to jointly implement actions that respond to significant problems and difficulties that specific groups face nowadays. These actions are designed and implemented with the ultimate goal of real and meaningful impact on the beneficiaries to whom they are intended.

In this context Eurolife FFH Insurance Group collaborates with HOPEgenesis, supporting its activities against low birth rate in Greece. Additionally, it cooperates with ethelon to implement activities in support of people who belong to socially vulnerable groups with no access to basic daily goods. Moreover, it supports the work of magazine "Shedia" participating in its task to relief homeless people. Finally, the Group cooperates with Athens City Hall, supporting its efforts to upgrade the city center. The Group 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 climate neutral, offsetting its environmental footprint with projects that enhance environmental issues in developing countries. Finally, Eurolife FFH Group 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. Eurolife FFH Insurance Group has given particular emphasis on this pillar, as its main priority is to support equal opportunities for both children and adults in learning and cultural activities. For this reason, the actions carried out are not limited to major urban centers of the country, but extended to various cities and regions of Greece.

Eurolife FFH Insurance Group, 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 roadshows for children, families and adults that are traveling in various Greek cities.

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

Finally, through Eurolife FFH Insurance Group's 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, Eurolife FFH Insurance Group 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, Eurolife FFH Insurance Group has created the Eurolife Business Academy, in collaboration with the innovation body Found.ation. 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

Eurolife FFH Group, 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 of residents of remote areas, who are either already pregnant or wish to give birth to a child, but do not have regular or direct access in hospitals and health centers. With this support, HOPEgenesis provides women in these areas with specialized medical 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 Eurolife FFH Group (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 of the Group – 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" and "Make A Wish" in order to continue to offer their social 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 Group 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 Found.ation, 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 Meeting will decide on the selection of the Audit Firm and its fee.

Other information

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

Branches: The Group does not have branches.

Own equity shares: The Group 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 at 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 Group 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 Group 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 group 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 Group, 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 Group succeeds in achieving its business goals, without reducing its risk awareness.

<u>Financial situation and solvency of the Group</u>

Despite the adverse effects of the pandemic during the past two years 2020 - 2021, the Group successfully responded to the new conditions and proved it's resilience to unprecedented challenges but also its quick adaptability. For the Group, 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 Group recorded significant realized gains mainly in 2020 and reduced gains in 2021, by deinvesting a significant part of its position in Greek government bonds. Another result of the liquidation of the bonds was the strengthening of the Group's liquidity.
- The Group's profits before tax amounted to € 151,9 million in 2020 and € 86,9 million in 2021.
- No significant changes were observed in the behavior of insurance policyholders and their insurance needs. The Group 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 life insurance premiums.
- In terms of claims, there was a decrease in paid claims in the motor and health lines 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 Group's business planning without identifying a significant negative impact from the effects of the pandemic.

The Group and the insurance subsidiaries conduct "Own Risk and Solvency Assessment" exercises at least annually considering, among other things, the special conditions of Covid 19. During 2020, the Group, 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 Group 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 Group's financial figures was identified. Also, the results showed that the solvency situation of the Group 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 Group and the insurance subsidiaries are made on a quarterly basis and are submitted to the regulator. In addition, the Group's insurance subsidiaries assess their capital adequacy SCR ratio on an ongoing basis, considering market data and actual data on the asset portfolio. As of December 31, 2021, the Group's solvency ratio (SCR coverage ratio) is estimated to exceed the percentage of 180% with the use of 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 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 significant and risky raise in prices and wages that will undermine real growth and reduce real incomes.

Recognizing the challenges, the Group continues to place at the top of its strategic goals organic profitable growth and digital transformation. In that respect, the Group 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 Group is human resources. Taking into account that people are the Group' s driving force, they are considered to be its most important asset. With an intention to build a competitive advantage, the Group aims to employ 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 resources management contribute significantly not only to the achievement of the Group'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 Group 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. Group 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 Group.

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
Efthimios Vidalis	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

[Translation from the original text in Greek]

Draft Independent auditor's report

To the Shareholders of "Eurolife FFH Insurance Group Holdings S.A."

Report on the audit of the consolidated financial statements

Our opinion

We have audited the accompanying consolidated financial statements of Eurolife FFH Insurance Group Holdings S.A. (Group) which comprise the consolidated statement of financial position as of 31 December 2021, the consolidated income statement, the statement of comprehensive income, the statement of changes in equity and cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of the Group as at 31 December 2021, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

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

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

Independence

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

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

The non-audit services that we have provided to the Group, in the period from 01 January 2021 during the year ended as at 31 December 2021, are disclosed in the note 36 to the consolidated financial statements.

Key audit matters

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

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17 Ethnikis Antistassis Str., 55134 Thessaloniki, T: +30 2310 488880, F: +30 2310 459487

Key audit matter	How our audit addressed the key audit matter
Valuation of liabilities arising from Individual Life Insurance Contracts	
The Group’s Individual Life insurance contract liabilities, which are measured in accordance with IFRS 4, include liabilities for the estimated cost of settling benefits and claims associated with insurance contracts which amount to €1.820m representing 63% of the Group’s total liabilities. The valuation of these liabilities is highly judgmental and requires management to make a number of assumptions that are linked to high estimation uncertainty. Small changes in the assumptions used may lead to a material impact on the valuation of these liabilities. We focused on this area because of the significance of these amounts, the use of complex methodologies which use economic and demographic data and assumptions which are highly judgemental. In particular, the significant assumptions, which are highly sensitive to changes, are the following: ● The lapse rate, which is a significant decrement rate that drives the policies in force to gradually decrease over time, and could potentially affect the projected cash flows positively or negatively, depending on the profitability of each product. ● The yield curve used for discounting the projected cash flows, which is based on the risk-free rates curve published by the European Insurance and Occupational Pension Authority (EIOPA) adjusted to take into consideration the current allocation and expected yields of the investment portfolio. ● The expense assumptions used to estimate the future cash flows. These assumptions are based on the Group’s current expenses adjusted with the projected inflation. The Group has adopted an expense analysis model based on which the expenses are split into elastic and inelastic costs, acquisition and maintenance, and allocated to group of products. The model results are used for determining the assumptions taken into consideration for estimating the future expenses. Refer to notes 3, 4.2 and 22 of the Financial Statements for the disclosure of the related judgements and estimates.	Our work to address the valuation of the Individual Life insurance contract liabilities was supported by our internal life actuarial specialists, and included the following procedures: ● We tested the underlying data which were used in the projection of cash flows and in the experience studies that support the actuarial assumptions used. ● We compared the methodology, models and significant assumptions used against recognised actuarial practices and assessed them by applying our industry knowledge and experience. ● We performed independent model validation procedures, on a sample basis, including detailed independent recalculations on selected policies and products to ensure accuracy of the projection models. More specifically, the significant assumptions we focused on, were the following: ***Lapses*** We examined the persistency studies for each distribution channel to assess whether or not they appropriately reflect the long-term lapse profile of the business, taking into account any external or internal factors that affect the policyholder behaviour. Moreover, we assessed the reasonableness of significant judgements made in setting the lapse assumptions. ***Yield curve*** We assessed the methodology applied to determine the yield curves developed for the purpose of discounting the projected cash flows to present value. We examined the actual portfolio yields, along with the cash flow mismatches between assets and liabilities and the respective credit risk used for deriving the discounting yield curves. ***Expenses*** We examined the expense allocations to assess whether or not they appropriately reflect the long-term expense profile of the business. We assessed the reasonableness of significant judgements made in setting the assumptions, including the split between acquisition (new business), maintenance costs, and the allocation of costs to different products based on the current year’s experience.

	Based on our procedures, we found the significant assumptions used to value individual life insurance liabilities to be reasonable. We also found that the methodologies and models used are in line with industry standards and reflect the nature and risk profile of the Group's insurance contracts. Finally, we have assessed that the Group's disclosures in the Financial Statements are in accordance with the requirements of IFRS.

Key audit matter	How our audit addressed the key audit matter
Valuation of Non-Life reserves related to reported losses estimated on a case by case basis	
The Group's insurance provisions, measured in accordance with IFRS 4, include liabilities for the estimated cost of settling gross outstanding claims. These liabilities amount to €72m as of 31 December 2021, representing 2,5% of the Group's total liabilities. Out of the €72m, €70m or 96% of gross outstanding claims liabilities represent reported losses estimated on a case by case basis and the remaining balance represents additional reserves (Incurred but not reported – IBNR, additional reserves-LAT and Unallocated loss adjustment expenses – ULAE). Management relies on historical data and uses experts to determine the reserve related to reported losses estimated on a case by case basis which is highly subjective, especially in relation to cases of personal injuries, death, legal cases and property catastrophes. The reported losses estimated on a case by case basis are considered as significant because of the relative size of the amount in the Group's Statement of Financial Position, of the inherently subjective nature of their valuation and due to the significant judgement in the estimation of these liabilities. Refer to notes 3, 4.2 and 22 of the Financial Statements for the disclosure of the related judgements and estimates.	Our work to address the valuation of the reserve related to reported losses estimated on a case by case basis, included the following procedures: ● We tested, on a sample basis, specific cases in order to obtain evidence for the accuracy and completeness of the underlying data. ● We tested, on a sample basis, that the estimated liability is appropriately based on the most recent available information and that there is consistency in the valuation of cases estimates. ● We considered the movement in reserves relating to claims incurred in prior years in order to assess the reasonableness of the estimates and the consistency of the methodology used. ● We obtained a listing of new claims recorded post year end and reviewed it in order to assess any implications on the reserve related to reported losses estimated on a case by case basis. ● We examined the trend in historical claims development. Based on our procedures performed, we found the estimates used to value the reserve related to reported losses estimated on a case by case basis to be reasonable. Finally, we have assessed that the Group's disclosures in the Financial Statements are in accordance with the requirements of IFRS.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment in joint venture	
The Group possesses 25% of Grivalia Hospitality S.A. (GH) for a consideration of €50m.	Our work to address the valuation of the investment in joint venture, included the following procedures:

The investment is accounted for as a joint venture, in accordance with IFRS 11, and is therefore consolidated applying the equity method. Under the equity method, the investment is initially recognised at cost and the carrying amount changes to recognise the Group's share of the result of the joint venture. The carrying amount as of 31 December 2021 amounts to €54m and during the year a γαιν of €2,4m was recognised to the Income Statement. The valuation of properties requires a high level of judgement. This is due to factors such as the special nature of each property and its location. The key assumptions used in the valuation methodology are rents in less active markets and discount rates. GH engaged certified valuators to prepare the valuation of the properties and support the relevant estimates that form the basis for the property's value determination, in accordance with International Valuation Standards. In addition, the certified valuators made assumptions regarding elements such as market rent and discount rates based on available market information, in order to arrive at appropriate estimates. We focused on this matter because of the relative size of the investment in Group's consolidated Balance Sheet, the inherent subjective nature of property valuations and the sensitivity of valuations to key input assumptions. Refer to notes 3 and 10 of the Financial Statements for the disclosure of the related judgements and estimates.	● We obtained the valuations prepared by external certified valuators. ● We evaluated and verified the independence of external certified valuators, their capabilities and their objectivity. ● We tested, on a sample basis, the accuracy and relevance of the data provided to the certified valuators and used for the determination of the value of GH properties. ● We cooperated with experts in property valuation, evaluated, on a sample basis, the appropriateness of the methodology used and the reasonableness of the underlying assumptions that were adopted in these valuations (such as the discount rates and the market rents). Based on our procedures performed, we found the GH's valuation of the properties and therefore the valuation of the investment in GH, to be based on reasonable methodology, assumptions and appropriate data. Finally, we have assessed that the Group's disclosures in the Financial Statements are in accordance with the requirements of IFRS.

Other Information

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

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

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

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

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

- The information given in the Board of Directors' report for the year ended at 31 December 2021 is consistent with the consolidated financial statements.
- The Board of Directors' report has been prepared in accordance with the legal requirements of articles 150, and 153 of Law 4548/2018.

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

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are

required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

1. Additional Report to the Audit Committee

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

2. Appointment

We were first appointed as auditors of the Group by the articles of association on 25 September 2014. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 8 years.

Halandri, 11 April 2022
THE CERTIFIED AUDITOR

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

Konstantinos Michalatos
SOEL Reg. No. 17701

Annual Consolidated Financial Statements

Eurolife FFH Insurance Group Holdings S.A.

For the year ended
31 December 2021

Eurolife FFH Insurance Group

A FAIRFAX Company

TABLE OF CONTENTS

(amounts in € thousand)	Notes	GROUP	
		31/12/2021	31/12/2020 Restated*
ASSETS			
Property, Plant and Equipment	5	15.426	15.926
Investment Properties		62	60
Right of use assets	6	644	894
Intangible assets	7	30.581	29.123
Deferred acquisition costs (DAC)	8	32.292	33.222
Investment in joint ventures	10	54.013	45.279
Deferred tax assets	11	798	1.274
Financial assets at FVTPL:			
- Derivative financial instruments		1	116
- Financial assets held on behalf of policyholders who bear the investment risk (Unit-Linked)	12	558.782	300.505
- Financial assets held for trading	13	1.015.219	1.248.294
Available for sale financial assets	14	1.335.580	1.431.811
Financial assets classified as loans and receivables	15	40.819	82.279
Income tax receivable		7.742	1.345
Insurance receivables	16	10.519	11.094
Other receivables	17	8.903	9.065
Reinsurance share on insurance contracts	18	15.825	14.190
Cash and cash equivalents	19	457.243	284.209
Total Assets		**3.584.449**	**3.508.686**
EQUITY AND LIABILITIES			
Share Capital	20	225.000	225.000
Consolidation reserve	21	(235.058)	(235.058)
Reserves	21	645.365	635.140
Retained Earnings		66.761	113.509
Total Equity		**702.068**	**738.591**
Technical reserves and other insurance provisions	22	2.733.195	2.576.877
Financial liabilities			
- Investment contract liabilities	23	13.629	11.738
Employee benefits	24	980	909
Lease liabilities	6	682	915
Deferred tax liabilities	11	64.807	77.242
Insurance and other liabilities	25	68.982	93.041
Income tax payables		106	9.372
Total Liabilities		**2.882.381**	**2.770.094**
Total Equity and Liabilities		**3.584.449**	**3.508.686**

*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 36 to 112 are an integral part of these financial statements.

(amounts in € thousand)	Notes	GROUP	
		From 01/01 to 31/12/2021	From 01/01 to 31/12/2020 Restated*
Gross written premiums		604.965	448.653
Gross change in unearned premium reserve		1.090	2.224
Gross earned premiums		**606.055**	**450.877**
Minus: Premium ceded to reinsurers		(20.131)	(17.937)
Net earned premiums	**26**	**585.924**	**432.940**
Other insurance related income	**27**	10.901	7.265
Investment income	**28**	46.521	65.683
Gain/(Loss) from joint ventures	**10**	2.424	(4.542)
Realized gains on financial assets	**29**	55.842	210.753
Fair value gains/(losses) on financial assets	**30**	29.011	(12.669)
Gains on derivatives	**31**	(2.753)	121
Other income	**32**	297	391
Total income		**728.167**	**699.942**
Movement in technical reserves and other insurance provisions	**33**	(155.497)	(161.720)
Claims and insurance benefits incurred	**34**	(384.136)	(295.165)
Total insurance provisions and claims		**(539.633)**	**(456.885)**
Acquisition expenses	**35**	(49.071)	(39.688)
Administrative expenses	**36**	(52.546)	(51.440)
Profit before tax		**86.917**	**151.928**
Income tax expense	**37**	(20.156)	(38.419)
Profit for the year		**66.761**	**113.509**

*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 36 to 112 are an integral part of these financial statements.

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	**From 01/01 to 31/12/2020 Restated***
Profit for the year	**66.761**	**113.509**
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	(17.667)	(90.160)
Joint Venture		
Changes in the share of other comprehensive income of the Joint Venture, net of tax	60	43
Currency translation differences		
Change in currency translation differences, net of tax	(191)	(202)
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	28	(32)
Other comprehensive income for the year, net of tax	**(17.770)**	**(90.351)**
Total comprehensive income for the year, net of tax	**48.991**	**23.158**

*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 2021

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

The notes on pages 36 to 112 are an integral part of these financial statements.

(amounts in € thousand)	GROUP				
	Share capital	Consolidation Reserve	Reserves	Retained earnings	Total
Balance as at 1 January 2021	**225.000**	**(235.058)**	**635.140**	**113.509**	**738.591**
Change in available for sale financial assets reserve	-	-	(17.667)	-	**(17.667)**
Changes in the share of other comprehensive income of the Joint Venture, net of tax	-	-	60	-	**60**
Remeasurement of post employment benefit obligations, net of tax	-	-	28	-	**28**
Change in currency translation differences	-	-	(191)	-	**(191)**
Other comprehensive income for the year, net of tax	-	-	**(17.770)**	**-**	**(17.770)**
Profit for the year	-	-		66.761	**66.761**
Total comprehensive income for the year, net of tax	-	-	**(17.770)**	**66.761**	**48.991**
Transfer of retained earnings to reserves	-	-	113.509	(113.509)	**-**
Change in the equity of the Joint Venture	-	-	-	-	**-**
Dividend distribution in shareholders	-	-	(85.500)	-	**(85.500)**
Other changes	-	-	(14)	-	**(14)**
Total transactions with shareholders	**-**	**-**	27.995	(113.509)	**(85.514)**
Balance as at 31 December 2021	**225.000**	**(235.058)**	**645.365**	**66.761**	**702.068**
Restated balance as at 1 January 2020	**225.000**	**(235.058)**	**667.106**	**60.374**	**717.422**
Change in available for sale financial assets reserve	-	-	(90.160)	-	**(90.160)**
Changes in the share of other comprehensive income of the Joint Venture, net of tax	-	-	43	-	**43**
Restated remeasurement of post employment benefit obligations, net of tax	-	-	(32)	-	**(32)**
Change in currency translation differences	-	-	(202)	-	**(202)**
Restated other comprehensive income for the year, net of tax	-	-	**(90.351)**	**-**	**(90.351)**
Restated profit for the year	-	-	-	113.509	113.509
Restated total comprehensive income for the year, net of tax	-	-	**(90.351)**	**113.509**	**23.158**
Transfer of retained earnings to reserves	-	-	60.374	(60.374)	**-**
Change in the equity of the Joint Venture	-	-	(1.981)	-	**(1.981)**
Dividend distribution in shareholders	-	-	-	-	**-**
Other changes	-	-	(8)	-	**(8)**
Total transactions with shareholders	**-**	**-**	**58.385**	**(60.374)**	**(1.989)**
Restated balance as at 31 December 2020	**225.000**	**(235.058)**	**635.140**	**113.509**	**738.591**

*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 36 to 112 are an integral part of these financial statements.

(amounts in € thousand)		GROUP	
	Notes	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020 Restated*
Cash Flows from Operating Activities			
Profit before Tax		**86.917**	**151.928**
Adjustments for:			
Depreciation and amortization of property, plant and equipment, investment properties and intangible assets		3.043	2.794
Change in other provisions		4.476	3.796
Employee benefit provisions	36	105	37
Loss from joint ventures	10	(2.424)	4.542
Fair value (gains) on financial assets	30, 31	(26.309)	(1.569)
Foreign exchange differences	30	(2.701)	14.238
Change in insurance reserves & deferred acquisition costs		156.633	172.292
(Gains) on disposal of financial assets	29	(55.842)	(210.753)
Interest (income), bonds amortization, dividends and other investment income		(46.729)	(65.899)
(Gains) on derivatives	31	2.753	(121)
Losses on property, plant and equipment disposal		11	17
Changes in Operating Assets and Liabilities:			
(Purchases) of financial assets		(2.877.489)	(3.005.653)
Commercial mortgage loans granted	15	40.000	(80.000)
Sales of financial assets		3.006.941	3.004.712
Change in insurance receivables and other receivables		(1.295)	13.100
Change in insurance and other liabilities, investment contracts and insurance provisions		(31.976)	17.432
Income tax received/ (paid)		(29.048)	13.200
Interest received / paid		44.434	87.294
Gains / (losses) from derivatives received/paid	31	(2.639)	6
Net Cash Flows from Operating Activities		**268.861**	**121.393**
Cash Flows from Investing Activities			
Proceeds from sales of property, plant and equipment		-	7
(Purchases) of property, plant and equipment & intangible assets		(3.779)	(3.433)
Acquisition of interest in joint venture	10	(6.250)	(5.000)
Net Cash Flows from Investing Activities		**(10.029)**	**(8.426)**
Cash Flows from Financing Activities			
Principal repayment of lease liabilities		(298)	(438)
Dividends paid	40	(85.500)	-
Net Cash Flows from Financing Activities		**(85.798)**	**(438)**
Net increase in cash and cash equivalents		173.034	112.529
Cash and cash equivalents at beginning of the year	19	284.209	171.680
Cash and Cash Equivalents at end of the year	19	**457.243**	**284.209**

*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 36 to 112 are an integral part of these financial statements.

NOTE 1: GENERAL INFORMATION

"Eurolife FFH Insurance Group Holdings S.A." (hereinafter the "Company"), under the discreet title "Eurolife FFH Insurance Group" is domiciled in Greece and was founded on 26 September 2014.

On May 18th, 2020 the Commercial and Industrial Chamber of Athens, based on its decision 5257/18-05-2020, approved the amendment of article 1 of the Company's Articles of Association of "Eurolife ERB Insurance Group Holding Societe Anonyme" (or "Eurolife ERB Insurance Group ") and specifically the change of its name and distinctive title to "Eurolife FFH Insurance Group Holding S.A." and "Eurolife FFH Insurance Group" respectively. The amendment of the Articles of Association was decided by the Extraordinary General Meeting of the Company's shareholders, on May 12th, 2020.

The Company operates as a holding societe anonyme according to the provisions of L.4548/2018 which amended L.2190/1920 on societe anonyme as it stands and its main business is the direct and indirect participation in Greek or / and foreign companies and businesses that have been or will be established, in any form and purpose. The Company's headquarters are located at Athens, 33-35 Panepistimiou Str. & 6-10 Korai Str., P.O. 105 64, Greece, (GEMI Reg. 131910001000), tel (+30) 2111873540, www.eurolife.gr. The Company holds five (5) subsidiaries in Greece and two (2) in Romania.

The present financial statements include the Consolidated Financial Statements of the Company and its subsidiaries (referred to as the "Group") for the year ended 31 December 2021 (see Note 9).

The Board of Directors consists of the following members:

Name	Attribute
Alexandros Sarrigeorgiou	Chairman and CEO, Executive Member
Konstantinos Vassiliou	Vice-Chairman, Non-Executive Member
Angelos Androulidakis	Independent, Non-Executive Member
Efthimios Vidalis	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

The Company is a subsidiary of the company Costa Luxembourg Holding S. à.r.l. ("Costa"), which holds 80% of its share capital. Costa 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 14 th, 2021, Colonnade Finance S.à.rl exercised its option to purchase the remaining Costa shares from OPG Commercial Holdings (Lux) S.à rl. Costa is now wholly owned by Colonnade Finance S.àrl. 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.

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.

Activities of the Group

The basic activities of the Group are focused in the following three market segments:

Life: The Group offers a wide range of life insurance products in Greece and Romania through the Greek Life Insurance Subsidiary (Eurolife FFH Life Insurance S.A.) and the Romanian Life Insurance Subsidiary (Eurolife FFH Asigurari de Viata), respectively. The Group's Life Insurance market segment is organized into two main life insurance product categories: protection and savings. The protection product offerings are comprised of whole life, term, personal accident, health, disability and credit (life/disability) insurance. The savings product offerings comprise annuities, unit-linked products, endowments and group pension products. The life insurance products are distributed through Eurobank's network and agents' sale channels as well.

Non-Life: The Group offers a wide range of non-life insurance products in Greece and Romania through the Greek Non-Life Insurance Subsidiary (Eurolife FFH General Insurance S.A.) and the Romanian Non-Life Insurance Subsidiary (Eurolife FFH

Asigurari Generale), respectively. The Group's Non-Life Insurance market segment is organized into three insurance product categories: property, motor and other non-life insurance products. With regard to property insurance products, the non-life insurance subsidiaries offer to customers various household and small commercial coverage packages, as well as, to a lesser extent, tailor-made coverage for large commercial and industrial risks. The motor offerings comprise a number of packaged motor insurance products, ranging from mandatory third party liability to partial and full comprehensive products. The other non-life insurance products are: (i) public (general third party) liability insurance and employers' liability insurance; (ii) Construction All Risks ("CAR") and Erection All Risks ("EAR") insurance; (iii) personal accident insurance; (iv) yachts liability insurance; and (v) professional liability to certain categories of professionals. The non-life insurance products are distributed through Eurobank's network and agents' sale channels as well.

Insurance Brokerage:

The Group provides through its subsidiaries insurance brokerage services, which fall into the following categories:

i) **Insurance Brokers:** The Insurance Brokerage Subsidiary (Designia Insurance Brokers) provides consulting and brokerage services primarily for commercial and industrial risks, covers the complex needs of corporate customers and high net-worth individuals, by canvassing the insurance market and developing customized insurance solutions and organizes and coordinates multiple-insurer programs, with the participation of all the major Greek insurance companies, to address increased clients' needs.

ii) **Insurance Agents:** The insurance Agents Subsidiary (Designia Insurance Agents) provides insurance agency activities and in particular provides insurance product distribution services in the name and on behalf of one or more insurance companies.

