# Annual Financial Report

## Eurolife FFH Insurance Group Holdings S.A.

For the year ended
31 December 2022

Eurolife FFH Insurance Group

A FAIRFAX Company

**Eurolife FFH Insurance Group**
**33-35 El. Venizelou (Panepistimiou) Str. & 6-10 Korai Str. , Athens 105 64 www.eurolife.gr , Tel. +30 2111873540**
**GEMI Registration 131910001000**

**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 2022.

**Developments in the Greek economy during 2022: remarkable resilience, despite the uncertainties in the international environment**

Despite the unfavourable and uncertain economic conditions which intensified during 2022, due to the war in Ukraine, the energy crisis and the acceleration of inflation the Greek economy has shown remarkable resilience, maintaining its growth momentum. According to the latest data published by the Hellenic Statistical Authority (ELSTAT), the growth rate of the Greek economy for the whole year of 2022 is estimated at 5,9% (2021: 8,4%), remaining in 2022 among others the highest in the euro zone. The strong performance was supported by a strong recovery in tourism, additional fiscal support due to high energy prices, the increase in private consumption and as well as the decrease of unemployment.

Strong inflationary pressures are a key feature of 2022, both in the international market and in Greece. However, inflation slowed for the sixth consecutive month to 6,5% in December (from the highest level of 9,1% of the last 40 years as noted in June 2022) and is estimated at 9,2% overall for 2022. Inflationary pressures are no longer solely due to increase in energy product prices, but also to the disruptions that this increase has caused to supply chains and its effects on the production costs of other goods and services. Inflationary pressures are expected to ease further following the European Central Bank's interest rate increases. In addition, a relative normalisation of energy prices was observed in the fourth quarter of 2022, despite high prices level, continuing to reduce the purchasing power of households and businesses.

Policymakers need to remain vigilant, as especially for highly indebted economies like Greece, there is a risk that an excessively rapid increase in the cost of money could undermine overall growth prospects with negative repercussions in all market's sectors.

**Development of the Greek insurance market in 2022**

The greek insurance market was positively affected by the aforementioned growth rates. The production of insurance premiums[1], amounted to € 4,8 billion, increased by 4,2% compared to 2021.

Specifically, in the greek insurance market, according to available data[1], total insurance premium production amounted to €4.836,0 mil. in 2022 (2021: €4.264,0 mil.), out of which €2.410,5 mil. (2021: 2.263,5) is attributed to general insurance business and €2.425,4 mil. (2021: 2.000,5 mil.) to life insurance business. More specifically, the non-life insurance premiums increased by 6,1% (2021: 5,7%) while life insurance premiums increased by 2,4% (2021: 10,0%). Regarding the non-life insurance business, the non-motor lines of business recorded an increase of 8,7% compared to 2021, while the motor insurance business, recorded increase of 0,7%. Regarding life insurance lines of business, life insurance linked to investments (unit-linked products) decreased by -5,6%, while management of group pension funds products increased by 15,8% and the traditional life insurance products increased by 5,2%.

The following table presents the insurance premium production of the greek market[1] per insurance line of business for the year 2022 and the respective variations compared to 2021.

| **Insurance premiums of the greek market** | **2022** | **%** | **Change % compared to 2021** |
|---|---|---|---|
| (amounts in € mil.) | | | |
| Life traditional insurance | 1.225 | 25,3% | 5,2% |
| Life insurance linked to investments (Unit-linked) | 858 | 17,7% | -5,6% |
| Management of group pension funds | 343 | 7,1% | 15,8% |
| Motor vehicle liability | 740 | 15,3% | 0,7% |
| Other non-life | 1.670 | 34,5% | 8,7% |
| **Total gross written premiums** | **4.836** | **100%** | **4,2%** |

[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)

Another year of which the greek insurance market strengthened its capital adequacy. Equity of greek insurance entities has more than doubled since 2012, overcoming €3 billion. In addition, significant progress was made both in terms of corporate governance and in increasing transparency to consumers.

In addition, the adoption of two new financial reporting standards, IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" effective by 01/01/2023, has played 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 internal operating procedures and financial statements are required.

**Financial Results Review**

2022 was another positive year for Eurolife FFH Insurance Group ("Group" or "Eurolife FFH Group"), during which gross written premiums marked an increase of 2,0% and  high levels of profitability and strong capital position were maintained.

**Financial Figures of the Group**

**Key financial figures**

| (amounts in € mil.) | 2022 | 2021 |
|---|---|---|
| Gross written premiums *(IFRS)* | 616,7 | 605,0 |
| Gross earned premiums *(IFRS)* | 610,4 | 606,1 |
| Investment Income [1] *including Unit Linked* | 16,3 | 131,0 |
| Investment Income [1] *(excluding unit-linked)* | 85,3 | 97,9 |
| Administrative Expenses *(excluding interest and other investment expenses)* | (46) | (42,9) |
| Movement