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 of Financial Statements

The Consolidated Financial Statements 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, financial assets and financial liabilities held at fair value through profit or loss (including the derivative financial instruments) and investment properties 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:

<u>Going concern assessment</u>

In 2021, the economic activity in Greece recovered with high rates, after the significant -9% recession recorded in 2020 due to the pandemic and the social distancing measures imposed by the Government. According to forecasts announced by the Hellenic Statistical Authority (ELSTAT), the growth rate for the Greek economy is expected to exceed 8% for 2021, which is the third highest growth rate in the Eurozone. This 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 against 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 pressure and increases in energy prices.

The Group closely monitors developments in the international and greek macroeconomic environment and, considering its exposure to financial and insurance risks, daily examines 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 Group systematically monitors the capital adequacy of the insurance subsidiaries in accordance with Solvency II requirements and takes the necessary actions to maintain a strong capital base and a high-quality investment portfolio. As of 31 December 2021, the eligible own funds of the Group exceed the solvency capital requirement.

2.1.1. Adoption of International Financial Reporting Standards (I.F.R.S.)

i) <u>New standards and amendments to standards adopted by the Group</u>

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 is not expected to have an impact on the Group'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 the year 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 Group's financial statements.

ii) <u>New standards, amendments to standards and new interpretations not yet adopted by the Group</u>

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 Group has not has adopted them earlier than the date of their mandatory application. What may be related to the Group 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 policies. The amended standard gives all entities issuing insurance policies the option to either recognize in the other comprehensive income and not in the income statement any discrepancies arising from the application of IFRS 9 prior to the issuance of the new standard for insurance policies, or provides entities, whose activities mainly concern the insurance industry, the option for temporary exemption from the application of IFRS 9 until 2023. This exemption is only available to entities whose activities are primarily related to insurance. Entities that defer application of IFRS 9 will continue to apply the existing IAS 39 standard for financial instruments.
The Group's activities are primarily related to insurance as defined in this amendment and, therefore, the Group meets the conditions and intends to apply the provisional exemption and consequently to apply IFRS 9 in 2023.It is noted that the Group's liabilities related to insurance activity under IFRS 4 amount to € 2.431,5 million, € 2.588,6 million and € 2.746,8 for December 31, 2019, December 31, 2020 andDecember 31, 2021 respectively, and represent a percentage of 93, 5% ,93,4% and 95,3% of the total liabilities of the Group 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 Group has no other activity, except insurance. The Group 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 Group 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 has been issued in May 2017 and, along with the Amendments to IFRS 17 issued in June 2020, supersedes IFRS 4. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the Standard and its objective is to ensure that an entity provides relevant information that faithfully represents those contracts. The new standard solves the comparison problems created by IFRS 4 by requiring all insurance contracts to be accounted for in a consistent manner. Insurance obligations will be accounted for using current values instead of historical cost.

The Group 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 Group 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 facility provided for rent concessions under one year to cover the reductions in rents due on or until June 30, 2022. The adoption of the amendment is not expected to have an impact on the Group'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 PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also requires entities to separately disclose the amounts of proceeds and costs relating to such items produced that are not an output of the entity's ordinary activities. The adoption of the amendment is not expected to have an impact on the Group'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 Group'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 Group's financial statements.

IAS 1, Amendment - Classification of liabilities as short-term or long-term (effective from 1 January 2023, 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 Group'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 Group'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 Group'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 Group'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 Group 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 Group'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) issued a final decision on the application of IAS 19 with respect to 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 (as 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. In particular, according to the above decision, the distribution of the benefit will not start from the beginning of the employment date but from the date on 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 from the employee will lead to insignificant amounts of additional benefits. The final decision of the Commission was treated as a retrospective 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 Group 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 IFRIC issued a final decision on the application of IAS 19 regarding the allocation of benefits over periods of service.

The Group, 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 Group, 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 age of 62 employees, so the distribution of retirement benefits takes place from 46 to 62 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 Group recalculated in the financial statements for the year ended December 31, 2021 the provision for "Employee benefits" for the years ended December 31, 2019 and December 31, 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
Assets				
Deferred tax assets	11	425	(14)	411
Total assets		**3.318.566**	**(14)**	**3.318.552**
Equity and Liabilities				
Reserves	21	666.798	308	667.106
Retained earnings		60.374	-	60.374
Total equity		**717.114**	**308**	**717.422**
Employee benefits	24	1.228	(405)	823
Deferred tax liabilities	11	108.486	83	108.569
Total Liabilities		**2.601.453**	**(322)**	**2.601.131**
Total Equity and Liabilities		**3.318.566**	**(14)**	**3.318.552**

(amounts in € thousand)	Notes	Published Data 31/12/2020	Changes in accounting policy	Restated Data 31/12/2020
Assets				
Deferred tax assets	**11**	1.345	(71)	1.274
Total assets		**3.508.757**	**(71)**	**3.508.686**
Equity and Liabilities				
Reserves	**21**	634.795	345	635.140
Retained earnings		113.514	(5)	113.509
Total equity		**738.251**	**340**	**738.591**
Employee benefits	**24**	1.357	(448)	909
Deferred tax liabilities	**11**	77.206	36	77.242
Total Liabilities		**2.770.506**	**(412)**	**2.770.094**
Total Equity and Liabilities		**3.508.757**	**(71)**	**3.508.686**

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
Acquisition expenses	**35**	(39.685)	(3)	(39.688)
Administrative expenses	**36**	(51.437)	(3)	(51.440)
Profit before tax		**151.935**	**(7)**	**151.928**
Income tax expense	**37**	(38.421)	2	(38.419)
Profit for the year		**113.514**	**(5)**	**113.509**

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:			
Remeasurement of post-employment benefit obligation, net of tax	(69)	37	(32)
Other comprehensive income for the year, net of tax	**(90.388)**	**37**	**(90.351)**
Total comprehensive income for the year, net of tax	**23.126**	**32**	**23.158**

Statement of changes in equity

(amounts in € thousand)	Share capital	Consolidation Reserve	Reserves	Retained earnings	Total
Published Balance as at 1 January 2020	**225.000**	**(235.058)**	**666.798**	**60.374**	**717.114**
Changes in accounting policy	-	-	308	-	308
Restated Balance as at 1 January 2020	**225.000**	**(235.058)**	**667.106**	**60.374**	**717.422**
Restated profit for the year	-	-	-	**113.509**	**113.509**
Restated remeasurement of post-employment benefit obligations,net of tax	-	-	(32)	-	(32)
Restated other comprehensive income for the year, net of tax	**-**	**-**	**(90.351)**	**-**	**(90.351)**
Restated total comprehensive income for the year, net of tax	**-**	**-**	**(90.351)**	**113.509**	**23.158**
Total transactions with shareholders	**-**	**-**	**58.385**	**(60.374)**	**(1.989)**
Restated Balance as at 31 December 2020	**225.000**	**(235.058)**	**635.140**	**113.509**	**738.591**

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are entities over which the Group, directly or indirectly, has the power to exercise control. The Group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. Total comprehensive income is attributed to the owners of the parent and to the non- controlling interests even if this results in the non-controlling interests having a deficit balance.

Intercompany transactions, balances and intragroup gains on transactions between Group companies are eliminated; intragroup losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies of the Group.

A listing of the Company's subsidiaries is set out in Note 9.

(b) Business combinations involving entities under common control

Pursuant to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", since business combinations between entities under common control are excluded from the scope of IFRS 3 "Business Combinations", such transactions are accounted for in the Group's financial statements by using the pooling of interests method (also known as merger accounting), with reference to the most recent pronouncements of other standard-setting bodies that use a similar conceptual framework and comply with the IFRS general principles, as well as accepted industry practices.

Under the pooling of interests method, the Group incorporates the assets and liabilities of the subsidiaries at their pre-combination carrying amounts without any fair value adjustments and no Goodwill is recorded. Any potential difference between transaction cost and carrying value of net assets acquired is accounted for in equity of the Group.

The consolidated equity accounts consist of the following:

Share Capital:	The par value of the common stock issued by the Company to effect the combination is credited to the share capital account.
Reserves and Retained Earnings:	The Group's reserves and retained earnings incorporate the reserves and retained earnings of the subsidiaries and the Company after the elimination of intra-group transactions.
Consolidation reserve:	The difference between the Company's investments in subsidiaries (direct and indirect) and the subsidiaries' share capital and share

premium is recorded and presented separately in the Equity on consolidation, as “Consolidation reserve”.

The consolidated financial statements report results of operations for the period in which the transfer occurs as though the transfer of equity interests had occurred at the beginning of the previous comparative period. The effects of intra-group transactions on assets, liabilities, income statement and retained earnings presented have been eliminated.

(c) Joint Arrangements

A joint arrangement is an arrangement under which the Group has joint control with one or more other parties. Joint control is a contractually agreed joint control exercise and exists only when decisions on major activities require the unanimous consent of the parties jointly exercising control. Under IFRS 11, investments in joint arrangements are classified either as joint operations or as joint ventures, and the classification is determined by the contractual rights and obligations of each investor. The Group has assessed the nature of its investments in joint arrangements and has decided to they form joint ventures.

Joint ventures are accounted for using the equity method. According to the equity method, investments in joint ventures are initially recognized at cost, which is subsequently increased or decreased by recognizing the Group's share of the profits or losses of joint ventures and the changes in other comprehensive income after the acquisition. In the event that the Group's share of joint venture losses exceeds the value of the investment (including any long-term investment that is substantially part of the Group's net investment in joint ventures), no further losses are recognized unless payments have been made or further commitments have been made on behalf of the Joint venture.

Unrealized gains on transactions between the Group and joint ventures are eliminated by the Group's participation in the joint ventures. Unrealized losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset. The accounting policies of joint ventures have been amended where necessary to be consistent with those adopted by the Group.

When the Group ceases to have joint control over an entity, it ceases to use the equity method. Any residual interest in the entity is remeasured to its fair value and any change in the carrying amount is recognized in the income statement except in those cases where a participation in a joint venture becomes a participating interest in an associate, where the residual interest remaining is not remeasured and the use of the equity method continues.

2.3. Foreign currency

(a) Translation of foreign subsidiaries

In the consolidated financial statements, the assets and liabilities of foreign subsidiaries are translated into the Group’s presentation currency using the exchange rate ruling at the Balance Sheet date. Income and expenses are translated at the average rates of exchange for the reporting period.

Exchange differences arising from the retranslation of the net investment in foreign subsidiaries including exchange differences of monetary items receivable or payable to a foreign operation for which settlement is neither planned nor likely to occur, that form part of the net investment in foreign subsidiaries, are taken to "Statement of comprehensive income". Such exchange differences are released to the income statement on disposal of the foreign operation or for monetary items that form part of the net investment in the foreign operation, on repayment or when settlement is expected to occur.

(b) Transactions and balances in foreign currency

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the market rates of exchange ruling 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 ruling at initial recognition, except for non-monetary items denominated in foreign currencies that are stated at fair value which have been translated using the rate of exchange at the date the fair value was determined. The 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.

2.4 Property, plant and equipment

Property, plant and equipment include land and buildings, improvements in lease-hold assets, furniture, computers and other equipment as well as 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 Group 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 the property, plant and equipment, in order to reduce the acquisition cost of the property, plant and equipment to their residual value as follows:

Land:	Not depreciated
Buildings:	40 to 50 years
Leasehold improvements:	The lowest of lease contract term and its estimated useful life.
Personal 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. Specifically, land and buildings are examined annually by independent valuers in order to determine whether there is an indication of impairment.

The historical cost and the accumulated depreciation of property, plant and equipment disposed are removed from the relevant accounts upon sale or retirement and any arising gain or loss is recognized in the income statement.

2.5 Investment properties

Investment properties are the properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost plus any cost which is directly attributable to the acquisition of such assets.

After initial recognition, investment property is recognized at “fair value”. "Fair value" is based on prices that apply to an active market, adjusted where necessary due to differences in the nature, location or condition of the asset. If this information is not available, the Group applies alternative valuation methods, such as recent prices on less active markets or value-in-use method. These estimates are reviewed at the end of each year by independent professional real estate appraisers in accordance with instructions issued by the International Valuation Standards Committee.

The fair value of investments property reflects, inter alia, rental income from existing leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflow (including rental payments and other outflows) that would be expected from each property. Some of these outflows are recognized as a liability, while others, including possible rent payments, are not recognized in the financial statements.

Subsequent costs are added to the carrying amount of the property only when it is probable that future economic benefits associated with that property will flow to the Group and that the related costs can be measured reliably. Repairs and maintenance costs are charged to the results of the year in which they are incurred.

Changes in "fair values" are recognized in the income statement. Investment property ceases to be recognized when it is sold or when the use of an investment property ceases and no financial benefit is expected from its sale.

If an investment property changes to Property, Plant and Equipment, it is reclassified to tangible assets and its "fair value" at the date of reclassification is defined as its acquisition cost for accounting purposes.

2.6 Intangible assets

(a) Goodwill

Goodwill represents the excess of the aggregate of the fair value of the consideration transferred at the date of acquisition, over the fair value of the Group’s share of net identifiable assets and contingent liabilities acquired. Goodwill on acquisitions of subsidiaries is included in ‘intangible assets’.

Goodwill on the acquisition of subsidiaries is not amortized but tested for impairment annually or more frequently if there are any indications that impairment may have occurred. The Group’s impairment test is performed each year end. The Group considers external information such as weak economic conditions, persistent slowdown in financial markets, volatility in markets and changes in levels of market and exchange risk, an unexpected decline in an asset's market value or market capitalization being below the book value of equity, together with a deterioration in internal performance indicators, in assessing whether there is any indication of impairment.

Goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each Cash Generating Unit (CGU) or groups of CGUs that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the Group at which goodwill is monitored for internal management purposes.

The Group's impairment model compares the carrying value of a CGU or group of CGUs with its recoverable amount. The carrying value of a CGU is based on the assets and liabilities of each CGU. The recoverable amount is determined on the basis of the value-in use which is the present value of the future cash flows expected to be derived from the CGU or group of CGUs. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU and the countries where the CGUs operate.

An impairment loss arises if the carrying amount of an asset or CGU exceeds its recoverable amount, and is recognized immediately as an expense in the income statement. Impairment losses are not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(b) Software

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 : 4-7 years

2.7 Financial assets and liabilities

2.7.1 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. Also, in this category are recognized the derivative instruments held for trading, unless they are designated and effective as hedging instruments.

The Group 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 Group 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 Group'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.

2.7.2. Recognition, accounting treatment and derecognition

Purchases and sales of financial assets are recognized on the trade date, which is the date on which the Group 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 are recycled in the income statement.

The accounting treatment of interest income and dividend income from financial assets is described in Note 2.22.

2.7.3 Derecognition of financial assets

A financial asset is derecognized when the contractual cash flows of the instrument expire, or the Group 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.

2.7.4 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 Group include investment contracts (Unit Linked products) and derivative financial instruments. The accounting policies of the abovementioned financial liabilities are described in the notes 2.14 (c) and 2.10, respectively.

2.8 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 Group has access at that date. The fair value of a liability reflects its non- performance risk.

The Group measures the fair value of a financial instrument, using the official quoted market price in an active market for that instrument, when it 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 Group 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 Group has elected to use mid-market pricing as a practical expedient for fair value measurements within a bid- ask spread.

The best evidence of fair value of a financial instrument at initial recognition is normally the transaction price i.e. the fair value of the consideration given or received, unless the Group 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).

2.9 Impairment of financial and non-financial assets

2.9.1 Impairment of financial assets

The Group, 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 Group as follows:

- Significant financial difficulty of the issuer or obligor
- Breach of contract, such as outstanding or overdue interest or initial payment
- The borrower may initiate bankruptcy or other financial reorganization
- The absence 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, although 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 Group 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 Group 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 Group 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 Group, 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.

2.9.2 Impairment of non-financial assets

Items that have 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).

2.10 Derivatives

Derivative financial instruments mainly include foreign exchange contracts, forward currency agreement 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 2.8 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 of loss. These embedded derivatives are measured at fair value with changes in fair value recognized in the income statement. The Group 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 identification method is determined depending on the nature of the item being hedged by derivatives.

2.11 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet if, and only if, the Group 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.

2.12 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 fixed and intangible assets, defined benefit obligations to employees due to retirement and the valuation of certain financial assets and liabilities, including derivative financial instruments.

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

Deferred tax associated with the change in fair value of available for sale investments recognized in the 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 positions 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.

2.13 Employee benefits

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

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

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

Under labor law in force, when an employee remains 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 Group accounts for a provision based on actuarial study for staff leaving indemnities using the projected credit unit method. According to this method, the cost of staff leaving indemnities is recognized in the income statement during the last 16 years of service of the employees until the date of retirement employment based on actuarial valuations carried out every year.

The indemnity liability is calculated as the present value of expected future cash outflows using interest rates of high quality European corporate bonds, with terms to maturity approximating the terms of relevant liability (see note 23).

Actuarial gains or losses arising from the calculation of staff leaving indemnities are recognized in other comprehensive income without being eligible for reclassification to future profit or loss. The past service cost and interest expense is recognized immediately in the income statement.

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

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

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts to leave voluntary in return for such privileges. The Group accounts for such liabilities when bounds to either terminate the employment of existing employees of the Group 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) <u>Bonus and benefits participation plans</u>

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

2.14 Insurance and investment contracts

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

Contracts Classification

The Group 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 subsidiaries and where the subsidiaries agree 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 insurance subsidiaries 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 insurance subsidiaries to financial risk without significant insurance risk is not an insurance contract. Some contracts expose the Group 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 insurance companies in connection with the contract terms and the investment performance of the subsidiaries 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 Group separated contracts into insurance and investment contracts.

Significant insurance risk for the Group is when the amount paid in case of occurrence of a specified uncertain future event exceeds 10,0% of paid premiums.

(a) Life Insurance contracts

These are the contracts through which the Group 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. Single 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 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 Group. The Group 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 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 Group. 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) Non-Life insurance Contracts

The Non-Life insurance subsidiaries issue mainly short-term insurance contracts relating to all the non-life insurance sectors where they operate, while they also sell long-term insurance contracts related to property.

Insurance contracts for accidents cover customers of the Group mainly from the risk of injury or disease or the risk of damage to third parties (third party civil liability) during their lawful activities. The cases covered include contractual and non-contractual events. This category includes contracts covering the risk of motor vehicle liability, employer's liability and general civil liability for individuals and corporations.

Property insurance contracts mainly cover customers of the Group from the risk of damage or total destruction to their property and in some cases loss of income from inability to use this property.

Premiums are recognized as revenue (earned premiums) proportionally to the insurance period. As at the reporting date, the amount of premiums for the in force contracts, which concerns the next one or more financial years, is transferred at the Unearned Premiums Reserve. For all insurance sectors this is calculated based on the proportion of days from the reporting date until the end of the period for which premiums have been registered in the relevant insurance subsidiaries' register, except for the Transportation sector where the reserve is estimated at 20,0% of the annual premiums under applicable Greek legislation. Premiums are recognized before the deduction of commissions payable.

The claims and related expenses are recognized in income statement, based on the estimated liability for claims to policyholders of the Group or third parties harmed by actions or omissions of the Group's customers. These include claims paid, and direct and indirect costs and are calculated so as to fully cover the liabilities of insurance risks that have incurred up to reporting date, whether or not reported to the Group. The Group does not discount the liabilities of outstanding claims. Full provision is made for the final cost of all outstanding claims at the reporting date, with deduction of amounts entitled to recover from reinsurers, using the information available at the date of the financial statements. In addition, provisions for outstanding claims include the reserve for losses that have incurred and not reported to the Group at the date of the financial statements (IBNR - Incurred But Not Reported) and the loss adjustment expenses. Delays may occur both in the reporting of claims and in their settlement, particularly in cases of claims of civil liability. Therefore, it is essential to make estimates and assumptions in calculating the reserve for outstanding claims, the final cost of which is not known accurately at the reporting date.

(c) 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 Group 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.

(d) 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 Group reduces the carrying amount accordingly and recognizes the impairment loss in the income statement. The Group assess 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 2.9.

(e) Deferred acquisition costs

Life insurance business:

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.

Non-Life insurance business:

Commissions and other acquisition costs associated with the issuance of new non-life insurance contracts and renewal of existing insurance contracts classified in the account "Deferred acquisition costs". All other costs are recognized as expenses when incurred. The Deferred Acquisition Costs are amortized proportionately to earned premiums.

(f) Insurance provisions

The Group 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 liabilities undertaken by the insurance subsidiaries for each life insurance contract and the actuarial present value of the net premiums due from the policyholder and payable to the insurance subsidiaries within the next years. This difference is calculated using actuarial techniques and in accordance with Greek and Romanian 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: Represents 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 insurance subsidiaries' 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 expenses 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 subsidiaries 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 out as at the reporting date, in accordance with the valuation principles and rules applicable to each category of insurance provision and the traditional provisions of IFRS 4 "Insurance Contracts.

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

(g) Liability Adequacy Test of insurance reserves

At each reporting date the Group 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 after the performance of the liability adequacy test exceed the 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.

2.15 Reinsurance contracts

Reinsurance contracts entered into by the Group in order to be compensated for losses of one or more contracts issued by the Group, meet the condition of being categorized as insurance products and are classified as reinsurance contracts. Insurance contracts entered into by the Group 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 based on the terms of the reinsurance contracts that the Group 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 Group's exposure to risk of loss from insurance contracts. All reinsurance cessions are made to reinsurance companies which meet the standards set by the Group's management. When designing reinsurance programs, the Group takes into account the financial position of reinsurers, as well as the benefits and cost of reinsurance coverage to ensure that all risks receive proper and adequate reinsurance protection.

The Group 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:

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

2.16 Leases

The Group participates as lessee and lessor in operating leases.

The Group 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 Group 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 Group 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 Group is relatively certain that the ownership of the leased asset will be transferred to the Group 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 Group 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 Group and the termination penalty payments of a lease, if the contract terms indicate with reasonable certainty that the Group 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 Group 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) <u>Short term leases</u>

The Group 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) <u>Significant considerations in determining the lease term with an extension option</u>

The Group 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 Group has the right for some leases to extend the lease term. The Group 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 Group 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 Group).

2.17 Related party transactions

The related parties of the Group include:

i. an entity that has control over the Group 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,
ii. members of key management personnel of the Group, close family members and entities that are controlled or jointly controlled by the abovementioned persons,
iii. associates and joint ventures, and
iv. related entities.

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

2.18 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.

2.19 Dividends

Dividend distribution on shares is recognized as a deduction in the equity when approved by the shareholders. Interim dividends are recognized as a deduction in the equity when approved by the Board of Directors.

2.20 Provisions – Pending litigations

Provisions are recognized when the Group 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 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.

2.21 Cash and cash equivalents

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

2.22 Revenue recognition

Revenue is recognized when it is probable that future economic benefits will flow to the Group and the amount can be measured reliably. Recognition of revenue from insurance contracts described in Note 2.14. Revenue other than from insurance contracts is analyzed as follows:

Asset management fees

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

Fees, primarily consisting of investment management fees arising from services rendered, are associated with the issuance and management of investment contracts. The Group 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 Group's customers expect from their investment. Such activities create revenue recognized according to the stage of completion of contractual services. As business practice, the Group recognizes these fees by allocating them to the estimated life of the contract.

Interest income

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

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

Dividend income

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

Income from insurance agency services

Income from insurance agency services is recognized upon inception of insurance contracts, when the Group fee is on demand. Furthermore, revenue from rendering insurance consulting services is recognized during the period in which the services are rendered, by reference to stage of completion of the actual service.

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group 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 in the current situation. 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 related to the long-term insurance contracts is dependent on the estimates made by the Group.

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

The main sources 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 Group has significant exposure to mortality and morbidity risk.

The Group covers through reinsurance contracts the mortality and morbidity risk either by proportional contracts or by reinsurance treaties for the protection from catastrophic events. Moreover, the continuous evolution of medical science and the improvement of social benefits can lead to improved longevity beyond that estimated by the mortality table used for the calculation of liabilities for the 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 Group 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 the future returns from investments that 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 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 Group make assumptions for lapses based on Group'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 22).

(b) Liabilities arising from claims of insurance contracts

The estimation of outstanding claims of insurance contracts is also one critical accounting estimate of the Group. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Group will ultimately pay for such claims. In addition to the reserve calculated on a case by case basis, the Group 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 Group recognizes additional provisions (liability adequacy test - LAT) (refer to note 22).

(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 Group 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 was low volume of transactions in the secondary market and low trading value.

The Group, 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 maximized 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 that context, the Group calculated a performance margin (implied spread) between the PSI GGBs and the New GGBs 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), was ranging between 20 and 40 basis points on 31 December 2020 for the medium and long term maturities of PSI GGBs, a range that was considered reasonable based on the existing 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 exchange 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 Group 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 Group's income statement (see note 14).

(d) Estimation of the fair value of investment properties

The Group has invested in real estate mainly through the investment in the joint venture Grivalia Hospitality (see note 10).

The best evidence of fair value is based on the current prices in an active market for similar lease and other contracts. In the event that such information is unavailable, the Group's Management determines the fair value amount through a range of reasonable fair value estimates based on advice received from its independent external valuers.

In order to make such a decision, Group's Management looks at information from various sources, including the following:

(i) Current prices in an active market for properties of a different nature, condition or location (or subject to a different lease or other contracts), adjusted to reflect those differences.

(ii) Recent prices of similar properties in less active markets, with adjustments made to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, and

(iii) Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing lease and other contacts, and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, as well as using discount rates that reflect current market assessments of the uncertainty in the amount and timing of those cash flows.

The main parameters that affect the fair value of the Group's real estate property are those related to the expected future market rentals, as well as to the appropriate discount rates (refer to note 10).

NOTE 4: INSURANCE AND FINANCIAL RISK MANAGEMENT

4.1 Framework for Risk Management

The Group 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 Group 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 Group 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 Group 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, both on a Group and subsidiary level, have been established.

4.1.1 Risk, Asset - Liability and Investment Management Committees of insurance subsidiaries

The Risk, Asset - Liability and Investment Management Committees of the insurance subsidiaries are committees of the Board of Directors.

The main responsibilities of the Committees are:

- 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 Group;
- 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 Group;
- 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 Group'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 Group; develop and adopt the appropriate methodology for management of all major risks to which the Group 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/or 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 Group'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 or/and ad – hoc basis) so as to appropriately inform the BoD, the Risk, Asset-Liability and Investment Management Committee 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, 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 Group faces under its insurance contracts is that the actual claims and benefit payments may 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 Group 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.

The Group has insurance operations in both Greece and Romania. The exposure of the Group to insurance risk is significant mainly in Greece since the insurance portfolio of the subsidiaries in Romania is not material on a Group level. Therefore the disclosures regarding the insurance risk below relate to insurance operations only in Greece.

4.2.1 Life Insurance

The Group 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 Group 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 life assurance. The Group also offers pension products in the form of deferred annuities. The Group writes unit- linked business with the premiums being invested in different funds. The Group sells both single premium and periodic premium whole 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 Group, the majority of which are health indemnities covering hospitalization and surgery. The Group 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, pension plans, insurance protection of borrowers/ primary health coverage) at approximately 21,4% of total written premiums (December 31, 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%,69% and 6,0%, respectively.

4.2.1.1 Traditional life insurance and DAF contracts

a) Frequency and severity of claims

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

The Group is exposed to the following risks for the 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 Group'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 Group manages these risks through its underwriting strategy and reinsurance arrangements. The Group 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 Group's most significant exposure to longevity risk is in the deferred annuity portfolio. The Group 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 Group 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.

Insured funds per insured life as at 31 December 2021	**Before reinsurance**		**After reinsurance**	
	(amounts in € mil.)	**%**	(amounts in € mil.)	**%**
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%**

Insured funds per insured life as at 31 December 2020	**Before reinsurance**		**After reinsurance**	
	(amounts in € mil.)	%	(amounts in € mil.)	**%**
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 fact has not changed in comparison with the prior year.

The following table for annuity insurance contracts illustrate the concentration of risk into ten bands, in which these contracts are classified based on the amount payable per annum as if the annuity were in payment at the year-end. The Group does not hold any reinsurance contract against the liabilities carried for these contracts.

Annuity payable per contract as of 31 December	**Total annuities payable**			
	31/12/2021		**31/12/2020**	
	(amounts in € mil.)	%	(amounts in € mil.)	%
0-500	4,7	9	6,2	11
500-1.000	10,4	20	11,5	20
1.000-2.000	12,0	23	13,0	23
2.000-3.000	6,6	13	7,1	12
3.000-4.000	4,4	9	4,7	8
4.000-5.000	4,0	8	4,1	7
5.000-6.000	1,8	4	2,0	4
6.000-8.000	2,5	5	2,7	5
8.000-10.000	1,7	3	1,9	3
>10.000	3,3	6	3,5	6
Total	**51,3**	**100**	**56,6**	**100**

- **Lapse/Cancellation Risk**

Insurance risk for long-term life insurance contracts is also affected by the policyholders' right to pay reduced premiums (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 or not to maintain the policy.

- **Expense Risk**

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

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

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 Group uses appropriate base tables of standard mortality according to the type of contract being written. A study of the historical data available tothe Group based on the experience of 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 Group 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 Group 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 Group's experience of insured policyholders.

- **Non-renewal / cancellation and redemption 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 group of similar products, taking into account the Group's experience during the last ten years. The study for lapses and surrenders is updated on an annual basis, so that models reflect reality. From time to time, the Group 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 Group's business, results of operations, financial position and prospects. The impact of changes in assumptions for the Group 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 Group for the maintenance and management of the insurance portfolio and they are readjusted for every future year, with the estimated price inflation. The Group 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 Group 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 Group, 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 insurance products of the Greek life insurance subsidiary at the end of the current year, resulted in additional reserves of € 58,3 mil. (31 December 2020: the additional reserves were € 91,8 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 Group'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 Group's experience.

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

- **Discount interest rates**: The assessment of the adequacy of insurance reserves is based on the future cash flows of the Groups's income and expenses, including the reinsurance share. Future cash flows are discounted at the end of each reporting period using interest rate curves based on the risk-free interest rate curve published by the European Insurance and Occupational Pensions Authority ("EIOPA"), taking into account the current composition and the expected returns of the investment portfolio.

The liability adequacy test for the Deposit Administration Funds (DAF) at the end of the current year resulted in additional reserves of € 8,8 mil. (31 December 2020: the additional reserves were € 30,8mil).

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	+0,5%	(48.948)	(57.065)
Decrease in interest rates	-0,5%	52.058	60.399

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

	Change	Impact on the adequacy of insurance reserves	
		31/12/2021	31/12/2020
(amounts in € thousand)			
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	+0,5%	(2.599)	(11.962)
Decrease in interest rates	-0,5%	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 Group's exposure to insurance risk arising from these portfolios.

4.2.1.2 Rider covers attached to life insurance contracts

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 Group issues riders for long and short term contracts. For the majority of the riders' portfolio, the Group 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 Group'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 Group seeks to manage this risk through the underwriting process, claims' management and reinsurance agreements. For group contracts, the Group retains the right of re-pricing risks upon renewal or not proceeding with the renewal. Additionally, the Group 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 Group 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 Group 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 Group monitors the loss ratios and regularly analyzes its experience of the severity and frequency of losses.

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

c) Process used to decide on assumptions

The Group 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 Group retains the right of re-pricing risks upon renewal.

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

4.2.2 Non-Life Insurance

The Group operates almost in all insurance sectors related to losses and damages. The main activity comes from Fire insurance sector (including Earthquake and engineering sectors), Motor Liability, Land Vehicle and Other Sectors, whose participation in written insurance premiums for 2021 amounted to 41,1%, 28,2%, 10,6% and 20,1% respectively (2020: 45,2%, 28,5%, 9,6% and 16,7%).

4.2.2.1 Motor liability insurance

Underwriting and pricing are critical risk mitigation mechanisms adopted in the insurance industry. Pricing is based on the use of multi-parameter models that aim at a more accurate risk assessment and more appropriate matching with the premium for each policyholder. The premiums charged is calculated in order to be able to cover not only the claims and expenses that will emerge from the Group portfolio, but also the capital and solvency requirements.

a) Frequency and severity of claims

The frequency and severity of claims for each parameter entered in the model, contribute to the calculation of risk premium and lead to its differentiation at each level of each parameter. These ratios are affected by the terms, limits and deductibles of coverages, the underwriting policy of the Group, the selection of the appropriate reinsurance cover, the reserves policy and the processes and controls within the claims handling period.

Third Party Liability limits that are imposed by law are €1,22 mil. per person for Bodily Injuries and €1,22 mil. per accident for material damages.

Reinsurance arrangements include excess of loss with a maximum underwriting limit for the Group in Motor Third Party Liability amounting to €50,0 mil. per incident.

b) Sources of uncertainty in the estimation of future claim payments

Insurance contracts cover claims which occur within the term of the insurance contract, even if the notice or ascertainment of damage is made after the expiry of the insurance (always in accordance with the applicable law). The claims incurred within the term of the contract but reported after the expiry of the contract are part of the Group's liabilities and need to be estimated. In addition, some of the claims for Motor Liability are transferred to judicial resolution which may remain outstanding for a long period of time and as a result bring uncertainty in the future cost of claims estimations.

The estimated cost includes the cost of the claim as well as the cost of claims handling. The reserves for outstanding claims for which the Group is considered responsible consist of the following categories: reserve for reported claims, reserve for the incurred but not reported claims (IBNR) and reserve for losses reported but not sufficiently reserved (IBNeR). The estimation for the last two mentioned categories is performed based on actuarial statistical methods. Finally on those reserves, one more category is added for the Unallocated Loss Adjustment Expenses.

c) Process used to decide on assumptions

The selection of the development factors for assessing the adequacy of reserves and future payments is made on a prudent basis.

Development factors that deviate significantly from the average are excluded from the final selection particularly if their application results in estimates lower than expected. For the Motor Liability sector, a specific method is selected in order to generate estimates of reserves that are as creditworthy and reliable as possible and are close to reality.

On a six-months basis the Group performs an adequacy test of insurance reserves. On the basis of this test various actuarial methods are being used on the claims data like Chain Ladder and Bomheutter Ferguson. These methods used reflect the experience from prior years in order to estimate the ultimate cost of claims per accident year. Also, the Group examines the need for unexpired risk reserve (URR). In calculating the URR, the most recent accident years loss ratio is used as well as the management expense ratio based on the Group expense analysis at the end of each financial year.

d) Changes in assumptions and sensitivity analysis

The ratio used for the adequacy assessment is given by the product of development factors which are subject to sensitivity analysis.

In case of an increase of the product of development factors by 10,0%, a deficit of reserve arises by € 612 thousand (31 December 2020: € 948 thousand), amounting to 1,3% (31 December 2020: 2,1%). In case of a reduction of the product of development factors by 10,0%, a surplus is generated amounting to € 6.361 thousand (31 December 2020: € 5.794 thousand), which is equal to 13,1% of the outstanding claims reserves (31 December 2020: 12,6%).

In case of an increase of the estimated loss ratio or of the administrative expense ratio by 10,0%, additional unexpired risks reserve of € 595 thousand (31 December 2020: € 596 thousand) is required. In case of a decrease of the estimated loss ratio or of the administrative expense ratio by 10,0%, additional unexpired risks reserve of € 595 thousand (31 December 2020: € 596 thousand) is required.

	Change	Impact on the adequacy of insurance reserves	
		31/12/2021	31/12/2020
(amounts in € thousand)			
Increase of the product of development factors	+10%	(612)	(948)
Decrease of the product of development factors	-10%	6.361	5.794
Increase of loss ratio or administrative expense ratio	+10%	595	596
Decrease of loss ratio or administrative expense ratio	-10%	(595)	(596)

4.2.2.2 Property Insurance

The Group offers retail products for private individuals and small commercial business, as well as tailor made coverage for commercial and industrial risks. The insurance coverage has usually annual duration. The Group has the right of re-pricing upon the renewal.

In its product design the Group implements an end-to-end process of assessing, pricing and managing risk. The premiums incorporate the reinsurance cost, the risk premium that covers not only the claims that will emerge from the Group's portfolio but also the capital requirements and also a reasonable profit margin.

a) Frequency and severity of claims

The retail products range from basic fire covers to full packages, including covers such as water perils, short circuit, malicious damages, terrorism acts, debris removals, other expenses, civil liability, and earthquake.

The Group monitors the portfolio regularly, especially the loss ratio.

Regarding the large commercial and industrial risks, the Group offers comprehensive multi-risk coverage on a tailor-made basis. Appropriate underwriting procedures are in place, taking into consideration criteria such as nature of risk, quality of risk, fire and theft protection measures, geographical location, earthquake accumulation, building construction type and construction year, deductibles, sub-limits for certain categories of covers, loss history.

The policies are underwritten by reference to the risk category, the protection measures and the level of sum assured.

The Group maintains reinsurance treaties to mitigate catastrophe risks with creditworthy reinsurers.

The frequency and the amount of claims are partly affected by the underwriting rules. The implementation of deductibles in specific perils assists to the mitigation of mainly frequency and secondly severity.

Claims are classified into three main categories as follows:

For losses of small amount, the Group monitors the evolution of the frequency and the average cost and adjusts its pricing policy.

For losses of large amount, the Group examines a longer period to calculate the frequency.

In case of catastrophic losses, i.e. events which may affect a significant number of insurance contracts such as earthquake, the Group analyzes the portfolio in order to evaluate the annual cost and decides the amount to be ceded through the reinsurance treaties and the amount of premium to be charged.

The management of insurance risks also includes the establishment of a maximum level of accumulation of risk and a maximum level of loss per risk or incident which will be charged to the Group's results. Any excess amounts are in both cases subject to reinsurance cessions through reinsurance contracts or facultative cessions.

In Greece the most possible catastrophic risk is considered to be the earthquake. Therefore the Group carefully assesses the concentration, purchases reinsurance cover and charges different premium per earthquake zone.

The table below analyzes the concentration of risk in the Group's portfolio by geographic region for 31 December 2021 and 31 December 2020 (in relation to the risk of earthquake).

Geographical region (amounts in € thousand)	**Total insured funds 31 December 2021 (GROSS)**	**Total insured funds 31 December 2020 (GROSS)**
Attica and Central Greece	10.777.480	9.517.498
Rest of Greece	12.258.702	9.831.555
Total	**23.036.182**	**19.349.053**

The Group is covered by excessive reinsurance contracts for catastrophic events for the amount exceeding € 8 million (2020: € 6 million) per loss and up to € 382 million. The total (maximum) limit has been increased from the previous year by € 24 million (2020: € 358 million).

b) Sources of uncertainty in the estimation of future claim payments

The main uncertainties in estimating future payments are as follows:

- the final cost of repair or replacement of damaged property and/or any residual value of rescued items (which affects the final damage to be borne by the Group).
- in case of judicial resolution of the dispute, the interpretation of the terms of the insurance contract and the facts which the court will adopt.
- in case of judicial resolution of the dispute, the time until the payment of any compensation to be awarded for the purpose of calculating interest on overdue amount.

The estimated cost of claims also includes the cost of claims handling. The reserves for outstanding claims for which the Group is considered responsible consist of the following categories: reserve for reported claims, reserve for the incurred but not reported claims (IBNR) and reserve for losses reported but not sufficiently reserved (IBNeR). Finally on those reserves, one more category is added for the Unallocated Loss Adjustment Expenses.

c) Process used to decide on assumptions

The selection of the development factors for assessing the adequacy of reserves and future payments is made in order to normalize random behaviors and is considered to be prudent.

Development factors that deviate significantly from the average are excluded from the final selection particularly if their application results in estimates lower than expected.

The non-attritional claims and the claims from exceptional and unpredictable events such as the riots in Athens at the end of 2008, are monitored separately in order to avoid biases on claims projections from random events with a low probability of recurring. In cases where there is no sufficient data that can be used for statistical analysis then similar risk categories are grouped together.

The Group, during the half-year and year-end reporting periods, carries out analysis of the gross claims reserves using the actuarial methods above mentioned. It is worth mentioning that for these risk categories the Group has a positive experience and no additional reserve is required as a result of the adequacy assessment of claims.

In addition the Group also assesses the calculation of unexpired risk reserve, but such a reserve is not considered to be necessary.

d) Change in assumptions and sensitivity analysis

The ratio used for the adequacy assessment is given by the product of development factors which are subject to sensitivity analysis.

In case of increase of the product of development factors by 10,0%, a deficit of reserve arises by € 11 thousand (31 December 2020: € 791 thousand), amounting to 0,1% (31 December 2020: 4,7%). In case of a reduction of the product of development factors by 10,0%, a surplus is generated amounting to €2.267 thousand (31 December 2020: € 1.865 thousand), which is equal to 15% of the total outstanding claim reserve (31 December 2020: 11,1%).

	Change	Impact on the adequacy of insurance reserves	
		31/12/2021	31/12/2020
(amounts in € thousand)			
Increase of the product of development factors	+10%	11	791
Decrease of the product of development factors	-10%	(2.267)	(1.865)

4.3 Financial risks

Financial risk management is crucial part of the Group'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 Group's financial results.

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

Credit risk concentration

The main counterparties, to which the Group 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 the concentration of credit risk. There was no exposure in excess of the Group's determined limits for its counterparties as of 31 December 2021 and 2020.

The main source of 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 Group 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	**GROUP**	
(amounts in € thousand)	**31/12/2021**	**31/12/2020**
Financial assets at FVTPL		
- Derivative financial instruments	1	116
- Financial assets where the policyholders bear the investment risk (Unit Linked)	558.782	300.505
- Financial assets held for trading	1.015.219	1.248.294
Available for sale financial assets	1.335.580	1.431.811
Financial assets classified as loans and receivables	40.819	82.279
Insurance receivables	10.519	11.094
Other receivables	8.903	9.065
Reinsurance receivables	15.825	14.190
Cash and cash equivalents	457.243	284.209
Total financial assets bearing credit risk	**3.442.891**	**3.381.563**

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

As at 31 December 2021, the Group is not exposed to credit risk arising from derivative financial instruments.

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 Group'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 Group 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 Group has in its portfolio, are described in the current Risk Management Policy.

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

Government Bonds	**GROUP**			
(amounts in € thousand)	**Rating Fitch**	**31/12/2021**	**Rating Fitch**	**31/12/2020**
Greece	BB	1.695.618	BB	2.092.230
Germany	AAA	96.995	AAA	103.271
Spain	A-	29.684	A-	31.070
Italy	BBB-	4.180	BBB-	4.405
Ireland	A+	37.099	A+	54.985
Romania	BBB-	18.444	BBB-	19.904
South Africa	BB-	77.055	BB-	75.877
USA	AAA	-	AAA	74.323
Total		**1.959.075**		**2.456.065**

Corporate Bonds	**GROUP**			
(amounts in € thousand)	**Rating Fitch**	**31/12/2021**	**Rating Fitch**	**31/12/2020**
Financial institutions (Banks)	NR	11.979	-	-
	BBB+	-	BBB+	20.742
Non-financial institutions	BBB	-	BBB	10.188
(Other commercial companies)	BB	12.219	BB	7.225
	NR	182	NR	-
Total		**24.379**		**38.155**

As at 31 December 2021 and 2020, the largest concentration in the Group's debt securities portfolio is in European sovereign debt which constitute 94,9% and 92,5% respectively of the total debt securities portfolio and 55,2% and 68,9% respectively of the total investments (including cash and cash equivalents).

Especially for the sovereign exposure to Greece, the Group had an exposure of €1.695.618 thousand (49,8% of total investments) and € 2.092.230 thousand (62,5% 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 Group cedes insurance risk through proportional, non- proportional and facultative reinsurance treaties. While these cessions mitigate insurance risk, the receivables from reinsurers expose the Group to potential credit risk.

Reinsurance contracts are reviewed by the Group 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 Group 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 Group 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 Group's reinsurance business strategy, an appropriate mixture of reinsurers has been selected in order to ensure adequate level of reinsurance coverage. The Group's credit risk exposure on the reinsurance receivables due from the top three reinsurance companies as at 31 December 2021 amounts to 48,4% (2020: 47,9%). However, due to the high credit rating and the recognized solvency of these reinsurance companies, the management of the Group does not expect any losses from credit defaults.

Credit risk related to insurance receivables:

The Group'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 insurance entities of the Group. The Group has policies and standards in place to manage and monitor credit risk from intermediaries with a focus on day-to-day monitoring of the largest balances, including monitoring of the limits of these exposures. The Group 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 Group 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 per type of network was:

Analysis per type of network	**GROUP**	
(amounts in € thousand)	**31/12/2021**	**31/12/2020**
Group's network	681	387
Bancassurance network	2.978	4.279
Agents and brokers	6.860	6.428
Total	**10.519**	**11.094**

The Bancassurance network refers to the 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 Group, but the Group collects the premiums using the network of Banks' branches. As a consequence, the counterparty risk that the Group is exposed to is not transferred to the Banks.

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 2020, the cash placements to the Eurobank Group amounted to € 43.309 thousand and € 36.598 thousand respectively.

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

31 December 2021 (amounts in €thousand)	GROUP									
Rating	**Unit Linked**	**Trade Portfolio**	**A.F.S. Portfolio**	**Derivatives**	**Financial assets classified as loans and receivables**	**Insurance receivables**	**Other receivables**	**Re-insurance receivables**	**Cash & cash equiv.**	**Total**
AAA	-	-	96.995	-	-	-	-	-	-	96.995
AA+	-	-	-	-	-	-	119	364	-	483
AA-	-	-	-	-	-	-	169	7.190	254.314	261.673
A+	-	-	37.099	-	-	-	638	5.992	846	44.575
A	-	-	-	-	-	-	99	1.757	-	1.856
A-	-	-	29.684	-	-	-	-	271	-	29.955
BBB+	-	-	-	-	-	-	-	-	73	73
BBB	-	-	4.180	-	-	-	-	-	-	4.180
BBB-	-	-	18.442	-	-	-	-	-	-	18.442
B++	-	-	-	-	-	-	-	121	-	121
BB+	-	-	-	-	-	-	-	-	288	288
BB	406	929.930	777.907	-	-	-	-	-	-	1.708.243
B+	-	-	-	-	-	-	-	-	-	-
B	286	-	-	-	-	-	-	-	-	286
B-	442	2.945	54.255	1	-	-	-	-	94.021	151.663
BB-	431	-	77.055	-	-	-	-	-	-	77.486
CCC+	-	-	-	-	-	-	4	-	105.865	105.869
CCC	-	-	-	-	-	-	-	-	-	-
C	-	-	-	-	-	-	-	-	1.404	1.404
Non rating	557.217	82.343	239.964	-	40.819	10.519	7.874	130	433	939.299
Total	**558.782**	**1.015.219**	**1.335.580**	**1**	**40.819**	**10.519**	**8.903**	**15.825**	**457.243**	**3.442.891**

31 December 2020 (amounts in € thousand)	GROUP									
Rating	**Unit Linked**	**Trade Portfolio**	**A.F.S. Portfolio**	**Derivatives**	**Financial assets classified as loans and receivables**	**Insurance receivables**	**Other receivables**	**Re-insurance receivables**	**Cash & cash equiv.**	**Total**
AAA	-	41.317	136.277	-	-	-	-	-	-	177.594
AA+	-	-	-	-	-	-	23	444	-	467
AA-	-	-	-	5	-	-	1.104	6.923	101.550	109.582
A+	-	-	54.985	108	-	-	64	5.044	342	60.543
A	-	-	-	-	-	-	47	1.485	-	1.532
A-	-	-	31.070	-	-	-	-	161	-	31.231
BBB+	-	-	20.742	-	-	-	-	-	38	20.780
BBB	-	-	10.188	-	-	-	-	-	6	10.194
BBB-	-	-	24.309	-	-	-	-	-	2.296	26.605
B++	-	-	-	-	-	-	-	100	-	100
BB+	-	-	-	-	-	-	-	-	522	522
BB	2.957	1.205.768	893.687	-	-	-	-	-	50	2.102.462
B+	1.070	1.188	35.141	-	-	-	-	-	-	37.399
B-	21	-	76	2	-	-	-	-	36.577	36.676
BB-	-	-	75.877	-	-	-	-	-	-	75.877
CCC+	-	-	-	-	-	-	13	-	95.711	95.723
CCC	-	-	-	-	-	-	-	-	46.994	46.994
Non rating	296.457	22	149.460	-	82.279	11.094	7.814	33	123	547.282
Total	**300.505**	**1.248.294**	**1.431.811**	**116**	**82.279**	**11.094**	**9.065**	**14.190**	**284.209**	**3.381.563**

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.

(amounts in € thousand)	GROUP							
31 December 2021	**Trade Portfolio**	**A.F.S. Portfolio**	**Loans and receivables**	**Derivatives**	**Insurance Receivables**	**Re-insurance receivables**	**Other receivables**	**Total**
Neither past due nor impaired financial assets	**1.015.219**	**1.267.374**	**40.819**	**1**	**-**	**15.825**	**8.870**	**2.348.107**
Past due but not impaired financial assets								
Past due by :								
1 to 90 days	-	-	-	-	9.946	-	-	**9.946**
>90 days	-	-	-	-	572	-	34	**606**
Total	**1.015.219**	**1.267.374**	**40.819**	**1**	**10.519**	**15.825**	**8.903**	**2.358.659**
Financial assets impaired								
Gross carrying value of financial assets	-	71.190	-	-	3.673	-	802	**75.666**
Less: impairment allowance								
Impairment allowances on individually assessed financial assets	-	(2.984)	-	-	(3.673)	-	(802)	**(7.459)**
Net carrying value of financial assets	**1.015.219**	**1.335.580**	**40.819**	**1**	**10.519**	**15.825**	**8.903**	**2.426.865**

(amounts in € thousand)	GROUP							
31 December 2020	**Trade Portfolio**	**A.F.S. Portfolio**	**Loans and receivables**	**Derivatives**	**Insurance Receivables**	**Re-insurance receivables**	**Other receivables**	**Total**
Neither past due nor impaired financial assets	**1.248.294**	**1.425.006**	**82.279**	**116**	**-**	**14.190**	**8.941**	**2.778.827**
Past due but not impaired financial assets								
Past due by :								
1 to 90 days	-	-	-	-	10.330	-	-	**10.330**
>90 days	-	-	-	-	764	-	123	**887**
Total	**1.248.294**	**1.425.006**	**82.279**	**116**	**11.094**	**14.190**	**9.065**	**2.790.044**
Financial assets impaired								
Gross carrying value of financial assets	-	10.329	-	-	3.957	-	887	**15.173**
Less: impairment allowance								
Impairment allowances on individually assessed financial assets	-	(3.524)	-	-	(3.957)	-	(887)	**(8.368)**
Net carrying value of financial assets	**1.248.294**	**1.431.811**	**82.279**	**116**	**11.094**	**14.190**	**9.065**	**2.796.849**

4.3.2 Market risk

Market risk is the risk associated with the Group'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 Group'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 Group applies the Value-at-Risk (VaR) methodology and monitors its asset portfolio on a continuous basis. At the same time, the Group 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 Group 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 Group'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 Group's return on investments may increase or decrease.

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

31 December 2021	GROUP			
(amounts in € thousand)	0 – 3 %	3 – 6 %	6 – 10 %	Total
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	929.930	-	-	929.930
Available for sale financial assets	247.209	729.258	77.055	1.053.521
Financial assets classified as loans and receivables	-	40.819	-	40.819
Cash and cash equivalents	444.271	12.972	-	457.243
Total	**1.624.731**	**784.718**	**77.055**	**2.486.504**

31 December 2020	GROUP			
(amounts in € thousand)	0 – 3 %	3 – 6 %	6 – 10 %	Total
Financial assets at FVTPL:				
- Financial assets where the policyholders bear the investment risk (Unit Linked)	3.316	-	-	3.316
- Financial assets held for trading	1.247.084	-	-	1.247.084
Available for sale financial assets	219.519	951.739	75.877	1.247.135
Financial assets classified as loans and receivables	-	82.279	-	82.279
Cash and cash equivalents	284.209	-	-	284.209
Total	**1.754.128**	**1.034.017**	**75.877**	**2.864.023**

Analysis of interest bearing financial assets by type of rate:

31 December 2021	GROUP		
(amounts in € thousand)	Fixed Rate	Floating rate	Total
Financial assets at FVTPL			
- Financial assets where the policyholders bear the investment risk (Unit Linked)	4.990	-	4.990
- Financial assets held for trading	929.930	-	929.930
Available for sale financial assets	1.053.521	-	1.053.521
Financial assets classified as loans and receivables	-	40.819	40.819
Cash and cash equivalents	457.243	-	457.243
Total	**2.445.685**	**40.819**	**2.486.504**

31 December 2020	GROUP		
(amounts in € thousand)	Fixed Rate	Floating rate	Total
Financial assets at FVTPL			
- Financial assets where the policyholders bear the investment risk (Unit Linked)	3.316	-	3.316
- Financial assets held for trading	1.247.084	-	1.247.084
Available for sale financial assets	1.236.742	10.393	1.247.135
Financial assets classified as loans and receivables	-	82.279	82.279
Cash and cash equivalents	284.209	-	284.209
Total	**2.771.351**	**92.671**	**2.864.023**

(b) Equity risk

The Group is exposed to equity risks resulting from price fluctuations in equities securities and equity mutual funds held.

As part of its overall risk management process, the Group manages and monitors its equity risk and applies limits as expressed in established policies. Based on the Financial Risk Management Framework followed by the Group, 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.

As at 31 December 2021, the Group's overall exposure to equity risk expressed as a percentage of total investments amounted to 9,3% (31 December 2020: 7,6%), and is summarized below:

% of Investment portfolio under management	GROUP	
	31 December 2021	31 December 2020
Exposure to equitysecurities	7,4%	6,1%
Exposure to REITS	1,9%	1,5%
Total exposure to Equities and Mutual Funds Risks	**9,3%**	**7,6%**

(c) Currency risk

Based on Group's risk management framework, foreign currency risk is monitored and managed on an ongoing basis.

The Group is exposed to currency risk, due to investments in foreign currency. The Group is also exposed to fluctuations in exchange rates, through the operations of its subsidiaries «Eurolife FFH Asigurari de Viata» and «Eurolife FFH Asigurari Generale» in Romania, where the Romanian Leu (RON) is used as their functional currency, while the Group prepares and publishes its consolidated financial statements in Euro. The Romanian insurance subsidiaries use foreign exchange derivative contracts to hedge their FX positions (i.e. Euro against Leu), taking into consideration the difference between assets and liabilities of their Balance Sheet. The Greek insurance subsidiaries assess the risk they undertake on a case-by-case basis and use derivatives to hedge their currency risk.

The Group's overall exposure to foreign currency risk at 31 December 2021 amounted to 5,6% (31 December 2020: 7,3%) and is not considered significant.

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

Currency Risk

GROUP							
31 December 2021 (amounts in € thousand)							
ASSETS	**EUR**	**USD**	**RON**	**CHF**	**GBP**	**ZAR**	**Total**
Commissions and Deferred acquisition costs (DAC)	31.818	-	474	-	-	-	32.292
Investments in joint ventures	54.013	-	-	-	-	-	54.013
Financial assets at FVTPL:							
- Derivative financial instruments	1	-	-	-	-	-	1
- Financial assets where the policyholders bear the investment risk (Unit Linked)	558.782	-	-	-	-	-	558.782
- Financial assets held for trading	1.015.219	-	-	-	-	-	1.015.219
Available for sale financial assets	1.157.411	82.673	18.442	-	-	77.055	1.335.580
Financial assets classified as loans and receivables	40.819	-	-	-	-	-	40.819
Cash and cash equivalents	438.917	3.794	1.588	151	1	12.792	457.243
Insurance receivables	10.471	1	33	15	-	-	10.519
Reinsurance receivables	15.799	-	26	-	-	-	15.825
Other assets	61.820	-	2.336	-	-	-	64.157
Total Assets	**3.385.069**	**86.467**	**22.900**	**166**	**1**	**89.846**	**3.584.449**
LIABILITIES							
Technical reserves and other insurance provisions	2.722.004	2	11.161	29	-	-	2.733.195
Financial liabilities	13.629	-	-	-	-	-	13.629
Other Liabilities	134.411	-	1.144	2	-	-	135.557
Total liabilities	**2.870.044**	**2**	**12.305**	**30**	**-**	**-**	**2.882.381**
Total equity	**513.476**	**86.465**	**10.595**	**136**	**1**	**89.846**	**702.068**

GROUP							
31 December 2020 (amounts in € thousand)							
ASSETS	**EUR**	**USD**	**RON**	**CHF**	**GBP**	**ZAR**	**Total**
Commissions and Deferred acquisition costs (DAC)	32.677	-	545	-	-	-	33.222
Investments in joint ventures	45.279	-	-	-	-	-	45.279
Financial assets at FVTPL:	-	-	-	-	-	-	-
- Derivative financial instruments	110	-	5	-	-	-	116
- Financial assets where the policyholders bear the investment risk (Unit Linked)	300.505	-	-	-	-	-	300.505
- Financial assets held for trading	1.206.978	41.317	-	-	-	-	1.248.294
Available for sale financial assets	1.221.872	33.006	19.904	-	81.152	75.877	1.431.811
Financial assets classified as loans and receivables	82.279	-	-	-	-	-	82.279
Cash and cash equivalents	281.352	11	2.785	62	-	-	284.209
Insurance receivables	11.006	1	62	25	-	-	11.094
Reinsurance receivables	14.076	-	115	-	-	-	14.190
Other assets	56.198	-	1.488	-	-	-	57.686
Total Assets	**3.252.332**	**74.335**	**24.903**	**87**	**81.152**	**75.877**	**3.508.686**
LIABILITIES							
Technical reserves and other insurance provisions	2.566.662	2	10.121	93	-	-	2.576.877
Financial liabilities	11.738	-	-	-	-	-	11.738
Other Liabilities	178.787	-	2.687	5	-	-	181.479
Total liabilities	**2.757.187**	**2**	**12.808**	**97**	**-**	**-**	**2.770.094**
Total equity	**495.145**	**74.333**	**12.096**	**(11)**	**81.152**	**75.877**	**738.591**

(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 Group 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 (EWMA) estimation 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 are being followed. Nevertheless, the use of this method does not prevent losses beyond these limits in case of extreme market movements.

VaR of financial assets

GROUP (amounts in € mil.)	**31/12/2021**	**31/12/2020**
Total VaR	**20,9**	**27,8**

The Monte Carlo VaR and the implementation of this risk measurement methodology by the Group raise specific limitations, such as the fact that 99,0% VaR means that in 1,0% of cases the loss is expected to be greater than the VaR amount.

Group monitors VaR. In addition, the Group 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 Group's ability to fulfill its financial obligations when these become due.

In order for the Group 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 are easy to liquidate to meet operational needs. In addition, the time mismatch of cash inflows and outflows is monitored.

Monitoring involves measuring cash flows and making estimates for the next day, week and month respectively, as these are the key time periods for liquidity management. The first step in making these estimates is to analyze the contractual maturities of the financial liabilities and the expected collection dates of the financial receivables.

a) Non-derivative cash flows

The tables below present, at the reporting date, the cash flows payable by the Group under non-derivative financial liabilities 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 Group manages liquidity risk according to the estimated undiscounted cash flows. Liabilities in foreign currency have been convertedto euros using current exchange rates.

31 December 2021	**GROUP**					
Financial Liabilities	**Carrying Value**	**0-1 months**	**1-3 months**	**3-12 months**	**> year**	**Total**
(amounts in € thousand)						
Payables to reinsurers	4.227	67	90	4.070	-	**4.227**
Agents and insurance brokers	13.183	11.225	1.833	51	74	**13.183**
Liabilities to policyholders from brokerage activities	269	-	269	-	-	**269**
Other creditors	2.578	1.380	1.198	-	-	**2.578**
Benefits payable to policyholders	22.746	360	1.521	20.850	15	**22.746**
Lease liabilities	682	20	40	174	448	**682**
Other liabilities	14.227	416	105	1.460	12.246	**14.227**
Total financial liabilities	**57.913**	**13.468**	**5.055**	**26.606**	**12.784**	**57.913**

31 December 2020	**GROUP**					
Financial Liabilities	**Carrying Value**	**0-1 months**	**1-3 months**	**3-12 months**	**> year**	**Total**
(amounts in € thousand)						
Payables to reinsurers	**2.783**	**20**	**291**	**2.472**	**-**	**2.783**
Agents and insurance brokers	**10.278**	**6.091**	**4.068**	**35**	**84**	**10.278**
Liabilities to policyholders from brokerage activities	**237**	**-**	**237**	**-**	**-**	**237**
Other creditors	**40.828**	**39.118**	**1.710**	**-**	**-**	**40.828**
Benefits payable to policyholders	**19.633**	**148**	**3.448**	**16.022**	**15**	**19.633**
Lease liabilities	**915**	**28**	**59**	**248**	**580**	**915**
Other liabilities	**10.481**	**341**	**114**	**384**	**9.642**	**10.481**
Total financial liabilities	**85.155**	**45.746**	**9.927**	**19.161**	**10.321**	**85.155**

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

31 December 2021	Carrying amount	0-1 year	1 - 3 years	3-5 years	5-10 years	>10 years	Total
(amounts in € thousand)							
Life insurance reserves							
Outstanding claims reserves	46.768	37.274	7.015	2.093	265	120	46.768
Unearned premiums reserves	14.516	14.516	-	-	-	-	14.516
Technical Reserves – Life and other reserves	1.820.313	144.475	337.543	475.856	638.174	360.005	1.956.052
Technical Reserves – Pensions (D.A.F.)	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	**2.635.906**	**228.322**	**587.634**	**577.938**	**887.785**	**429.716**	**2.711.393**
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	**2.649.535**	**231.516**	**588.698**	**578.364**	**892.469**	**433.975**	**2.725.023**
Non-Life insurance reserves							
Unearned Premium Reserves	24.860	5.564	14.295	3.284	1.717	-	**24.860**
Outstanding claims Reserves	72.429	43.318	19.114	7.215	2.782	-	**72.429**
Total Non Life	**97.288**	**48.882**	**33.409**	**10.499**	**4.499**	**-**	**97.289**

31 December 2020	Carrying amount	0-1 year	1 - 3 years	3-5 years	5-10 years	>10 years	Total
(amounts in € thousand)							
Life insurance reserves							
Outstanding claims reserves	44.063	35.774	5.549	2.363	284	92	44.063
Unearned premiums reserves	12.318	12.318	-	-	-	-	12.318
Technical Reserves – Life and other reserves	1.944.902	152.723	313.165	353.640	767.154	500.050	2.086.732
Technical Reserves – Pensions (D.A.F.)	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	**2.476.573**	**197.851**	**353.833**	**405.713**	**928.128**	**728.760**	**2.614.285**
Investment Contracts							
Unit Linked	11.738	1.834	1.467	734	3.301	4.402	**11.738**
Total Investment Contracts	**11.738**	**1.834**	**1.467**	**734**	**3.301**	**4.402**	**11.738**
Total Life	**2.488.311**	**199.685**	**355.300**	**406.447**	**931.429**	**733.161**	**2.626.023**
Non-Life insurance reserves							
Unearned Premium Reserves	28.164	5.433	17.249	3.773	1.710	-	**28.164**
Outstanding claims Reserves	72.139	42.478	19.951	6.849	2.862	-	**72.139**
Total Non Life	**100.304**	**47.910**	**37.200**	**10.621**	**4.572**	**-**	**100.304**

(b) Asset Liabilities Matching (ALM)

The Group'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 group and subsidiary level, are produced and circulated to the Group’s key management personnel including the Risk, Asset-Liability and Investment Management Committee.

The principal technique of the Group 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 Group 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 Group's financial assets and insurance reserves, excluding the underlying assets and the liabilities arising from the Unit Linked products:

31 December 2021	**Life contractual cash flows (undiscounted)**						
Financial assets	**Carrying Amount**	**0-5 years**	**5-10 years**	**10-15 years**	**15-20 years**	**>20 years**	**Total**
Carrying value and cash flows arising from assets:							*(amounts in € thousand)*
Trading Portfolio:							
Listed equity securities	19.986	19.986	-	-	-	-	**19.986**
Unlisted shares and mutual funds	57.515	57.515					**57.515**
Listed bonds:							
– Fixed rate	851.850	851.000	-	-	-	-	**851.000**
Available for sale:							
Listed equity securities	86.672	86.672	-	-	-	-	**86.672**
Unlisted equity securities	174.565	174.565	-	-	-	-	**174.565**
Listed bonds:							
– Fixed rate	1.047.149	362.025	294.055	209.637	250.858	213.605	**1.330.181**
– Floating rate	-	-	-	-	-	-	**-**
Loans and receivables:							
– Floating rate	38.982	40.524	-	-	-	-	**40.524**
Derivative financial Instruments	1	-	-	-	-	1	**1**
Cash and cash equivalents	423.104	423.104	-	-	-	-	**423.104**
Total	**2.699.824**	**2.015.391**	**294.055**	**209.637**	**250.858**	**213.606**	**2.983.547**

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	2.089.516	1.169.344	645.407	256.444	56.879	103.034	2.231.108

31 December 2020	**Life contractual cash flows (undiscounted)**						
Financial Assets	**Carrying Value**	**0-5 years**	**5-10 years**	**10-15 years**	**15-20 years**	**>20 years**	**Total**
Carrying value and cash flows arising from assets:							*(amounts in € thousand)*
Trading portfolio:							
Listed equity securities	1.024	1.024	-	-	-	-	**1.024**
Listed bonds:							
– Fixed rate	1.154.734	1.154.466	-	-	-	-	**1.154.466**
Available for sale:							
Listed equity securities	70.223	70.223	-	-	-	-	**70.223**
Unlisted equity securities	99.534	99.534	-	-	-	-	**99.534**
Listed bonds:							
– Fixed rate	1.225.776	382.626	397.512	300.776	271.524	166.143	**1.518.581**
– Floating rate	9.793	9.800	-	-	-	-	**9.800**
Loans and receivables:							
- Floating rate	78.576	83.372	-	-	-	-	**83.372**
Derivative financial instruments	107	105	-	-	-	2	**107**
Cash and cash equivalents	258.661	258.661	-	-	-	-	**258.661**
Total	**2.898.429**	**2.059.811**	**397.512**	**300.776**	**271.524**	**166.145**	**3.195.768**

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	2.185.508	865.304	781.946	423.198	118.601	176.853	**2.365.902**

31 December 2021	Non-Life Contractual cash flows (undiscounted)						
Financial Assets	**Carrying Value**	**0-1 years**	**1-2 years**	**2-3 years**	**3-4 years**	**>4 years**	**Total**
Carrying value and cash flows arising from assets :							*(amounts in € thousand)*
Trading portfolio							
Listed equity securities	1.422	1.422	-	-	-	-	**1.422**
Unlisted shares and mutual funds	6.366	6.366	-	-	-	-	**6.366**
Listed bonds:							
– Fixed rate	78.080	78.080	-	-	-	-	**78.080**
Available for sale:							
Listed equity securities	7.109	7.109	-	-	-	-	**7.109**
Unlisted equity securities	13.713	13.713	-	-	-	-	**13.713**
Listed bonds:							
– Fixed rate	6.373	662	1.181	1.987	2.132	428	**6.390**
– Floating rate	-	-	-	-	-	-	**-**
Loans and receivables							
-Floating rate	1.837	54	1.854	-	-	-	**1.908**
Derivative financial instruments	-	-	-	-	-	-	**-**
Cash and cash equivalents	22.611	22.611	-	-	-	-	**22.611**
Total	**137.510**	**130.017**	**3.035**	**1.987**	**2.132**	**428**	**137.599**

Insurance Reserves	Carrying Value	0-1 years	1-2 years	2-3 years	3-4 years	>4 years	Total
			Expected cash flows (undiscounted)				
Insurance Reserves	97.289	48.882	22.396	11.013	6.355	8.643	**97.289**

31 December 2020	Non-Life Contractual cash flows (undiscounted)						
Financial Assets	**Carrying Value**	**0-1 years**	**1-2 years**	**2-3 years**	**3-4 years**	**>4 years**	**Total**
Carrying value and cash flows arising from assets :							*(amounts in € thousand)*
Trading portfolio							
Listed equity securities	186	186	-	-	-	-	**186**
Listed bonds:							
– Fixed rate	92.351	92.334	-	-	-	-	**92.334**
Available for sale:							
Listed equity securities	7.427	7.427	-	-	-	-	**7.427**
Unlisted equity securities	7.492	7.492	-	-	-	-	**7.492**
Listed bonds:							
– Fixed rate	10.966	4.749	691	1.257	2.686	1.613	**10.995**
– Floating rate	600	621	-	-	-	-	**621**
Loans and receivables:							
- Floating rate	3.703	110	110	3.710	-	-	**3.929**
Derivative financial instruments	8	8	-	-	-	-	**8**
Cash and cash equivalents	14.975	14.975	-	-	-	-	**14.975**
Total	**137.707**	**127.901**	**800**	**4.966**	**2.686**	**1.613**	**137.967**

Insurance Reserves	Carrying Value	0-1 years	1-2 years	2-3 years	3-4 years	>4 years	Total
			Expected cash flows (undiscounted)				
Insurance Reserves	100.304	47.911	24.722	12.478	6.761	8.432	**100.304**

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 equity shares have been included in the first group of maturity since the shares that are listed can be realized in 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 of the Group's entities. An effective system towards management of operational risk is required in order to identifyexposure points and to evaluate/quantify this exposure , to identify manifestations of operational risk events, to determine tolerance limits and, where necessary, to reduce the exposure to acceptable levels.

The Group, 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 corporate culture (operational risk awareness).

The Group's Operational Risk Management Framework consists of methodologies that concern: the Risk Control Self-Assessment, the Scenario Analysis, Fraud Risk Assessment (FRA), Outsourcing Relationship Assessment (ORA),the evaluation of cloud computing service providers, conduct risk assessment, Management of Operational Risk Events (operational losses) and is described in relative documents and/or Policies.

4.5 Capital adequacy

The main target of the capital management strategy of the Group is on one hand to ensure that the Group and the insurance subsidiaries have 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 as well as risk appetite of the Group.

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/EU 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 Group and its insurance subsidiaries 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 Group, 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 Group and its insurance subsidiaries are being performed on a quarterly basis as provided for in the supervisory framework. The results of the aformentioned calculations are submitted to the Supervising Authority. Estimates on SCRs and eligible Equity are made on an ongoing basis and based on specific needs.

Furthermore, the Group implements stress tests or sensitivity analyses with alternative scenarios which depict the negative impact from 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 condition of available own funds.

It is noted that as of 31 December 2021 and 31 December 2020, the eligible own funds of the Group exceeded the Solvency Capital Required (SCR).

4.6 Fair values of financial assets and liabilities

(a) Financial assets and financial liabilities at fair value:

Trading assets, derivatives and other transactions undertaken for trading purposes, as well as available-for sale financial assets and financial 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 2.8 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 Group'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, less-liquid debt instruments and mutual fund shares.

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 Group'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	**GROUP**			
(amounts in € thousand)	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets				
Financial Assets at FVTPL:				
- Financial assets where the policyholders bear the investment risk	558.782	-	-	558.782
- Financial asset held for trading	951.338	63.880	-	1.015.219
- Derivative financial instruments	-	1	-	1
Available for sale financial assets	1.148.692	177.260	9.627	1.335.580
Total Financial Assets	**2.658.815**	**241.141**	**9.627**	**2.909.582**
Financial Liabilities				
- Investment contract liabilities	13.629	-	-	13.629
Total Financial Liabilities	**13.629**	**-**	**-**	**13.629**

31 December 2020	GROUP			
(amounts in € thousand)	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Assets at FVTPL:				
- Financial assets where the policyholders bear the investment risk	300.505	-	-	300.505
- Financial asset held for trading	1.248.294	-	-	1.248.294
- Derivative financial instruments	-	116	-	116
Available for sale financial assets	688.698	737.718	5.394	1.431.811
Total Financial Assets	**2.237.498**	**737.834**	**5.394**	**2.980.727**
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 classified as Level 3 from € 5.394 thousand on December 31, 2020 to € 9.627 thousand on December 31, 2021 is mainly due to the change in the fair value valuation.

On 31 December 2021 the Group 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 € 737.834 thousand on 31 December 2020 to € 241.141 thousand on 31 December 2021 is attributed by € (637.280) thousand to the Group's participation in the exchange of Greek Government bonds held and issued during the Greek debt restructuring in 2012 and which were classified in Level 2 of the IFRS 13 hierarchy (so-called "PSI OED bonds") (see Note 3), by € 132.572 thousand in purchases, by € 8.123 thousand in change in fair value valuation and by € (108) thousand in sales. 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 Carrying Value
(amounts in € thousand)					
Financial assets					
Financial assets classified as loans and receivables	-	40.243	-	40.243	40.819
Total of financial assets	**-**	**40.243**	**-**	**40.243**	**40.819**

31 December 2020	Level 1	Level 2	Level 3	Total Fair value	Total Carrying Value
(amounts in € thousand)					
Financial assets					
Financial assets classified as loans and receivables	-	80.486	-	80.486	82.279
Total of financial assets	**-**	**80.486**	**-**	**80.486**	**82.279**

The change in the value of financial assets which have been categorized at Level 2 from € 82.279 thousand on December 31, 2020 to € 40.819 thousand on December 31, 2021 is due to the partial repayment of the mortgage loans (see Note 15).

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

(amounts in € thousand)	GROUP					
	Land	Buildings	Leasehold Improvements	Vehicles	Other Equipment	Total
Cost:						
Balance at 1 January 2021	**7.840**	**8.242**	**228**	**467**	**4.959**	**21.737**
Foreign Exchange differences	-	-	(0)	(2)	(6)	(8)
Additions	-	236	10	13	100	358
Sales and write offs	-	-	(31)	-	-	(31)
Balance at 31 December 2021	**7.840**	**8.477**	**207**	**479**	**5.053**	**22.056**
Accumulated Depreciation:						
Balance at 1 January 2021	**-**	**(1.628)**	**(160)**	**(280)**	**(3.742)**	**(5.811)**
Foreign Exchange differences	-	-	-	1	4	5
Sales and write offs	-	-	15	-	-	15
Depreciation charge	-	(257)	(17)	(92)	(474)	(840)
Balance at 31 December 2021	**-**	**(1.885)**	**(162)**	**(371)**	**(4.212)**	**(6.630)**
Net Book Value at 31 December 2021	**7.840**	**6.592**	**45**	**107**	**841**	**15.426**

(amounts in € thousand)	GROUP					
	Land	Buildings	Leasehold Improvements	Vehicles	Other Equipment	Total
Cost:						
Balance at 1 January 2020	**7.840**	**8.232**	**220**	**469**	**4.326**	**21.087**
Foreign Exchange differences	-	-	-	(2)	(6)	(8)
Additions	-	10	8	-	640	658
Sales and write offs	-	-	-	-	-	-
Balance at 31 December 2020	**7.840**	**8.242**	**228**	**467**	**4.960**	**21.737**
Accumulated Depreciation:						
Balance at 1 January 2020	**-**	**(1.372)**	**(131)**	**(192)**	**(3.258)**	**(4.953)**
Foreign Exchange differences	-	-	-	-	4	4
Sales and write offs	-	-	-	-	-	-
Depreciation charge	-	(257)	(29)	(89)	(488)	(863)
Balance at 31 December 2020	**-**	**(1.628)**	**(160)**	**(280)**	**(3.742)**	**(5.811)**
Net Book Value at 31 December 2020	**7.840**	**6.614**	**68**	**187**	**1.217**	**15.926**

As at 31 December 2021, the fair value of Group's properties for own use, as determined by independent certified valuer, is as follows:

Property Description	Area	Carrying amount 31/12/2021	Carrying amount 31/12/2020	Fair value 31/12/2021	Fair value 31/12/2020
(amounts in € thousand)					
Commercial property 8.732 sq.m	Athens, Panepistimiou 35 & Korai	13.519	13.760	16.135	15.600
Commercial property 558 sq.m	Athens,Sina 2-4	678	694	923	900
Total		**14.197**	**14.454**	**17.058**	**16.500**

The key methods used for the fair value measurement of the investment properties is the income approach (income capitalization/discounted cash flow method) and the market approach (comparable transactions), which can also be used together, depending on the category of the property under valuation.

The discounted cash flow method is used for the fair value measurement of commercial investment properties. The fair value is calculated through an estimate of the future cash flows, using specific assumptions for risks and rewards associated to the properties (operating income and expenses, vacancy rates, income growth), including the residual value that the property is expected to have at the end of the discount period. For the calculation of the present value of these cash flows, an appropriate discount rate is used.

According to the income capitalization approach, which is also used for commercial investment properties, the fair value of the property is the result of dividing net operating income produced by the respective property with the discount rate (yield rate).

The market approach is used for residential, commercial properties and land. The fair value is estimated based on data of comparable transactions, either by analyzing the transactions of similar properties, or by using prices following appropriate adjustments.

The fair values of own-used properties of the Group are classified in Level 3 of fair value hierarchy.

NOTE 6: RIGHT OF USE ASSETS AND LEASE LIABILITIES

The movements of the Group's right of use assets during the years ended December 31, 2021 and December 31, 2020 are presented in the table below:

	GROUP			
(amounts in € thousand)	**Buildings**	**Vehicles**	**Other Equipment**	**Total**
Cost:				
Balance at 1 January 2021	841	312	424	1.577
Exchange differences	(22)	(-)	-	(22)
Additions	116	170	38	325
Cancellations	(252)	(40)	(251)	(543)
Modifications	1	-	-	1
Balance at 31 December 2021	**683**	**442**	**212**	**1.338**
Accumulated Depreciation:				
Balance at 1 January 2021	(183)	(186)	(315)	(683)
Exchange differences	4	-	-	4
Depreciation charge	(155)	(86)	(19)	(260)
Cancellations	67	37	141	245
Balance at 31 December 2021	**(267)**	**(234)**	**(193)**	**(694)**
Net Book Value at 31 December 2021	**416**	**208**	**19**	**644**

	GROUP			
(amounts in € thousand)	**Buildings**	**Vehicles**	**Other Equipment**	**Total**
Cost:				
Balance at 1 January 2020	**840**	**282**	**374**	**1.496**
Additions	1	43	-	44
Cancellations	-	(14)	-	(14)
Modifications	-	-	50	51
Balance at 31 December 2020	**841**	**312**	**424**	**1.577**
Accumulated Depreciation:				
Balance at 1 Janaury 2020	**(26)**	**(94)**	**(144)**	**(264)**
Depreciation charge	(157)	(100)	(171)	(428)
Cancellations	-	8	-	8
Balance at 31 December 2020	**(183)**	**(186)**	**(315)**	**(683)**
Net Book Value at 31 December 2020	**658**	**126**	**110**	**894**

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	234	336
Long-term lease liabilities	448	580
Total	**682**	**915**

Additionally, lease liabilities are due as follows:

(amounts in € thousand)	**31/12/2021**	**31/12/2020**
Within a year	234	336
Within the second year	355	241
From 3 to 5 years	94	339
Total lease liabilities	**682**	**915**

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

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	**From 01/01 to 31/12/2020**
Amounts recognized in financial results		
Depreciation charge of right of use assets	(260)	(428)
Interest expense on lease liabilities	(29)	(35)
Expenses related to short-term leases and non-lease components	(167)	(177)
Variable lease expenses not included in the measurement of lease liabilities	(17)	(30)
Total	**(472)**	**(670)**

NOTE 7: INTANGIBLE ASSETS

	GROUP			
(amounts in € thousand)	Software	Goodwill	Other	Total
Cost:				
Balance at 1 January 2021	**16.564**	**22.056**	**315**	**38.934**
Foreign Exchange differences	(19)	-	(-)	(19)
Additions	3.417	-	100	3.517
Sales and write offs	-	-	(199)	(199)
Impairment	-	-	-	-
Balance at 31 December 2021	**19.961**	**22.056**	**215**	**42.232**
Accumulated amortization:				
Balance at 1 January 2021	**(9.591)**	**-**	**(220)**	**(9.811)**
Foreign Exchange differences	3	-	-	3
Sales and write offs	-	-	102	102
Amortization charge	(1.877)	-	(68)	(1.945)
Balance at 31 December 2021	**(11.465)**	**-**	**(186)**	**(11.651)**
Net Book Value at 31 December 2021	**8.496**	**22.056**	**29**	**30.581**

	GROUP			
(amounts in € thousand)	Software	Goodwill	Other	Total
Cost:				
Balance at 1 January 2020	**13.863**	**22.056**	**311**	**36.230**
Foreign Exchange differences	(17)	-	-	(18)
Additions	2.768	-	3	2.772
Sales and write offs	(50)	-	-	(50)
Impairment	-	-	-	-
Balance at 31 December 2020	**16.564**	**22.056**	**315**	**38.934**
Accumulated amortization:				
Balance at 1 January 2020	**(8.081)**	**-**	**(159)**	**(8.240)**
Foreign Exchange differences	2	-	-	2
Sales and write offs	27	-	-	27
Amortization charge	(1.539)	-	(61)	(1.600)
Balance at 31 December 2020	**(9.591)**	**-**	**(220)**	**(9.811)**
Net Book Value at 31 December 2020	**6.972**	**22.056**	**95**	**29.123**

Goodwill represents the difference between the acquisition cost and the fair value of the net assets acquired during the acquisition and merger of the company Activa Insurance S.A. by the subsidiary Eurolife FFH General Insurance S.A..

Impairment Test

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit (CGU) that is expected to benefit from that business combination. The Group tests on annual basis whether there is an indication of impairment as described in accounting policy 2.6 (a). At 31 December 2021 and 31 December 2020 there was no indication of goodwill impairment. The recoverable amounts of the CGU are determined from value-in-use calculations. These calculations use cash flow projections based on business plans approved by Management covering a 5-year period. Cash flow projections for years six to ten have been projected based on operational and market specific assumptions. Cash flows beyond the ten-year period (the period in perpetuity) have been extrapolated using the estimated growth rates stated below.

The key assumptions for the value-in-use calculations are those regarding the discount rates, growth rates and cash flow projections based on gross written premium growth. Management determines cash flow projections based on past experience, actual performance, and expectations about market growth. The individual components of the calculation (risk-free interest rate, market risk premium, country-specific risk and beta factor) are based on external sources of information. The growth rates are based on respective internal or external market growth forecasts and do not exceed the average long-term growth rate for the relevant markets.

The key assumptions used for the value-in-use calculations in 2021 and 2020 are as follows:

	2021	2020
Discount factor (before tax)	8%	9%
Growth rate	2%	2%

NOTE 8: DEFERRED ACQUISITION COSTS (DAC)

(amounts in € thousand)	GROUP	
	31/12/2021	31/12/2020
Deferred Acquisition costs – Life	29.859	30.552
Deferred Acquisition costs - Non Life	2.433	2.670
	32.292	**33.222**

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

(amounts in € thousand)	GROUP					
	31/12/2021			31/12/2020		
	Technical reserve	Acquisition Costs	Total DAC	Technical reserve	Acquisition Costs	Total DAC
Cost:						
Balance 1 January	**27.915**	**2.637**	**30.552**	**26.404**	**2.449**	**28.854**
Capitalization	577	477	**1.054**	2.455	417	**2.872**
Amortization	(1.513)	(234)	**(1.747)**	(944)	(229)	**(1.174)**
Balance at 31 December	**26.979**	**2.880**	**29.859**	**27.915**	**2.637**	**30.552**

NOTE 9: INVESTMENT IN SUBSIDIARIES

The following are the Company's subsidiaries, which are included in the consolidated financial statements for the year ended December 31, 2021:

Name	Note	Percentage holding %	Country of incorporation	Line of business
Eurolife FFH General Insurance S.A.	a	100,0	Greece	Insurance Services
Eurolife FFH Life Insurance S.A.	b	100,0	Greece	Insurance Services
Diethnis Ktimatiki S.A.	c	100,0	Greece	Real Estate
Eurolife FFH Asigurari De Viata S.A.	d	100,0	Romania	Insurance Services
Eurolife FFH Asigurari Generale S.A.	e	100,0	Romania	Insurance Services
Designia Insurance Brokers	f	100,0	Greece	Insurance Brokerage
Designia Insurance Agents	g, h	100,0	Greece	Insurance Agency

a. On 22nd May 2020, the General Secretariat of Consumer Affairs of the Ministry of Development and Investment, based on its decision 51302/22-05-2020, approved the amendment of article 1 of the Articles of Association of the subsidiary and specifically the change of name and its distinctive title in " Eurolife FFH General Insurance Single Member S.A." and "Eurolife FFH General Insurance S.A." respectively. The amendment of the Articles of Association was decided by the Extraordinary General Meeting of the shareholders of the subsidiary, on May 11th, 2020.

b. On 22nd May 2020, the General Secretariat of Consumer Affairs of the Ministry of Development and Investment, based on its decision 51303/22-05-2020, approved the amendment of article 1 of the Articles of Association of the subsidiary and specifically the change of name and of its distinctive title in "Eurolife FFH S.A. 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 shareholders of the subsidiary, which took place on May 11th, 2020.

c. This is an indirect investment of the Company, as Eurolife FFH Life Insurance S.A. participates in "Diethnis Ktimatiki S.A." with a percentage of 100,0%.

d. This is an indirect investment of the Company, as Eurolife FFH Life Insurance S.A. participates in Eurolife FFH Asigurari de Viata S.A. with a percentage of 95,0% and Eurolife FFH General Insurance S.A. with a percentage of 5,0%.

e. This is an indirect investment of the Company, as Eurolife FFH General Insurance S.A. participates in Eurolife FFH Asigurari Generale S.A with a percentage of 95,3% and Eurolife FFH Life Insurance S.A. with a percentage of 4,7%. According to 02.12.2020 decision of the Extraordinary General Meeting of Shareholders of the subsidiary Eurolife FFH Asigurari Generale S.A., the subsidiary proceeded to an increase of share capital by € 999 thousand (RON 4.871 thousand) by issuing 3.446 new shares at a nominal value of € 290 (RON 1.413,6), which was covered by its shareholders, Eurolife FFH General Insurance S.A. (with a percentage of 95,3%) and Eurolife FFH Life Insurance S.A. (with a percentage of 4,7%). Following the increase, the share capital of the subsidiary amounts to € 5.779 thousand (RON 22.230 thousand).

f. On July 9th, 2020, the Athens Chamber of Commerce, based on its decision number 30299 / 9-7-2020, approved the amendment of article 1 of the Articles of Association of the subsidiary and specifically the change of its name and distinctive title to "Designia Insurance Brokers Single Member" and "Designia Insurance Brokers" respectively. The amendment of the Articles of Association was decided by the Extraordinary General Meeting of the shareholders of the subsidiary, on June 19th, 2020.

g. On July 9th, 2020, the Athens Chamber of Commerce, based on its decision number 30285 / 9-7-2020, approved the amendment of article 1 of the Articles of Association of the subsidiary and specifically the change of its name and distinctive title to "Designia Insurance Agents Single Member" and "Designia Insurance Agents" respectively. The amendment of the Articles of Association was decided by the Extraordinary General Meeting of the shareholders of the subsidiary, on June 19th, 2020.

h. With the decision of 30.06.2021 of the Annual Shareholders' General Meeting of the subsidiary Designia Insurance Agents SA, the subsidiary increased its share capital by € 300 thousand through capitalization of the total amount of the account "Amounts intended for share capital increase" by increasing the nominal value of each share from € 10 to € 25. At the same time, share capital decrease decided in order to offset losses, by the amount of € 174 thousand, by delisting the account " Losses carried forward ", with a reduction of the nominal value of each share from € 25 to € 16,30. Following the above, the share capital of the subsidiary amounts to € 326 thousand, divided into 20.000 registered ordinary shares of nominal value of € 16,3 each.

NOTE 10: INVESTMENT IN JOINT VENTURE

On 26 June 2015, Grivalia Hospitality S.A. ("GH") was established by Grivalia Properties REIC ("Grivalia") with initial paid in share capital of €2,0 mil. The purpose of GH is the acquisition, development and management of hotels and touristic properties mainly in Greece and abroad.

On 19 February 2017, the subsidiary Eurolife FFH Life Insurance S.A. participated as strategic investor in the share capital increase of GH.

More specifically, the share capital of GH increased by €58mil, €30mil out of which were paid by the subsidiary Eurolife FFH Life Insurance, while the remaining €28mil were paid by Grivalia. Following the completion of the share capital increase, the share capital of GH amounts to €60 mil with an equal participation by the two shareholders. On the same date, a relative agreement between the two shareholders was signed, which requires unanimous consent for all important decisions.

On July 27 2017, it was announced that a fund ("the New Investor") managed by the investment firm M&G Investment Management Limited, established in London, will participate in the share capital of GH through a share capital increase of €60 mil. that was fully covered by the New Investor. At 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 Group and 50% by the New Investor.

On July 25 2018, the subsidiary Eurolife FFH Life Insurance S.A. participated in the new share capital increase of Grivalia Hospitality S.A ("GH") of €60 mil. . The increase was fully covered by the existing shareholders of GH in their proportion in its share capital and specifically €15 mil. were paid by Grivalia Properties, €15mil were paid by Eurolife FFH Life Insurance S.A and €30 mil. by the New Investor. Following this share capital increase, the paid in share capital of GH amounts to €180 mil to be used for the implementation of its investment plan.

Furthermore, it is noted that at 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 subsidiary Eurolife FFH Life Insurance S.A. participated in the new share capital increase of GH, amounting to € 20 mil.. The increase was fully covered by the existing shareholders of GH in proportion to its share capital. Specifically, the subsidiary Eurolife FFH Life Insurance S.A. 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 insurance subsidiary Eurolife FFH Life Insurance S.A. participated in the new share capital increase of GH, amounting to € 25 million. The increase was fully covered by the existing shareholders of GH in proportion to its share capital. Specifically, the subsidiary Eurolife FFH Life Insurance S.A. paid € 6.25 mil. and the additional € 18.75 mil. 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 smooth execution of its investment plan.

The Group 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 for with the equity method.

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 the non-controlling interests 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).

On December 31, 2021 the Group incurred profit of € 2.424 thousand (2020: loss of € 4.542 thousand) as a result of the participation in GH. As of December 31, 2021 the valuation of GH using the equity method amounts to € 54.013 thousand (2020: € 45.279 thousand).

The movement of the group investment in the joint venture is as follows:

(amounts in € thousand)	2021	2020
Balance at 1 January	**45.279**	**46.760**
Participation in share capital increase	6.250	5.000
Group's share in the profits/ (losses) of joint venture	2.424	(4.542)
Group's share in other comprehensive income of joint venture	60	43
Group's share in equity movement of joint venture	-	(1.981)
Balance at 31 December	**54.013**	**45.279**

NOTE 11: DEFERRED TAX

	GROUP			
(amounts in € thousand)	**Opening Balance 01/01/2021**	**Changes in Income Statement**	**Changes in OCI**	**Closing Balance 31/12/2021**
Valuation of Investments				
Changes in fair value of financial assets available for sale	(81.000)	197	13.246	(67.557)
Impairment of financial assets available for sale	876	(220)		655
Changes in fair value of financial assets held for trading	(140)	(870)		(1.009)
Changes in the amortized cost of Financial Assets classified as Loans and Receivables	(430)	303		(127)
Changes in the fair value of Derivative Financial Assets	(26)	26		-
Non-deductible expenses				
Provision for staff leaving indemnities	218	13	(15)	216
Provision for unused personnel leave	6	71		77
Provision for other doubtful and disputed receivables	954	(102)		851
Provision for technical reserves and other insurance provisions	88	(42)		46
Other temporary differences	315	14		329

Recoverable tax losses				
Deferred tax on recoverable losses	422	159		581
Foreign exchange differences of Investments				
Foreign exchange differences	2.765	(820)	(5)	1.940
Property, plant and equipment & Intangible Assets				
Depreciation of property, plant and equipment and intangible assets	(48)	14		(33)
Deferred tax in OCI				
Deferred tax in OCI	31		(10)	21
Total Deferred Tax Assets / (Liabilities)	**(75.969)**	**(1.256)**	**13.215**	**(64.009)**

	GROUP			
(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				
Changes in fair value of financial assets available for sale	(109.101)	-	28.101	(81.000)
Impairment of financial assets available for sale	141	735	-	876
Changes in fair value of financial assets held for trading	(322)	182	-	(140)
Changes in the amortized cost of financial assets classified as loans and receivables	-	(430)	-	(430)
Changes in the fair value of derivative financial instruments	-	(26)	-	(26)
Non-deductible expenses				
Provision for staff leaving indemnities	198	11	10	218
Provision for unused personnel leave	14	(8)	-	6
Provision for other doubtful and disputed receivables	970	(16)	-	954
Provision for technical reserves and other insurance provisions	105	(17)	-	88
Other temporary differences	395	(80)	-	315
Recoverable tax losses				
Deferred tax on recoverable tax losses	59	362	-	422
Foreign exchange differences of Investments				
Foreign exchange differences	(652)	3.412	5	2.765
Property, plant and equipment & Intangible Assets				
Depreciation of property, plant and equipment and intangible assets	(5)	(43)	-	(48)
Deferred tax in OCI				
Deferred tax in OCI	40	-	(8)	31
Total Deferred Tax Assets / (Liabilities)	**(108.159)**	**4.083**	**28.107**	**(75.969)**

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

The movement of the deferred tax from changes in the fair value of Available-for-Sale Financial instruments is attributed by € 8.877 thousand (2020: € (19.984) thousand) to changes in fair value and by € 4.566 thousand (2020: € 48.084 thousand) to transfer in the income statement as a result of the debt securities' disposals in 2021.

The deferred tax of the Group is analyzed as follows:

	GROUP	
(amounts in € thousand)	**31/12/2021**	**31/12/2020 Restated***
Deferred tax assets	798	1.274
Deferred tax liabilities	(64.807)	(77.242)
Total Deferred Taxes assets / liabilities	**(64.009)**	**(75.969)**

NOTE 12: FINANCIAL ASSETS HELD ON BEHALF OF POLICYHOLDERS WHO BEAR THE INVESTMENT RISK (Unit-Linked)

(amounts in € thousand)	GROUP	
	31/12/2021	**31/12/2020**
Government securities:		
Greek Government	-	2.690
Subtotal	**-**	**2.690**
Other issuers' securities:		
Banks	1.043	1.070
Other	555.305	296.651
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	37	73
Cash and cash equivalents	2.398	21
Subtotal	**2.434**	**95**
Total	**558.782**	**300.505**

The movement in 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 fair value	20.395	2.916
Other changes	2.376	(1.750)
Change in accrued interest	(37)	28
Balance at 31 December	**558.782**	**300.505**

NOTE 13: FINANCIAL ASSETS HELD FOR TRADING

(amounts in € thousand)	GROUP	
	31/12/2021	**31/12/2020**
Government securities:		
Greek Government	929.930	1.205.768
Foreign government	-	41.317
Subtotal	**929.930**	**1.247.084**
Other issuers' securities:		
Banks	2.945	1.188
Other	82.343	22
Subtotal	**85.288**	**1.210**
Total	**1.015.219**	**1.248.294**
Treasury Bills	929.930	1.247.084
Mutual Funds	63.880	-
Equity Shares	21.408	1.210
Total	**1.015.219**	**1.248.294**

The movement in securities is as follows:

	2021	**2020**
Balance at 1 January	**1.248.294**	**326.286**
Additions	2.431.247	2.501.690
Sales / Liquidations	(2.666.305)	(1.578.869)
Bonds amortization	(2.599)	256
FX differences	446	(309)
Changes in fair value of debt securities	(248)	(80)
Changes in fair value of equity securities	4.384	(680)
Balance at 31 December	**1.015.219**	**1.248.294**

NOTE 14: HELD TO MATURITY FINANCIAL ASSETS

(amounts in € thousand)	GROUP	
	31/12/2021	**31/12/2020**
Government securities:		
Greek Government	749.713	868.333
Foreign Government	256.547	314.974
Subtotal	**1.006.260**	**1.183.306**
Other issuers' securities:		
Banks	54.255	35.216
Other	251.944	187.307
Subtotal	**306.199**	**222.523**
Total	**1.312.459**	**1.405.829**
Bonds	1.030.401	1.221.153
Equity Shares	93.781	77.650
Mutual Funds	188.278	107.026
Subtotal	**1.312.459**	**1.405.829**
Plus		
Accrued Interest	23.121	25.982
Subtotal	**23.121**	**25.982**
Total	**1.335.580**	**1.431.811**

The movement in securities is as follows:

	2021	2020
Balance at 1 January	**1.431.811**	**2.426.093**
Additions	87.794	305.932
Sales / Liquidations	(159.519)	(1.143.990)
Bonds amortization	6.766	4.337
Foreign Exchange Differences	2.257	(13.927)
Changes in fair value of debt securities	(71.849)	(98.442)
Changes in fair value of equity securities	40.959	(18.366)
Impairment of equity securities	540	(3.052)
Other Changes	(318)	(297)
Changes in accrued interest	(2.861)	(26.478)
Balance at 31 December	**1.335.580**	**1.431.811**

The Hellenic Republic invited on December 6, 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 Group, taking into account the financial consequences of the announced exchange program of PSI GGBss ("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 subsidiary Eurolife FFH Life Insurance S.A. 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 December 17, 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 15: FINANCIAL ASSETS CLASSIFIED AS LOANS AND RECEIVABLES

(amounts in € thousand)	GROUP	
	31/12/2021	**31/12/2020**
Commercial Mortgage Loans	40.576	81.792
Plus		
Accrued interest on loans	243	487
Total	**40.819**	**82.279**

The movement of loans is as follows:

	2021	2020
Balance at 1 January	**82.279**	**-**
Commercial mortgage loans granted/(received)	(40.000)	80.000
Capitalized expenses	-	1.920
Loans amortization	(1.216)	(128)
Changes in accrued interest	(243)	487
Balance at 31 December	**40.819**	**82.279**

In October 2020, the subsidiaries Eurolife FFH Life Insurance S.A. and Eurolife FFH General Insurance S.A. of the Group granted commercial mortgage loans, with a floating interest rate, of a total nominal value of € 76.400 thousand and € 3.600 thousand respectively to foreign property management companies. The duration of the loans is three years with the right of extension up to two years. In March 2021, part of the loans with a total value of € 40,000 thousand was repaid.

NOTE 16: INSURANCE RECEIVABLES

(amounts in € thousand)	GROUP	
	31/12/2021	31/12/2020
Insurance receivables up to 30 days	8.371	7.949
Insurance receivables between 30 to 90 days	1.958	2.649
Insurance receivables beyond 90 days	4.245	4.720
Provision for doubtful receivables	(3.673)	(3.957)
Minus: premium prepayments	(383)	(268)
Total	**10.519**	**11.094**

Insurance receivables from related parties represent 19,8 % (2020: 7,0%) of total receivables. The management does not expect impairment losses from related parties due to inability to make payments.

NOTE 17: OTHER RECEIVABLES

(amounts in € thousand)	GROUP	
	31/12/2021	31/12/2020
Prepaid Expenses	1.887	1.839
Accrued interest income	6	14
Receivables from ceding insurers (current accounts)	699	662
Reinsurance receivables (current accounts)	1.077	1.448
Advances to agents and brokers	762	855
Brokerage commissions from insurance companies	688	789
Other receivables	4.587	4.344
Provision for doubtful other receivables	(802)	(887)
Total	**8.903**	**9.065**

NOTE 18: REINSURANCE RECEIVABLES

31 December 2021	GROUP		
(amounts in € thousand)	LIFE	NON LIFE	TOTAL
Receivables from unearned premiums reserves (U.P.R.) (Note 22)	-	3.211	3.211
Receivables from outstanding claims reserves (O.C.R.) (Note 22)	1.971	10.643	12.614
Total	**1.971**	**13.854**	**15.825**

31 December 2020	GROUP		
(amounts in € thousand)	LIFE	NON LIFE	TOTAL
Receivables from unearned premiums reserves (U.P.R.) (Note 22)	90	2.594	2.684
Receivables from outstanding claims reserves (O.C.R.) (Note 22)	1.774	9.732	11.507
Total	**1.864**	**12.326**	**14.190**

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 19: CASH AND CASH EQUIVALENTS

(amounts in € thousand)	GROUP	
	31/12/2021	31/12/2020
Cash in hand	5	5
Deposits on demand	261.306	114.312
Time deposits	195.772	169.732
Restricted deposits	160	160
Total	**457.243**	**284.209**

Time deposits have a maturity of less than 90 days. During the year 2021, the weighted average effective interest rate on time deposits was 3,3% for the Greek subsidiaries amounting to € 191.268 thousand (2020: 0,9% and € 163.636 thousand) and it comes from time deposits in foreign currency, 0,9% for the Romanian subsidiaries amounting to € 1.504 thousand (2020: 1,7% and €2.746 thousand) and 0,1% for the Company amounting to € 3.000 thousand (2020: 0,1% and € 3.350 thousand).

NOTE 20: SHARE CAPITAL

	GROUP	
	31/12/2021	31/12/2020
Number of Ordinary Shares	100.000.000	100.000.000
Paid in share capital (amounts in € thousand)	225.000	225.000
Share Capital	**225.000**	**225.000**

On December 31, 2021 and 2020, the share capital of the Company amounts to € 225.000 thousand and is divided into 100.000.000 shares with a nominal value of € 2,25 each.

NOTE 21: RESERVES

	GROUP						
(amounts in € thousand)	Statutory Reserve	Special Reserves	AFS investments revaluation Reserve	Currency translation Reserve	Reserve for post-employment benefit obligations	Other reserves and Retained Earnings	Total
Balance at 1 January 2021	**71.339**	**13.941**	**249.296**	**(2.818)**	**(225)**	**303.607**	**635.140**
Transfer of prior year's profit	96	(15.916)	-	-	-	129.329	**113.509**
Changes in the share of other comprehensive income of the Joint Venture, net of tax	-	-	-	60	-	-	**60**
Dividend distribution	-	-	-	-	-	(85.500)	**(85.500)**
Other changes	-	-	-	-	-	(14)	**(14)**
Currency translation differences	-	-	-	(191)	-	-	**(191)**
Remeasurement of defined benefit obligation, net of tax	-	-	-	-	28	-	**28**
Change in AFS financial assets	-	-	(30.907)	-	-	-	**(30.907)**
Deferred tax on change in AFS financial assets	-	-	13.239	-	-	-	**13.239**
Balance at 31 December 2021	**71.435**	**(1.975)**	**231.628**	**(2.949)**	**(197)**	**347.423**	**645.365**

	GROUP						
(amounts in € thousand)	**Statutory Reserve**	**Special Reserves**	**AFS investments revaluation Reserve**	**Currency translation Reserve**	**Reserve for post-employment benefit obligations**	**Other reserves and Retained Earnings**	**Total**
Balance at 1 January 2020 – Restated*	**68.903**	**19.834**	**339.456**	**(2.659)**	**(193)**	**241.765**	**667.106**
Transfer of prior year's profit	2.436	(7.203)	-	-	-	65.141	**60.374**
Changes in the share of other comprehensive income, net of tax and equity of joint venture	-	1.310	-	43	-	(3.291)	**(1.938)**
Other changes	-	-	-	-	-	(8)	**(8)**
Currency translation differences	-	-	-	(202)	-	-	**(202)**
Restated remeasurement of defined benefit obligation, net of tax	-	-	-	-	(32)	-	**(32)**
Change in AFS financial assets	-	-	(118.866)	-	-	-	**(118.866)**
Deferred tax on change in AFS financial assets	-	-	28.706	-	-	-	**28.706**
Balance at 31 December 2020 – Restated*	**71.339**	**13.941**	**249.296**	**(2.818)**	**(225)**	**303.607**	**635.140**

*More information regarding the restatements made in the amounts of the year ended 31 December 2020 is given in note 2.1

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

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

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

"Currency translation reserve" arise on the consolidation of the Romanian subsidiaries and the joint venture Grivalia Hospitality.

"Other reserves and Retained Earnings" arise from previous years' profit after General Shareholders' Meeting decisions. These reserves arising from profits of previous years can be distributed to shareholders upon decision of General Shareholders' Meeting without additional tax charge.

"Special Reserves" are reserves under special laws that are either not distributable or will be taxed in case of distribution according to the applicable income tax rate at the date of distribution.

Consolidation difference

The Consolidation difference was recognized at the date of the Company's incorporation, at the initial consolidation under the common control method. Specifically, the cost of investment in subsidiaries, Eurolife FFH Life Insurance S.A. and Eurolife FFH General Insurance S.A. was eliminated against the subsidiaries' share capital and share premium and any difference between the cost of investment and the carrying amount of the share capital and share premium acquired was recognized in equity. On 30 September 2014, the total cost of investment in subsidiaries (direct and indirect) amounted to €355,0 mil., while the subsidiaries' share capital and share premium amounted to €40,9 mil. and €79,0 mil. respectively and as a result a consolidation difference of the amount of €235,1 mil. was recognized in Group's equity.

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

NOTE 22: TECHNICAL RESERVES AND OTHER INSURANCE PROVISIONS

	GROUP					
(amounts in € thousand)	31/12/2021			31/12/2020		
	Group	Reinsurers	Total	Group	Reinsurers	Total
Life insurance reserves						
Technical reserves - Life	1.820.289	-	**1.820.289**	1.944.877	-	**1.944.877**
Technical reserves - (DAF)	207.919	-	**207.919**	184.225	-	**184.225**
Unearned premiums reserves (UPR)	14.516	-	**14.516**	12.228	90	**12.318**
Outstanding claims reserves	44.797	1.971	**46.768**	42.288	1.774	**44.063**
Other insurance provisions	24	-	**24**	25	-	**25**
Insurance provisions for life insurance contracts where the policyholders bear the investment risk (Unit Linked)	546.390	-	**546.390**	291.066	-	**291.066**
Total Life insurance reserves	**2.633.935**	**1.971**	**2.635.906**	**2.474.709**	**1.864**	**2.476.573**
Non Life insurance reserves						
Unearned premiums reserves (UPR)	20.158	3.211	23.369	23.722	2.594	**26.316**
Outstanding claims reserves	61.786	10.643	72.429	62.407	9.732	**72.139**
Unexpired Risk Reserve (URR)	1.491	-	1.491	1.848	-	**1.848**
Total Non-Life insurance reserves	**83.435**	**13.854**	**97.289**	**87.978**	**12.326**	**100.304**
Total technical reserves and other insurance provisions	**2.717.370**	**15.825**	**2.733.195**	**2.562.687**	**14.190**	**2.576.877**

Life technical reserves amount to € 1.820,3 mil. as at 31 December 2021 compared to € 1.944,9mil. in the previous year, presenting a decrease of € 124,6 mil. The movement of life technical reserves is analyzed mainly as follows: a) an increase of € 99 mil. due to new life insurance premiums production, b) decrease of € 191,7 mil. driven by surrenders, lapses, deaths and maturities of life insurance policies and c) decrease of € 33,5 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) increase of € 33,5 mil. due to the overperformance result 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 Group contracts.

The insurance provisions for life insurance contracts where the policyholders bear the investment risk (Unit Linked) amount to € 546,4 mil. as at 31 December 2021 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.

The non-life outstanding claims reserves mainly include the reserve for reported losses amounting to € 69.829 thousand and € 69.254 thousand as at 31 December 2021 and 2020, respectively.

The following table presents the movement in Life technical reserves and other insurance provisions (excluding outstanding claim reserves) for the years ended 31 December 2021 and 2020:

(amounts in € thousand)	GROUP					
	Life	**Pensions (DAF)**	**Other Provisions**	**Unit Linked**	**U.P.R**	**Total**
Balance at 1 January 2021	**1.944.877**	**184.225**	**25**	**291.066**	**12.318**	**2.432.511**
New production, renewals	98.984	28.799	(0)	350.485	2.978	**481.246**
Surrenders, lapses, maturities, deaths etc	(191.742)	(18.433)	-	(128.764)	(680)	**(339.620)**
Additional reserves (LAT)	(33.512)	(22.049)	-	-	-	**(55.561)**
Return on investments	-	-	-	33.603	-	**33.603**
Excess investment return on technical reserves	1.838	33.524	-	-	-	**35.362**
Provisions' movement - Group's share	**(124.431)**	**21.840**	**(0)**	**255.324**	**2.298**	**155.030**
Provisions' movement - Reinsurers' share	-	-	-	-	(90)	**(90)**
Portfolio acquisition	-	1.854	-	-	-	**1.854**
Foreign Exchange differences	(157)	-	(0)	-	(10)	**(167)**
Balance at 31 December 2021	**1.820.289**	**207.919**	**24**	**546.390**	**14.516**	**2.589.138**

(amounts in € thousand)	GROUP					
	Life	**Pensions (DAF)**	**Other Provisions**	**Unit Linked**	**U.P.R**	**Total**
Balancet 1 January 2020	**1.928.760**	**171.818**	**13**	**158.475**	**10.641**	**2.269.708**
New production, renewals	112.095	27.674	12	194.314	2.347	**336.442**
Surrenders, lapses, maturities, deaths etc	(162.144)	(12.151)	-	(75.581)	(609)	**(250.485)**
Additional reserves (LAT)	64.579	(7.684)	-	-	-	**56.895**
Return on investments	-	-	-	13.857	-	**13.857**
Excess investment return on technical reserves	1.738	4.569	-	-	-	**6.307**
Provisions' movement -Group's share	**16.268**	**12.407**	**12**	**132.590**	**1.738**	**163.015**
Provisions' movement - Reinsurers' share	-	-	-	-	(51)	**(51)**
Foreign Exchange differences	(151)	-	-	-	(10)	**(161)**
Balance at 31 December 2020	**1.944.877**	**184.225**	**25**	**291.066**	**12.318**	**2.432.511**

The following table presents the change in outstanding claim reserves for the years ended 31 December 2021 and 2020:

amounts in € thousand)	31/12/2021			31/12/2020		
	Group	**Reinsurers**	**Total**	**Group**	**Reinsurers**	**Total**
Movement of Life outstanding claim reserves						
Outstanding claims	39.074	1.774	40.849	25.948	16.143	42.090
Additional reserves (LAT / IBNR)	3.214	-	3.214	3.593	(0)	3.593
Balance at 1 January	**42.288**	**1.774**	**44.063**	**29.541**	**16.142**	**45.683**
Decrease from paid claims	(13.549)	(1.706)	(15.254)	(13.377)	(1.310)	(14.687)
Increase/ (Decrease) from current year's claims	18.870	1.496	20.367	17.119	828	17.947
Increase/ (Decrease) from prior years' claims	(3.020)	407	(2.613)	9.385	(212)	9.173
Acquisition of reinsurer's share on outstanding claims portfolio (note 18)	-	-	-	-	(13.671)	(13.671)
Additional reserves (LAT / IBNR)	209	-	209	(379)	-	(379)
Foreign Exchange differences	(2)	(1)	(3)	(2)	(2)	(4)
Movement - Outstanding claims	**2.509**	**196**	**2.705**	**12.747**	**(14.368)**	**(1.621)**
Outstanding claims	41.374	1.971	43.345	39.074	1.774	40.849
Additional reserves (LAT / IBNR)	3.423	-	3.423	3.214	-	3.214
Balance at 31 December	**44.797**	**1.971**	**46.768**	**42.288**	**1.774**	**44.063**

(amounts in € thousand)	31/12/2021			31/12/2020		
	Group	Reinsurers	Total	Group	Reinsurers	Total
Movement of Non-Life outstanding claim Reserves						
Outstanding claims reserves	59.536	9.718	69.254	56.970	9.679	66.649
Additional reserves (LAT / IBNR)	2.872	14	2.886	2.846	-	2.846
Balance at 1 January	**62.407**	**9.732**	**72.139**	**59.816**	**9.679**	**69.495**
Decrease from paid claims	(8.642)	(491)	(9.133)	(7.067)	(92)	(7.159)
Increase/ (Decrease) from current year's claims	13.333	1.541	14.874	13.596	254	13.851
Increase/ (Decrease) from prior years' claims	(5.040)	(125)	(5.165)	(3.963)	(123)	(4.086)
Additional reserves (LAT / IBNR)	(271)	(14)	(285)	26	14	40
Foreign Exchange differences	(1)	(1)	(2)	(1)	-	(1)
Movement - Outstanding claims	**(621)**	**910**	**290**	**2.592**	**53**	**2.644**
Outstanding claims	59.187	10.643	69.829	59.536	9.718	69.254
Additional reserves (LAT / IBNR)	2.599	-	2.600	2.872	14	2.886
Balance at 31 December	**61.786**	**10.643**	**72.429**	**62.407**	**9.732**	**72.139**

Table of non-life claims development

Year of incident	**< 2012**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Σύνολο**
Estimate of ultimate cost:												
Year of claim		19.757	19.132	22.359	10.835	15.496	18.400	27.254	20.692	20.060	20.774	330.902
One year later		19.682	19.729	23.017	10.908	16.041	18.731	28.061	20.647	20.566		
Two years later		20.395	19.458	22.921	10.757	16.395	18.345	27.920	20.808			
Three years later		20.441	19.316	22.282	10.743	15.876	18.003	27.292				
Four years later		20.339	18.824	20.981	10.557	15.218	16.867					
Five years later		17.456	15.167	16.952	8.638	12.824						
Six years later		18.931	14.687	16.889	8.465							
Seven years later		18.626	14.462	16.545								
Eight years later		18.319	13.787									
Nine years later		18.103										
Current estimate for cumulative claims	107.160	18.103	13.787	16.545	8.465	12.824	16.867	27.292	20.808	20.566	20.774	283.193
Cumulative payments	103.794	11.160	12.414	14.097	6.480	10.216	11.466	17.637	11.693	11.962	6.350	217.269
Amount of reserves	**3.366**	**6.943**	**1.373**	**2.448**	**1.986**	**2.608**	**5.401**	**9.655**	**9.115**	**8.604**	**14.424**	**65.923**
Reserve for previous years												**370**
Reserve for inwards reinsurance-Motor												**3.337**
Additional reserve with statistical method												**269**
Unallocated Loss Adjustment Expenses												**2.324**
Reserve for Outstanding Claims (Greece)	**3.366**	**6.943**	**1.373**	**2.448**	**1.986**	**2.608**	**5.401**	**9.655**	**9.115**	**8.604**	**14.424**	**72.223**
Reserve for Outstanding Claims (Romania)												**206**
Reserve for Outstanding Claims – GROUP												**72.429**

NOTE 23: INVESTMENT CONTRACT LIABILITIES

(amounts in € thousand)	GROUP	
	2021	2020
Balance at 1 January	**11.738**	**14.504**
Additions	1.819	-
Liquidations	(272)	(301)
Realized gain/(losses) from disposals	1.478	(92)
Interest income	102	93
Fair value (losses)	(1.236)	(2.466)
Balance at 31 January	**13.629**	**11.738**

NOTE 24: EMPLOYEE BENEFITS

The Group provides for staff retirement indemnity obligation for its employees in Greece (there is no requirement for such provision in Romania), who are entitled to a lump sum payment based on the number of years of service and the level of remuneration at the date of retirement, if they remain in the employment of the Group until normal retirement age, in accordance with the local Labor legislation. According to the Group'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 Group 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 Group.

(amounts in € thousand)	GROUP	
	2021	2020 Restated*
Movement of provision for staff leaving indemnities		
Balance at 1 January	**909**	**823**
Benefits paid by the employer	(64)	(454)
Total expense recognized in the income statement	178	498
Actuarial Losses / (gains) recognized in OCI	(43)	42
Balance at 31 December	**980**	**909**

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020 Restated*
Amounts recognized in the income statement		
Current service cost	113	109
Net interest	1	3
Curtailments / settlements / terminations	64	386
Total expense in income statement	**178**	**498**

*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 pension obligations include the discount rate and future salary increases. Any changes in these assumptions will impact the carrying amount of pension obligations.

The Group determines the appropriate discount rate that should be used to calculate the present value of the estimated retirement obligations at the end of each year. In determining the appropriate discount rate, the Group uses interest rates of highly rated corporate 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 Group's wage increases each year.

The other assumptions for pension obligations, such as changes in inflation rate, are based partially on prevailing market conditions.

	GROUP	
Actuarial assumptions	**31/12/2021**	**31/12/2020**
Discount rate	0,55%	0,06%
Future salary increases	0,0% έως 4,0%	0,0% έως 4,0%
Inflation	1,4%	1,4%
Expected remaining working life (years)	5,3	5,9

The sensitivity analysis based on reasonable changes in significant actuarial assumptions as at 31 December 2021 is as follows:

• An increase / (decrease) in the discount rate by 0,5% / (0,5%) would result in a (decrease) / increase of the staff retirement obligation by (€ 25,5) thousand / € 27,5 thousand.

• An increase / (decrease) in future salary growth by 0,5% / (0,5%) would result in an increase / (decrease) of the staff retirement obligation by € 26,5 thousand / (€ 25,5) thousand.

• A zero rate of turnover would result in an increase of the staff retirement obligation by € 76,5 thousand.

NOTE 25 INSURANCE AND OTHER LIABILITIES

(amounts in € thousand)	GROUP	
	31/12/2021	**31/12/2020**
Reinsurers – current accounts	4.227	2.783
Agents and insurance brokers	13.183	10.278
Liabilities to policyholders from brokerage activities	269	237
Taxes	9.989	7.208
Social security	1.763	1.592
Other Creditors	2.578	40.828
Payable surrenders and claims settlement	22.746	19.633
Other Liabilities	14.227	10.482
Total	**68.982**	**93.041**

As at 31 December 2020, other creditors included € 37.846 thousand which relate to unsettled transactions for investments' purchases. Moreover, other liabilities include the provision for unaudited tax years and for other sundry accrued expenses.

NOTE 26: NET EARNED PREMIUMS

From 1 January to 31 December 2021	GROUP			
(amounts in € thousand)	Life	Motor	Property & Other	Total
Gross written premiums – Direct				
Gross Written premiums	542.656	13.682	38.397	594.735
Policy fees	86	3.421	5.920	9.427
	542.742	**17.102**	**44.317**	**604.162**
Gross written premiums – Inward Reinsurance				
Gross Written premiums	-	-	803	803
	-	**-**	**803**	**803**
Total Gross Written Premiums	**542.742**	**17.102**	**45.120**	**604.965**
Change in unearned premium reserve	(2.208)	167	3.131	1.090
Total Gross Earned Premiums	**540.534**	**17.269**	**48.251**	**606.055**
Premium Ceded to Reinsurers	(5.830)	(165)	(14.665)	(20.660)
Change in unearned premium reserve – reinsurers' share	(90)	-	619	529
Total Earned Premiums ceded	**(5.920)**	**(165)**	**(14.046)**	**(20.131)**
Total Net Earned Premiums	**534.614**	**17.105**	**34.205**	**585.924**

From 1 January to 31 December 2020	GROUP			
(amounts in € thousand)	Life	Motor	Property & Other	Total
Gross written premiums-Direct				
Gross Written premiums	383.381	14.638	39.232	437.252
Policy fees	82	3.660	6.923	10.665
	383.464	**18.298**	**46.155**	**447.917**
Gross written premiums – Inward Reinsurance				
Gross Written premiums	-	-	736	736
	-	**-**	**736**	**736**
Total Gross Written Premiums	**383.464**	**18.298**	**46.892**	**448.653**
Change in unearned premium reservev	(1.687)	522	3.390	2.224
Total Gross Earned Premiums	**381.776**	**18.820**	**50.281**	**450.877**
Premium Ceded to Reinsurers	(5.304)	(177)	(12.663)	(18.144)
Change in unearned premium reserve – reinsurers' share	(51)	-	257	206
Total Earned Premiums ceded	**(5.355)**	**(177)**	**(12.406)**	**(17.937)**
Total Net Earned Premiums	**376.422**	**18.643**	**37.875**	**432.940**

NOTE 27: OTHER INSURANCE RELATED INCOME

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Commission income from reinsurers	4.206	3.308
Management fees-Insurance Unit Linked contracts	3.862	1.670
Lapse and exit fees-Insurance Unit Linked contracts	472	162
Management fees-Investment Unit Linked contracts	67	57
Commission income from insurance brokerage	2.294	2.069
Total other income related to insurance activities	**10.901**	**7.265**

NOTE 28: INVESTMENT INCOME

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	**From 01/01 to 31/12/2020**
Trading Portfolio & Deposits		
Interest income and amortization on debt securities	(3.002)	698
Interest income on deposits	414	681
Gains / (losses) from Currency translation differences	660	(3.449)
Subtotal	**(1.928)**	**(2.070)**
Available for sale financial assets		
Dividend income on equities	1.258	1.335
Interest income and amortization on debt securities	45.384	65.960
Mutual Funds	1.408	9
Subtotal	**48.050**	**67.304**
Loans and receivables financial assets		
Interest income on commercial mortgage loans	297	359
Subtotal	**297**	**359**
Other investment income		
Interest income on reinsurers' reserve	4	6
Other	98	85
Subtotal	**102**	**91**
Total Investment Income	**46.521**	**65.683**

NOTE 29: REALISED GAINS ON FINANCIAL ASSETS

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	**From 01/01 to 31/12/2020**
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		
(Losses) from equities disposal	(488)	(9)
Gains from bonds disposal	41.224	202.448
Gains from mutual funds disposal	2.817	-
Subtotal	**43.553**	**202.440**
Total realized gains on financial assets	**55.842**	**210.753**

Gains from the sale of financial assets amount to € 55.842 thousand on 31 December 2021, in comparison to € 210.753 thousand in prior year, presenting a decrease of € 154.911 thousand , which is mainlyattributable to the increased gains recorded by the Greek insurance subsidiaries from the disposal of Greek Government Bonds,which was realized during the year 2020.

NOTE 30: FAIR VALUE GAINS/LOSSES ON FINANCIAL ASSETS

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Trading Portfolio & Deposits		
Gains/(Losses) from equities valuation	4.093	(680)
(Losses) from bonds valuation	(248)	(80)
Gains from valuation of Mutual Funds	291	-
Gains/ (Losses) from foreign exchange differences	446	(309)
Subtotal	**4.582**	**(1.069)**
Financial assets held on behalf of policyholders who bear the investment risk (Unit Linked)		
Unrealized fair value gains on Unit Linked contracts	21.632	5.382
Subtotal	**21.632**	**5.382**
Financial assets available for sale		
Impairment of equities	899	(3.052)
Impairment of Mutual Funds	(359)	
Gains/ (Losses) from Foreign Exchange differences	2.256	(13.929)
Subtotal	**2.795**	**(16.981)**
Changes in Fair Value of investment property	2	(1)
Total fair value gains/ (losses) on financial assets	**29.011**	**(12.669)**

NOTE 31: GAINS / LOSSES ON DERIVATIVES

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Gains/ (Losses) from derivative forward contracts	(2.639)	6
Gains/ (Losses) from derivative valuation	(115)	115
Total gains/(losses) on derivatives	**(2.753)**	**121**

The Group 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 € 2.6 mil..

NOTE 32: OTHER INCOME

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Gains from personnel insurance policies	-	13
Currency Translation differences on current deposits and cash	(167)	(2)
Reversal of unused provisions	51	67
Other income	413	313
Total other income	**297**	**391**

NOTE 33: MOVEMENT IN TECHNICAL RESERVES AND OTHER INSURANCE PROVISIONS.

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Change in technical reserves – Life	124.431	(16.268)
Change in technical reserves - pensions (DAF)	(21.840)	(12.407)
Change in other insurance provisions	-	(12)
Plus: Taxes	(2.764)	(442)
Change in insurance provisions for life insurance contracts where the policyholders bear the investment risk (Unit Linked)	(255.324)	(132.590)
Total movement in technical reserves and other insurance provisions	**(155.497)**	**(161.720)**

NOTE 34: CLAIMS AND INSURANCE BENEFITS INCURRED

From 1 January to 31 December 2021	GROUP			
(amounts in € thousand)	Life	Motor	Property & Other	Total
Gross claims and insurance benefits incurred				
Surrenders-Life insurance contracts	(201.168)	-	-	(201.168)
Surrenders-Unit Linked contracts	(128.292)	-	-	(128.292)
Claims paid	(40.376)	(6.551)	(8.806)	(55.732)
Change in outstanding claims	(2.708)	(2.640)	2.349	(3.000)
Gross Claims and insurance benefits incurred	**(372.544)**	**(9.191)**	**(6.457)**	**(388.192)**
Reinsurers' share				
Claims paid	2.343	22	582	2.947
Acquisition of reinsurer's share on outstanding claims portfolio	-	-	-	-
Change in outstanding claims	198	-	912	1.109
Claims and insurance benefits incurred – Reinsurers' Share	**2.540**	**22**	**1.493**	**4.056**
Net claims and insurance benefits incurred	**(370.004)**	**(9.169)**	**(4.964)**	**(384.136)**

From 1 January to 31 December 2020	GROUP			
(amounts in € thousand)	Life	Motor	Property & Other	Total
Gross claims and insurance benefits incurred				
Surrenders-Life insurance contracts	(167.028)	-	-	(167.028)
Surrenders-Unit Linked contracts	(75.420)	-	-	(75.420)
Claims paid	(40.031)	(6.864)	(6.445)	(53.339)
Change in outstanding claims	1.617	(1.035)	(1.610)	(1.028)
Gross Claims and insurance benefits incurred	**(280.862)**	**(7.899)**	**(8.055)**	**(296.816)**
Reinsurers' share				
Claims paid	2.080	-	211	2.292
Acquisition of reinsurer's share on outstanding claims portfolio	13.671	-	-	13.671
Change in outstanding claims	(14.366)	-	53	(14.313)
Claims and insurance benefits incurred – Reinsurers' Share	**1.386**	**-**	**265**	**1.651**
Net claims and insurance benefits incurred	**(279.476)**	**(7.899)**	**(7.790)**	**(295.165)**

The acquisition of reinsurer's share on outstanding claims portfolio of amount € 13.671 thousand that took place in 2020 is due to the expiration of the reinsurance agreement according to which Eurolife FFH Life Insurance S.A. ceded a part of the risk of the credit life portfolio.

NOTE 35: ACQUISITION EXPENSES

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	**From 01/01 to 31/12/2020 Restated***
Commission and overcommission fees on premium production	(28.521)	(27.525)
Other commission fees and production expenses	(12.796)	(8.240)
Commissions to cedents	(193)	(165)
	(41.510)	**(35.930)**
Change of deferred acquisition costs	(650)	2.559
Mandatory contributions on premium production	(4.888)	(4.302)
Direct costs on insurance brokerage	(2.023)	(2.045)
Decrease of provision of doubtful debt	4	51
Interest expenses on Reinsurers' reserves	(4)	(22)
	(6.911)	**(6.317)**
Total Acquisition Expenses	**(49.071)**	**(39.688)**

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

NOTE 36: OTHER ADMINISTRATIVE EXPENSES

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	**From 01/01 to 31/12/2020 Restated***
Personnel expenses	(22.607)	(21.087)
Administrative expenses	(16.558)	(16.171)
Taxes	(257)	(229)
Depreciation expense	(2.934)	(2.790)
Provisions	(410)	(21)
Interest and other investment expenses	(9.627)	(9.979)
Other expenses	(153)	(1.163)
Total Administrative Expenses	**(52.546)**	**(51.440)**

	GROUP	
(amounts in € thousand)	**From 01/01 to 31/12/2021**	**From 01/01 to 31/12/2020 Restated***
Salaries and other benefits	(19.546)	(17.732)
Social security contributions	(2.346)	(2.548)
Provisions related to personnel	(105)	(37)
Other benefits and personnel costs	(610)	(770)
Total Personnel expenses	**(22.607)**	**(21.087)**
Average Number of Personnel	414	414

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

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

External Auditors

The other administrative expenses include fees charged by the independent auditor 'PricewaterhouseCoopers' (Greece and Romania). The fees recognized by the Group for audit and other services provided are analyzed as follows:

	GROUP	
(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Statutory Audit	(272)	(273)
Tax audit-article 65a, Law 4174/2013	(72)	(68)
Other audit related assignments	(118)	(135)
Non audit assignments	(12)	(12)
	(473)	**(487)**

NOTE 37: INCOME TAX EXPENSE

(amounts in € thousand)	GROUP	
	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	(18.998)	(42.816)
Adjustment on previous years' income tax	98	314
Total current income tax	**(18.900)**	**(42.502)**
Deferred tax		
Increase/(Decrease) in deferred tax assets	(909)	914
(Increase)/Decrease in deferred tax liabilities	(347)	3.169
Total deferred tax (expense)/ income	**(1.256)**	**4.083**
Total income tax	**(20.156)**	**(38.419)**

According to the provisions of article 120 of Law 4799/2021 (Government Gazette A 78/2021), which entered into force in May 2021 and amended article 58 of Law 4172/13, 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% (2020: 24%) for the 2021 tax year onwards.

This change in the tax rate led to a reduction of the net deferred tax liability by € 6,317 thousand, of which € (202) thousand were recorded in the income statement and € 6,519 thousand directly in equity.

In Romania, according to the Fiscal law no. 227/2015 the corporate income tax rate is 16,0%.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the applicable income tax rates, as analyzed below:

(amounts in € thousand)	GROUP	
	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020 Restated*
Profit before tax	85.428	151.928
	85.428	**151.928**
Income tax at applicable tax rate (22%, 2020: 24%):	(18.794)	(36.463)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
Provisions	-	(6)
Non tax deductible expenses	(1.519)	(1.127)
Income not subject to tax	298	(1.060)
Adjustment in previous years' income tax and other adjustments	98	303
Different tax rates in different countries	(38)	(67)
Impact from change in tax rate	(202)	-
Total income tax	**(20.156)**	**(38.419)**

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

NOTE 38: RELATED PARTY TRANSACTIONS

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

GROUP (amounts in € thousand)	31/12/2021			
Eurobank	**Receivables**	**Payables**	**Revenue**	**Expenses**
Deposits on demand & Time Deposits	42.982	-	368	7
Insurance operations	2.021	10.352	30.442	24.109
Investment operations	-	-	250	-
Other transactions	11	-	76	1.694
Total	**45.014**	**10.352**	**31.135**	**25.810**

GROUP (amounts in € thousand)	31/12/2021			
Other related parties	**Receivables**	**Payables**	**Revenue**	**Expenses**
Deposits on demand & Time Deposits	331	-	-	-
Insurance operations	66	32	1.776	377
Investment operations	1.327	-	3.729	6.682
Other transactions	-	20	-	116
Total	**1.723**	**52**	**5.505**	**7.175**
Transactions with key management personnel	**2**	**387**	**146**	**228**
Key management personnel remuneration and other benefits				**4.968**

GROUP (amounts in € thousand)	31/12/2020			
Eurobank	**Receivables**	**Payables**	**Revenue**	**Expenses**
Deposits on demand & Time Deposits	36.287	-	333	6
Insurance operations	659	7.494	30.629	20.342
Other transactions	1	-	66	1.461
Total	**36.947**	**7.494**	**31.027**	**21.809**

GROUP (amounts in € thousand)	31/12/2020			
Other related parties	**Receivables**	**Payables**	**Revenue**	**Expenses**
Deposits on demand & Time Deposits	314	-	-	1
Insurance operations	113	35	1.849	333
Investment operations	995	238	1.716	7.689
Other transactions	-	25	-	138
Total	**1.422**	**298**	**3.565**	**8.161**
Transactions with key management personnel	**2**	**179**	**80**	**253**
Key management personnel remuneration and other benefits				**3.946**

On December 31, 2021 there were no loans to the Groups management. (December 31, 2020: € 1 thousand).

The Group 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 (31 December 3030: € 0 thousand), mutual funds amounted to € 242.531 thousand (31 December 2020: € 101.632 thousand) and of the equities amounted to € 57.200 thousand (31 December 2021: € 36.405 thousand).

The above table does not include the transactions with shareholders regarding dividend distributions that took place in the fiscal years 2021 and 2020 and which are described in detail in Note 40.

NOTE 39: COMMITMENTS AND CONTINGENT LIABILITIES

Legal cases

There are no pending lawsuits against the Group or other contingent liabilities and commitments on 31 December 2021 which may affect significantly the financial position of the Group.

Unaudited tax years

The Company and the Group's subsidiaries have been subject to tax audit up to the fiscal years disclosed in the table below:

Name	Tax audited until
Eurolife FFH General Insurance S.A.	2008
Eurolife FFH Life Insurance S.A.	2009
Designia Insurance Brokers	2009
Diethnis Ktimatiki S.A.	2010
Eurolife FFH Insurance Group	-
Eurolife FFH Asigurari De Viata S.A.	-
Eurolife FFH Asigurari Generale S.A.	-
Designia Insurance Agents	-

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 and the Greek subsidiaries will continue to obtain such certificate.

More specifically, the Greek subsidiaries (except Diethnis Ktimatiki and Designia Insurance Agents) have been subject to tax audits by the statutory auditor for the years 2011-2020. For the years 2014 to 2020 the Company has been subject to tax audits by the statutory auditor, while Diethnis Ktimatiki has been subject to tax audit for the year 2015 and onwards, while Designia Insurance Agents had not been subject to tax audit by a statutory auditor or audit firm during the year 2019. The tax reports issued for the years 2011 to 2020 were unqualified, while the tax audit for the fiscal year 2021 is in progress.

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 Group's Balance Sheet, as the Company and Greek subsidiaries recognize provisions for additional taxes and fines that may arise from future tax audits.

NOTE 40: DIVIDENDS

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

On 17 October 2019, the Board of Directors of the Company approved the distribution of an interim dividend of the amount €40.000 thousand to the shareholders Costa Luxembourg Holding S.à r.l. (with percentage of participation of 80%) and Eurobank (with percentage of participation of 20%). The dividend was paid on 30 December 2019.

On 22 May 2020, the Annual Shareholders' General Meeting of the Company approved the distribution of the interim dividend decided on 17 October 2019 to the shareholders Costa Luxembourg Holding S.à r.l. (with percentage of participation of 80%) and Eurobank (with percentage of participation of 20%).

On October 5, 2021, the Extraordinary General Meeting of the Company's shareholders decided to distribute a dividend of a total amount of € 85,500 thousand to the shareholders of Costa Luxembourg Holding S.àrl (with a participation percentage of 80%) and Eurobank (with a participation percentage of 20%). The distribution of the dividend came from undistributed profits of previous years, up to the year ended 31 December 2019. The amount was paid to the shareholders on October 22, 2021 and on November 25, 2021.

NOTE 41: 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.

Financial impact at 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 Group 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 Group 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 group 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 Group, 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 Group succeeds in achieving its business goals, without reducing its risk awareness.

<u>Financial situation and solvency of the Group</u>

Despite the adverse effects of the pandemic during the past two years 2020 - 2021, the Group successfully responded to the new conditions and proved it’s resilience to unprecedented challenges but also its quick adaptability. For the Group, 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 Group recorded significant realized gains mainly in 2020 and reduced gains in 2021, by deinvesting a significant part of its position in Greek government bonds. Another result of the liquidation of the bonds was the strengthening of the Group’s liquidity.
- The Group's profits before tax amounted to € 151,9 million in 2020 and € 86,9 million in 2021.
- No significant changes were observed in the behavior of insurance policyholders and their insurance needs. The Group 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 life insurance premiums.
- In terms of claims, there was a decrease in paid claims in the motor and health lines 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 Group's business planning without identifying a significant negative impact from the effects of the pandemic.

The Group and the insurance subsidiaries conduct "Own Risk and Solvency Assessment" exercises at least annually considering, among other things, the special conditions of Covid 19. During 2020, the Group, 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 Group 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 Group's financial figures was identified. Also, the results showed that the solvency situation of the Group 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 Group and the insurance subsidiaries are made on a quarterly basis and are submitted to the regulator. In addition, the Group's insurance subsidiaries assess their capital adequacy SCR ratio on an ongoing basis, considering market data and actual data on the asset portfolio. As of December 31, 2021, the Group's solvency ratio (SCR coverage ratio) is estimated at 180% with volatility adjustment.

NOTE 42: 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 Group 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. Group 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 Group.

[Translation from the original text in Greek]

Draft Independent auditor's report

To the Shareholders of "Eurolife FFH Insurance Group Holdings S.A."

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of "Eurolife FFH Insurance Group Holdings S.A." (Company) which comprise the statement of financial position as of 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flow statements for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2021, it's financial performance and it's cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

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

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

Independence

During our audit we remained independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) that has been transposed into Greek Law, and the ethical requirements of Law 4449/2017, that are relevant to the audit of the financial statements in Greece. We have fulfilled our other ethical responsibilities in accordance with Law 4449/2017, and the requirements of the IESBA Code.

Other Information

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

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

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

With respect to the Board of Directors Report, we considered whether the Board of Directors Report includes the disclosures required by Law 4548/2018.

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

- The information given in the Board of Directors' Report for the year ended at 31 December 2021 is consistent with the financial statements,
- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150 of Law 4548/2018.

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

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

With respect to the Board of Directors Report, the procedures we performed are described in the “Other Information” section of our report.

Halandri, 11 April 2022
THE CERTIFIED AUDITOR

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

Konstantinos Michalatos
SOEL Reg. No. 17701

Annual Separate Financial Statements

Eurolife FFH Insurance Group Holdings S.A.

For the year ended
31 December 2021

Eurolife FFH Insurance Group

A FAIRFAX Company

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STATEMENT OF FINANCIAL POSITION

(amounts in € thousand)	Notes	31/12/2021	31/12/2020
ASSETS			
Non Current Assets			
Right of use assets	**5**	52	58
Intangible assets	**6**	2	8
Investments in subsidiaries	**7**	346.801	346.501
Deferred tax assets	**8**	186	148
Current Assets			
Income tax receivable		-	1
Other receivables	**9**	46	349
Cash and cash equivalents	**10**	3.168	3.522
Total assets		**350.256**	**350.588**
EQUITY			
Share Capital	**11**	225.000	225.000
Reserves	**12**	39.938	123.523
Retained Earnings		85.191	1.925
Total equity		**350.129**	**350.449**
LIABILITES			
Non Current Liabilities			
Lease liabilities	**5**	48	53
Current Liabilities			
Lease liabilities	**5**	8	8
Other liabilities	**13**	71	78
Total liabilities		**127**	**139**
Total equity and liabilities		**350.256**	**350.588**

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 122 to 142 are an integral part of these financial statements.

Eurolife FFH Insurance Group
A FAIRFAX Company

INCOME STATEMENT

(amounts in € thousand)	Notes	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Dividend income from subsidiaries	**14**	85.495	2.096
Investment income	**15**	-	2
Total income		**85.495**	**2.098**
Other income / (expenses)		13	(6)
Operating expenses	**16**	(366)	(232)
Profit before tax		**85.142**	**1.861**
Income tax expense	**17**	49	65
Profit for the year		**85.191**	**1.925**
Total comprehensive income for the year, net of tax		**85.191**	**1.925**

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 122 to 142 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

(amounts in € thousand)	Share Capital	Reserves	Retained earnings	Total
Balance as at 1 January 2021	**225.000**	**123.523**	**1.925**	**350.449**
Profit of the year	-	-	85.191	85.191
Total income after tax	**-**	**-**	**85.191**	**85.191**
Transfer of retained earnings to reserves	-	1.925	(1.925)	-
Dividend distribution to shareholders	-	(85.500)	-	(85.500)
Deferred tax in equity	-	(10)	-	(10)
Total transactions with shareholders	**-**	**(83.585)**	**(1.925)**	**(85.110)**
Balance at 31 December 2021	**225.000**	**39.938**	**85.191**	**350.129**

(amounts in € thousand)	Share Capital	Reserves	Retained Earnings	Total
Balance at 1 January 2020	**225.000**	**115.292**	**8.239**	**348.532**
Profit for the year	-	-	1.925	1.925
Total income after tax	**-**	**-**	**1.925**	**1.925**
Transfer of retained earnings to reserves	-	8.239	(1.925)	-
Dividend distribution to shareholders	-	-	-	-
Deferred tax in equity	-	(8)	-	(8)
Total transactions with shareholders	**-**	**8.231**	**(1.925)**	**(8)**
Balance at 31 December 2020	**225.000**	**123.523**	**1.925**	**350.449**

The notes on pages 122 to 142 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
Cash Flows from Operating Activities			
Profit before tax		85.142	**1.861**
Adjustments for:			
Depreciation and amortization of property, plant and equipment and intangible assets	**16**	15	16
Interest income		3	1
Dividend income from subsidiaries	**14**	(85.495)	(2.096)
Changes in Operating Assets and Liabilities:			
Change in other receivables		304	(302)
Change in other liabilities		(7)	(9)
Interest received and paid		-	2
Net Cash Flows from Operating Activities		**(38)**	**528**
Cash Flows from Investing Activities			
Dividends received from subsidiaries	**14**	85.495	2.096
(Increase) of investments in subsidiaries	**7**	(300)	-
Purchase of tangible and intangible assets		-	1
Net Cash Flows from Investing Activities		**85.195**	**2.095**
Cash Flows from Financing Activities			
Principal repayment of lease liabilities		(10)	(10)
Dividends paid	**20**	(85.500)	-
Net Cash Flows from Financing Activities		**(85.510)**	**(10)**
Net decrease / (increase) in cash and cash equivalents		(354)	1.557
Cash and cash equivalents at the beginning of the year		3.522	1.965
Cash and Cash Equivalents at the end of the year	**10**	**3.168**	**3.522**

The notes on pages 122 to 142 are an integral part of these financial statements.

NOTE 1: GENERAL INFORMATION

Eurolife FFH Insurance Group Holdings S.A (hereinafter the "Company"), under the discreet title "Eurolife FFH Insurance Group" is domiciled in Greece and was founded on 26 September 2014.

On May 18th, 2020 the Commercial and Industrial Chamber of Athens, based on its decision 5257/18-05-2020, approved the amendment of article 1 of the Company's Articles of Association of "Eurolife ERB Insurance Group Holding Societe Anonyme" (or "Eurolife ERB Insurance Group ") and specifically the change of its name and distinctive title to "Eurolife FFH Insurance Group Holding S.A." and "Eurolife FFH Insurance Group" respectively. The amendment of the Articles of Association was decided by the Extraordinary General Meeting of the Company's shareholders, on May 12th, 2020.

The Company operates as a holding societe anonyme according to the provisions of L.4548/2018 which amended L.2190/1920 on societe anonyme as it stands and its main business is the direct and indirect participation in Greek and/or foreign companies and businesses that have been or will be established, in any form and purpose. The Company's headquarters are located at Athens, 33-35 Panepistimiou Str. & 6-10 Korai Str., P.O. 105 64, Greece, (GEMI Reg. 131910001000), tel (+30) 2111873540, www.eurolife.gr. The Company holds five (5) subsidiaries in Greece and two (2) in Romania (see note 7).

The present financial statements include the Statutory Financial Statements of the Company for the year ended 31 December 2021.

The Board of Directors consists of the following members:

Name	Attribute
Alexandros Sarrigeorgiou	Chairman and CEO, Executive Member
Konstantinos Vassiliou	Vice-Chairman, Non-Executive Member
Angelos Androulidakis	Independent, Non-Executive Member
Efthimios Vidalis	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 the company Costa Luxembourg Holding S.a r.l. ("Costa"), which holds 80% of its share capital. Costa 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 14 th, 2021, Colonnade Finance S.à.rl exercised its option to purchase the remaining Costa shares from OPG Commercial Holdings (Lux) S.à rl. Costa is now wholly owned by Colonnade Finance S.àrl. The remaining 20% of the share capital of the Company is held by Eurobank SA. (hereinafter referred to as "Eurobank") which is an affiliated party.

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 of Financial Statements

The financial statements 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 financial assets, 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, the economic activity in Greece recovered with high rates, after the significant -9% recession recorded in 2020 due to the pandemic and the social distancing measures imposed by the Government. According to forecasts announced by the Hellenic Statistical Authority (ELSTAT), the growth rate for the Greek economy is expected to exceed 8% for 2021, which is the third highest growth rate in the Eurozone. This 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 against 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 pressure and increases in energy prices.

The Company closely monitors developments in the international and greek macroeconomic environment and, considering its exposure to financial risks, daily examines 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.

2.1.1 Adoption of International Financial Reporting Standards (IFRS)

New standards and amendments to standards adopted by the Company

The following new standards and amendments to existing standards as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and endorsed by the European Union (EU), are effective from 1 January 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 is not expected to have an impact on the Group's financial statements.

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

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

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

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

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

The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022. The adoption of the amendment is not expected to have an impact on the Company's financial statements. The amendment has been endorsed by the EU.

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

IAS 37, Amendment - Onerous contracts - Cost of fulfilling a contract (effective from 1 January 2022, 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 Group'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 Group'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 Group'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 Group's 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.

2.2. Foreign Currency

2.2.1 Functional and presentation currency

Financial statements are presented in Euro, which is the Company's functional currency.

2.2.2 Transactions and balances in foreign currency

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

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the market rates of exchange ruling 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 hedges.

Non-monetary assets and liabilities are translated into the functional currency at the exchange rates ruling at initial recognition, except for non-monetary items denominated in foreign currencies that are stated at fair value which have been translated using the rate of exchange at the date the fair value was determined. The 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 land and buildings, improvements in leasehold assets, furniture, computers and other equipment as well as 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 the 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:	The lowest of lease contract term and its estimated useful life.
Personal 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, plant and equipment disposed are removed from the relevant accounts upon sale or retirement and any arising gain or loss is recognized in the income statement.

2.4 Intangible assets

«Intangible assets» mainly includes software costs.

Costs associated with maintaining existing software programs are recognized in the income statement when incurred. Costs payable to third parties that are related to the development and implementation of a new software are capitalized, added to the cost of the new software, and treated in the same way. Intangible assets are measured at cost less accumulated depreciation and accumulated impairment losses. Intangible assets are periodically tested for impairment and any impairment loss is recognized directly in the income statement.

Amortization is calculated on a straight-line basis over the intended useful life as follows:

Software:	4 to 7 years

2.5 Investments in subsidiaries and joint ventures

Investments in subsidiaries and joint ventures are recognized at cost less any impairment in the financial statements. Cost is the fair value of the consideration given, or, if this cannot be reliably measured, the fair value of the consideration received, with the costs directly attributable to the transaction.

2.6 Financial instruments (Accounting policies under IFRS 9 «Financial Instruments»)

As of January 1, 2018, the Company has applied the requirements of IFRS 9 "Financial Instruments". IFRS 9 "Financial Instruments" addresses the accounting requirements for the classification and measurement of financial assets, the accounting for impairment (expected credit loss model) and hedge accounting. It replaces IAS 39 "Financial Instruments: Recognition and Measurement" and is effective for annual periods beginning on or after 1 January 2018.

a) Classification and measurement of financial assets and liabilities

The adoption of IFRS 9 had no impact on the Company's accounting policies relating to financial liabilities.

The Company uses the following measurement categories for financial assets:

(i) Financial assets measured at amortized costs.

The Company classifies and measures a financial asset at amortized cost only if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows ("hold-to-collect" business model) and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI).

These financial assets are initially recognized at fair value plus the amount of directly attributable transaction costs and they are subsequently measured at amortized cost using the effective interest rate (EIR) method, and after the provision for expected credit losses (ECL). Sight and time deposits in financial institutions are included.

Interest income, realized gains and losses due to derecognition and changes in impairment losses on assets carried at amortized cost are included in the income statement.

(ii) Financial assets measured at fair value through profit or loss ("FVTPL")

The Company classifies and measures all other financial assets not classified as financial assets measured at amortized cost, at fair value through profit or loss. Consequently, this category includes, loans and other debt securities held under the Hold to collect (HTC) or Hold to collect and sell (HTC&S) model but fail the SPPI test, equity instruments that are not designated as measured at fair value through other comprehensive income, assets held for trading and derivative financial instruments.

In addition, a financial asset that meets the criteria to be classified as financial asset at amortized cost, can be irrevocably designated by the Company at initial recognition to be measured at fair value through profit or loss, if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Financial assets at FVTPL are initially recognized at fair value and any unrealized gains or losses arising from changes in fair value are included in the income statement.

The impact of IFRS 9 on the classification and measurement of financial assets is not significant.

b) Reclassification of financial assets and liabilities

The Company reclassifies a financial asset when it changes its business model for managing financial assets. In general, a change in business model is expected to be rare and occurs when the Company begins or ceases to carry out an activity that is significant to its operating activities, for example when a business line is acquired, sold or terminated.

The reclassification applies prospectively, so gains or losses recognized prior to the reclassification date (including impairment losses) or interest are not restated.

Financial liabilities are not reclassified in accordance with IFRS 9.

c) Impairment

The Company recognizes the expected credit losses (ECL) which reflect changes in the credit quality of the initial recognition of financial assets measured at amortized cost.

Expected credit losses are a weighted average probability estimate of credit losses that reflects the time value of money. Upon initial recognition of financial instruments that are subject to impairment policy, the Company makes a provision for impairment equal to the twelve month expected credit risk, which is the expected credit loss arising from default events expected to occur in the next twelve months. Subsequently, for financial instruments where there is significant increase in credit risk (SICR) from their initial recognition, an impairment provision equal to the expected credit losses throughout their life is recognized, which is calculated based on the default events that are likely to occur during the expected duration of the financial instrument.

If, at initial recognition, the financial asset meets the definition of the purchased or credit impaired financial asset (POCI), the impairment provision is based on changes in expected credit losses throughout the entire duration of the asset.

With respect to trade receivables, the Company applies the simplified approach of IFRS 9 for calculation of expected credit losses, according to which the provision is always measured at the amount of expected credit loss over the lifetime of the receivables.

The general approach is used to determine expected credit losses in respect of sight and time deposits. These financial assets are considered to have low credit risk and any loss forecast is limited to expected credit losses of the next 12 months.

The effect of IFRS 9 related to impairment was immaterial for the Company.

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

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

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

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

2.8 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 result in substantially different financial assets will not result in the derecognition of financial assets.

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 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 and the depreciation of fixed and amortization of intangible assets.

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 deferred tax asset. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Management periodically evaluates its positions 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 Leases

The Company participates only on operating leases.

The Company as a Lessor:

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

The Company as a Lessee:

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

i) Right of use asset

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

ii) Lease liabilities

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

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

iii) Short term leases

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

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

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

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

2.12 Related party transactions

The 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, close family members and entities that are controlled or jointly controlled by the abovementioned persons,
(c) associates and joint ventures, and
(d) related entities

All transactions carried out with related parties are within the ordinary course of business and are conducted at arm's length.

2.13 Share capital

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

2.14 Dividends

Dividend distribution on shares is recognized as a liability when approved by the General Meeting of the shareholders of the Company. Interim dividends are recognized as a deduction from equity when approved by the Board of Directors.

2.15 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 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.

2.16 Cash and cash equivalents

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

2.17 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. Specifically, revenue is recognized as follows:

Interest income

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

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

Dividend income

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

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 in the current situation. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year are as follows:

Income tax

There are transactions and calculations for which the final tax determination is uncertain. The Company recognizes liabilities for issues expected to arise from tax audits. Where the final tax outcome of these matters differs from the amounts initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

In addition, the Company recognizes deferred tax assets to the extent that it is probable that there will be sufficient taxable profits against which they can be utilized. In order to determine the deferred tax asset that may be recognized, significant estimates are required by management regarding the probability of the timing and amount of future taxable profits. By making this assessment, the Company considers all available information, including historical profitability levels, management's forecast of future taxable income and tax laws.

NOTE 4: 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. 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, both on a Group and subsidiary level, have been established.

4.2 Financial risks

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

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

4.2.1 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 as well as credit risk concentrations.

Credit risk concentration

The main counterparties, to which the Company is exposed to concentration risk, are issuers of securities and credit institutions to which the Company has placed its cash and cash equivalents.

Within the framework of risk management, credit rating standards are specified for counterparties as well as limits for the concentration of credit risk. There was no exposure in excess of the Company's determined limits for its counterparties as of 31 December 2021 and 2020.

The main source of 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 Group 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:

(amounts € thousand)	31/12/2021	31/12/2020
Investments in subsidiaries	346.801	346.501
Other receivables	46	349
Cash and cash equivalents	3.168	3.522
Total financial assets bearing credit risk	**350.015**	**350.372**

Credit risk related to cash and cash equivalents:

As at 31 December 2021 and 2020 the cash placements to the group of Eurobank amounted to €3.168 thousand and €3.522 thousand respectively. There is credit risk concentration regarding the Company's cash and cash equivalents, which are mainly deposited in accounts in the group of Eurobank.

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

31 December 2021 Rating (amounts in € thousand)	Investments in Subsidiaries	Other Receivables	Cash and cash equivalents	Total
B-	-	-	3.168	3.168
Non rating	346.801	46	-	346.847
Total	**346.801**	**46**	**3.168**	**350.015**

31 December 2020 Rating (amounts in € thousand)	Investments in Subsidiaries	Other Receivables	Cash and cash equivalents	Total
B-	-	-	3.522	3.522
Non rating	346.501	349	-	346.850
Total	**346.501**	**349**	**3.522**	**350.372**

4.2.2 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 and, changes in credit spreads.

Specifically, 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:

	31 December 2021		31 December 2020	
(amounts in € thousand)	0 – 3 %	Total	0 – 3 %	Total
Cash and cash equivalents	3.168	3.168	3.522	3.522
Total	**3.168**	**3.168**	**3.522**	**3.522**

Analysis of interest bearing financial assets by type of rate:

	31-Dec-21			31-Dec-20		
(amounts in € thousand)	Fixed rate	Floating rate	Total	Fixed rate	Floating rate	Total
Cash and cash equivalents	3.168	-	3.168	3.522	-	3.522
Total	**3.168**	**-**	**3.168**	**3.522**	**-**	**3.522**

(b) Currency risk

The Company does not face significant foreign exchange risk as most of its trading activity is in euro. At 31 December 2021 and 2020, all of Company's investment positions were denominated in euro.

4.2.3 Liquidity risk

Liquidity risk relates to the Company's ability to fulfill its financial obligations when these become due. Monitoring of liquidity risk focuses on managing the timing of cash inflows and outflows, as well as ensuring sufficient cash and cash equivalent and highly marketable financial assets that can be easily liquidated are held to meet its operational needs.

(a) Analysis of the time allocation of financial assets and other receivables for the year ended 31 December 2021 and 2020 respectively.

31 December 2021 (amounts in € thousand)	Carrying value	0-1 months	1-3 months	3-12 months	Total
Cash and cash equivalents	3.168	3.168	-	-	**3.168**
Prepaid expenses	46	46	-	-	**46**
Other receivables	-	-	-	-	**-**
Total	**3.215**	**3.215**	**-**	**-**	**3.215**

31 December 2020 (amounts in € thousand)	Carrying Value	0-1 months	1-3 months	3-12 months	Total
Cash and cash equivalents	3.522	3.522	-	-	**3.522**
Prepaid expenses	39	39	-	-	**39**
Other receivables	310	310	-	-	**310**
Total	**3.871**	**3.871**	**-**	**-**	**3.871**

(b) Analysis of maturity of undiscounted liability cash flows at 31 December 2021 and 2020 respectively.

31 December 2021 (amounts in € thousand)	Carrying Value	0-1 months	1-3 months	3-12 months	> year	Total
Lease liabilities	56	1	1	6	48	**56**
Other creditors	71	21	50	-	-	**71**
Accrued expenses	-	-	-	-	-	-
Total	**127**	**22**	**52**	**6**	**48**	**127**

31 December 2020 (amounts in € thousand)	Carrying Value	0-1 months	1-3 months	3-12 months	> year	Total
Lease liabilities	61	1	1	6	53	**61**
Other creditors	63	21	42	-	-	**63**
Accrued expenses	8	8	-	-	-	**8**
Total	**133**	**30**	**44**	**6**	**53**	**133**

NOTE 5: RIGHT OF USE ASSET AND LEASE LIABILITIES

The movement of the rights of use of tangible assets of the Company during the year ended December 31, 2021 and 2020 is presented in the following tables:

(amounts in € thousand)	Buildings
Cost:	
Balance at 1 January 2021	75
Modifications	3
Balance at 31 December 2021	**78**
Accumulated Depreciations:	
Balance at 1 January 2021	(17)
Depreciation charge	(8)
Balance at 31 December 2021	**(25)**
Net Book Value at 31 December 2021	**52**

(amounts in € thousand)	Buildings
Cost:	
Balance at 1 January 2020	75
Modifications	-
Balance at 31 December 2020	**75**
Accumulated Depreciations:	
Balance at 1 January 2020	(8)
Depreciation charge	(8)
Balance at 31 December 2020	**(17)**
Net Book Value at 31 December 2020	**58**

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	8	8
Long-term lease liabilities	48	53
Total	**56**	**61**

In addition, lease liabilities are due as follows:

(amounts in € thousand)	31/12/2021	31/12/2020
Within a year	8	8
Within the second year	9	8
From 3 to 5 years	29	26
After 5 years	10	19
Total lease liabilities	**56**	**61**

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

(amounts in € thousand)	2021	2020
Amounts recognized in financial results		
Depreciation charge of right of use assets	(8)	(8)
Interest expense on lease liabilities	(3)	(3)
TOTAL	**(12)**	**(12)**

NOTE 6: INTANGIBLE ASSETS

(amounts in € thousand)	Software	Other	Total intangible assets
Cost:			
Balance at 1 January 2021	37	2	39
Additions	-	-	-
Balance at 31 December 2021	**37**	**2**	**40**
Accumulated Depreciation:			
Balance at 1 January 2021	(30)	(1)	(31)
Amortization charge	(6)	-	(7)
Balance at 31 December 2021	**(36)**	**(1)**	**(37)**
Net Book Value at 31 December 2021	**1**	**1**	**2**

(amounts in € thousand)	Software	Other	Total intangible assets
Cost:			
Balance at 1 January 2020	36	2	38
Additions	1	-	1
Balance at 31 December 2020	**37**	**2**	**39**
Accumulated Depreciation:			
Balance at 1 January 2020	(23)	(1)	(24)
Amortization charge	(7)	-	(7)
Balance at 31 December 2020	**(30)**	**(1)**	**(31)**
Net Book Value at 31 December 2020	7	**1**	8

NOTE 7: INVESTMENTS IN SUBSIDIARIES

The following table is a listing of the Company’s subsidiaries at 31 December 2021 and 2020:

Name	Note	Percentage holding %	Country of incorporation	Line of business
Eurolife FFH General Insurance S.A.	a	100,0	Greece	Insurance Services
Eurolife FFH Life Insurance S.A.	b	100,0	Greece	Insurance Services
Diethnis Ktimatiki S.A.	c	100,0	Greece	Real Estate
Eurolife FFH Asigurari De Viata S.A.	d	100,0	Romania	Insurance Services
Eurolife FHH Asigurari Generale S.A.	e	100,0	Romania	Insurance Services
Designia Insurance Brokers	f	100,0	Greece	Insurance Brokerage
Designia Insurance Agents	g, h	100,0	Greece	Insurance Agency

a. On 22nd May 2020, the General Secretariat of Consumer Affairs of the Ministry of Development and Investment, based on its decision 51302/22-05-2020, approved the amendment of article 1 of the Articles of Association of the subsidiary and specifically the change of name and its distinctive title in " Eurolife FFH General Insurance Single Member S.A." and "Eurolife FFH General Insurance S.A." respectively. The amendment of the Articles of Association was decided by the Extraordinary General Meeting of the shareholders of the subsidiary, on May 11th, 2020.

b. On 22nd May 2020, the General Secretariat of Consumer Affairs of the Ministry of Development and Investment, based on its decision 51303/22-05-2020, approved the amendment of article 1 of the Articles of Association of the subsidiary and specifically the change of name and of its distinctive title in "Eurolife FFH S.A. 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 shareholders of the subsidiary, which took place on May 11th, 2020.

c. This is an indirect investment of the Company, as Eurolife FFH Life Insurance S.A. participates in the shares of "Diethnis Ktimatiki S.A." with a percentage of 100,0%.

d. This is an indirect investment of the Company, as Eurolife FFH Life Insurance S.A. participates in the shares of Eurolife FFH Asigurari de Viata S.A. with a percentage of 95,0% and Eurolife FFH General Insurance S.A. with a percentage of 5,0%.

e. This is an indirect investment of the Company, as Eurolife FFH General Insurance S.A. participates in the shares of Eurolife FFH Asigurari Generale S.A with a percentage of 95,3% and Eurolife FFH Life Insurance S.A. with a percentage of 4,7%. With the decision of 02.12.2020 of the Extraordinary General Meeting of Shareholders of the subsidiary Eurolife FFH Asigurari Generale S.A., the subsidiary increased its share capital by € 999 thousand (RON 4.871 thousand) by issuing 3.446 new shares with a nominal value of € 290 (RON 1.413,6), which was covered by its shareholders, Eurolife FFH General Insurance S.A. (95,3%) and Eurolife FFH Life Insurance S.A. (4,7%). After the increase, the share capital of the subsidiary amounts to € 5.779 thousand (RON 22.230 thousand).

f. On July 9th, 2020, the Athens Chamber of Commerce, based on its decision number 30299 / 9-7-2020, approved the amendment of article 1 of the Articles of Association of the subsidiary and specifically the change of its name and distinctive title to "Designia Insurance Brokers Single Member" and "Designia Insurance Brokers" respectively. The amendment of the Articles of Association was decided by the Extraordinary General Meeting of the shareholders of the subsidiary, on June 19th, 2020.

g. On July 9th, 2020, the Athens Chamber of Commerce, based on its decision number 30285 / 9-7-2020, approved the amendment of article 1 of the Articles of Association of the subsidiary and specifically the change of its name and distinctive title to "Designia Insurance Agents Single Member" and "Designia Insurance Agents" respectively. The amendment of the Articles of Association was decided by the Extraordinary General Meeting of the shareholders of the subsidiary, on June 19th, 2020.

h. With the decision of 30.06.2021 of the Annual Shareholders' General Meeting of the subsidiary Designia Insurance Agents SA, the subsidiary increased its share capital by € 300 thousand through capitalization of the total amount of the account "Amounts intended for share capital increase" by increasing the nominal value of each share from € 10 to € 25. At the same time, share capital decrease decided in order to offset losses, by the amount of € 174 thousand, by delisting the account " Losses carried forward ", with a reduction of the nominal value of each share from € 25 to € 16,30. Following the above, the share capital of the subsidiary amounts to € 326 thousand, divided into 20.000 registered ordinary shares of nominal value of € 16,3 each.

NOTE 8: DEFERRED TAX

(amounts in € thousand)	Opening balance 01/01/2021	Changes in Income Statement	Changes in equity	Closing Balance 31/12/2021
Recoverable tax losses				
Deferred tax on recoverable tax losses	116	49		164
Fixed assets				
Valuation adjustment	1	-	-	1
Deferred tax in equity	31	-	(10)	21
Total Deferred Tax Assets / (Liabilities)	**148**	**49**	**(10)**	**186**

(amounts in € thousand)	Opening balance 01/01/2020	Changes in Income Statement	Changes in equity	Closing Balance 31/12/2020
Recoverable tax losses				
Deferred tax on recoverable tax losses	52	64	-	116
Fixed assets				
Valuation adjustment	1	-	-	1
Deferred tax in equity	40	-	(8)	31
Total Deferred Tax Assets / (Liabilities)	**92**	**64**	**(8)**	**148**

NOTE 9: OTHER RECEIVABLES

(amounts in € thousand)	31/12/2021	31/12/2020
Prepaid expenses	46	39
Other receivables	-	310
Total	**46**	**349**

NOTE 10: CASH AND CASH EQUIVALENTS

(amounts in € thousand)	31/12/2021	31/12/2020
Deposits on demand	168	172
Time deposits	3.000	3.350
Total	**3.168**	**3.522**

Time deposits do not exceed 90 days. The weighted average effective interest rate on time deposits during the year 2021 was 0,05% (2020: 0,10%).

NOTE 11: SHARE CAPITAL

(amounts in € thousand)	31/12/2021	31/12/2020
Number of Ordinary Shares	100.000.000	100.000.000
Paid in share capital (amounts in € thousand)	225.000	225.000
Share Capital	**225.000**	**225.000**

The share capital amounted to €350.000 thousand divided into 100.000.000 registered ordinary shares of a nominal value of €3,50 each.

Following the Extraordinary Shareholder's Meeting of 24.10.2018 the share capital decreased by €125.000 thousand, through decrease in the nominal value of each share at €2,25.

In 31 December 2021 and 2020, the share capital amounted to €225.000 thousand divided into 100.000.000 ordinary shares of nominal value of €2,25 each.

NOTE 12: RESERVES

(amounts in € thousand)	Statutory Reserve	Special Reserves	Extraordinary Reserves	Total
Balance at 1 January 2021	**18.425**	**271**	**104.827**	**123.523**
Transfer of retained earnings to reserves	96	195	1.634	1.925
Difference in prior year's reserves	-	-	(85.500)	(85.500)
Deferred tax in equity	-	-	(10)	(10)
Balance at 31 December 2021	**18.521**	**466**	**20.950**	**39.938**

(amounts in € thousand)	Statutory Reserve	Special Reserves	Extraordinary Reserves	Total
Balance at 1 January 2020	**16.013**	**15.122**	**84.157**	**115.292**
Transfer of retained earnings to reserves	2.412	(14.851)	20.678	8.239
Difference in prior year's reserves	-	-	-	-
Deferred tax in equity	-	-	(8)	(8)
Balance at 31 December 2020	**18.425**	**271**	**104.827**	**123.523**

"Statutory Reserve" include legal reserves that cannot be distributed to the shareholders.

"Extraordinary Reserves" arises from previous years profits after General Shareholders' Meeting decisions. These reserves arising from profits of previous years can be distributed to shareholders upon decision of General Shareholders' Meeting without additional tax charge.

"Special Reserves" are reserves under special laws that either are not distributable or will be taxed in case of distribution according to the applicable income tax rate at the date of distribution.

NOTE 13: OTHER LIABILITES

(amount in € thousand)	31/12/2021	31/12/2020
Taxes - Levies	-	7
Other creditors	71	63
Other liabilities	-	8
Total	**71**	**78**

«Other Creditors» mainly includes liabilities to suppliers and payment beneficiaries.

NOTE 14: DIVIDEND INCOME FROM SUBSIDIARIES

On September 23, 2019, the Boards of Directors of the subsidiaries Eurolife FFH Life Insurance S.A. and Eurolife FFH General Insurance S.A. approved the distribution of temporary dividends to the Company totaling € 40.000 thousand, i.e. € 25.000 thousand and € 15.000 thousand respectively. The amounts were paid to the Company on December 18, 2019.

On May 18, 2020, the Annual Ordinary General Meetings of the subsidiaries Eurolife FFH Life Insurance S.A., Eurolife FFH General Insurance S.A. and Designia Insurance Brokers approved the distribution of temporary dividends of September 23, 2019 and the distribution of additional dividends to the Company totaling € 2.096 totaling € 217 thousand, € 1.041 thousand and € 838 thousand respectively. The dividend distributions of the subsidiaries came from the profits of the year ended December 31, 2019. The amounts were paid to the Company on May 25, 2020 and May 29, 2020.

On July 30, 2021, the Annual Ordinary General Meetings of the shareholders of the subsidiaries Eurolife FFH Life Insurance S.A. and Eurolife FFH General Insurance S.A. and on April 23, 2021 the Annual General Meeting of the shareholders of the subsidiary Designia Insurance Brokers decided the distribution of € 85.495 thousand , € 80,000 thousand, € 5,000 thousand and € 495 thousand respectively. The dividend distributions of the subsidiaries came from the profits of the year ended December 31, 2020. The amounts were paid to the Company on May 12, 2021 and on August 6, 2021.

NOTE 15: INVESTMENT INCOME

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Trading Portfolio		
Interest income on deposits	-	2
Total Investment Income	**-**	**2**

NOTE 16: OPERATING EXPENSES

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Personnel expenses	(156)	(59)
Administrative expenses	(190)	(152)
Taxes	(1)	(1)
Depreciation and amortization expense	(15)	(16)
Interest and other investment expenses	(3)	(4)
Other expenses	-	1
Total operating expenses	**(366)**	**(232)**

The Company does not employ staff as of December 31, 2021 and 2020. The personnel expenses that appear for the years 2021 and 2020, respectively, relate to fees for employee loan agreements and remuneration of the Board of Directors.

External Auditors

Administrative expenses include fees charged by the independent auditor 'PricewaterhouseCoopers S.A. The fees recognized 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	(24)	(24)
Tax audit -article 65a, law 4174/2013	(4)	(4)
Other audit-related services	(9)	(9)
Non-audit-related services	(7)	(7)
Total	**(43)**	**(43)**

NOTE 17: INCOME TAX EXPENSE

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Current income tax		
Current tax on profits for the year	-	1
Total current income tax	**-**	**1**
Deferred tax		
Increase in deferred tax assets	49	64
Total deferred tax income	**49**	**64**
Total income tax	**49**	**65**

According to the provisions of article 120 of Law 4799/2021 (Government Gazette A 78/2021), which entered into force in May 2021 and amended article 58 of Law 4172/13, 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% (2020: 24%) for the 2021 tax year onwards. This change in the tax rate led to a reduction of the deferred tax asset by € (12.34) thousand on December 31, 2021, of which € (9.72) thousand were recorded in the income statement and € (2.62) thousand directly to equity.

(amounts in € thousand)	From 01/01 to 31/12/2021	From 01/01 to 31/12/2020
Profit before tax	85.142	1.861
Income tax at applicable tax rate (24%):	(18.731)	(447)
Tax effect of amounts which are not deductible in calculating taxable income		
Non tax deductible expenses	(19)	8
Income not subject to tax	18.809	503
Impact from change in tax rate	(10)	-
Other adjustments	-	1
Total income tax	**49**	**65**

NOTE 18: RELATED PARTY TRANSACTIONS

Until 4 August 2016, Company's parent was Eurobank, based in Athens and listed on the Athens Stock Exchange, which held 100% of the Company's share capital.

In November 2015, following Eurobank's increase in share capital, which was wholly owned by institutional and other investors, the percentage of Eurobank's voting shares held by Hellenic Financial Stability Fund ("HFSF") decreased from 35,41% to 2,38%. Despite the aforementioned significant reduction in its participation rate, HFSF is considered to continue to have a significant influence on Eurobank.

On 4 August 2016, the sale of 80% of the Company's share capital was completed and control was transferred to Costa Luxembourg Holding S.à r.l., while Eurobank retained the remaining 20% of the share capital and therefore has significant influence. The new parent is based in Luxembourg and is jointly controlled by Colonnade Finance S.à r.l., a member of the Fairfax Group and OPG Commercial Holdings (Lux) S.à r.l.. On July 14th, 2021, Colonnade Finance S.à.rl exercised its option to purchase the remaining Costa shares from OPG Commercial Holdings (Lux) S.à rl. Costa is now wholly owned by Colonnade Finance S.àrl.

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

Eurobank	31/12/2021			
(amounts in € thousand)	Receivables	Payables	Revenue	Expenses
Deposits on demand and time deposits	3.022	-	-	-
Other transactions	-	-	-	-
Total	**3.022**	-	**-**	**-**

Other related parties	31/12/2021			
(amounts in € thousand)	Receivables	Payables	Revenue	Expenses
Deposits on demand and time deposits	147	-	-	-
Other transactions	-	8	8	64
Total	**147**	**8**	8	**64**

Eurobank	31/12/2020			
(amounts in € thousand)	Receivables	Payables	Revenue	Expenses
Deposits on demand and time deposits	3.380	-	2	-
Other transactions	-		-	
Total	3.380		**2**	

Other related parties	31/12/2020			
(amounts in € thousand)	Receivables	Payables	Revenue	Expenses
Deposits on demand and time deposits	142		-	-
Other transactions	10	17	-	72
Total	**152**	17	-	**72**

The above table does not include the Company's transactions with its shareholders from dividend distributions made during fiscal years 2021 and 2020, which are described in detail in Note 20. In addition, the above table does not include the distribution of dividends of the Company's subsidiaries for the fiscal years 2021 and 2020, which are described in detail in Note 14.

NOTE 19: COMMITMENTS AND CONTINGENT LIABILITIES

Legal cases

There are no pending lawsuits against the Company or other contingent liabilities and commitments on 31 December 2021 which may significantly affect the financial position of the Company.

Unaudited tax years

The Company has not been tax audited since its establishment.

In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, additional taxes and penalties may be imposed by the Greek tax authorities following a tax audit within five years as from the end of the fiscal year within which the relevant tax return should have been submitted. Based on the above the right of the Greek State to impose taxes has been time-barred up to year ended 31 December 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), the Greek sociétés anonymes and limited liability companies whose annual financial statements are obligatorily audited, 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, up to and including fiscal years starting before

1 January 2016. 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 a certificate.

The Company has received an unqualified tax certificate for fiscal years 2015-2020. For fiscal year 2021, tax audit is still in progress. Upon completion, the Company's Management does not expect any significant tax liabilities to arise beyond those already recognized and reflected 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 statement of financial position.

NOTE 20: DIVIDENDS

Dividends are accounted for after the relevant decision by the General Meeting of Shareholders or the Board of Directors.

On October 17, 2019, the Board of Directors of the Company approved the distribution of a temporary dividend of € 40.000 thousand to the shareholders of Costa Luxembourg Holding S.à r.l (with a stake of 80%) and Eurobank (with a stake of 20%). The amount was paid to the shareholders on December 30, 2019.

On May 22, 2020 the Annual Ordinary General Meeting of the Company's shareholders approved the distribution of the temporary dividend of October 17, 2019 to the shareholders Costa Luxembourg Holding S.à r.l (with a participation percentage of 80%) and Eurobank (with a participation percentage of 20%).

On October 5, 2021, the Extraordinary General Meeting of the Company's shareholders decided to distribute a dividend of a total amount of € 85,500 thousand to the shareholders of Costa Luxembourg Holding S.àrl (with a participation percentage of 80%) and Eurobank (with a participation percentage of 20%). The distribution of the dividend came from undistributed profits of previous years, up to the year ended 31.12.2019. The amount was paid to the shareholders on October 22, 2021 and on November 25, 2021.

NOTE 21: 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.

Financial impact at 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.

NOTE 22: 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. Group 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.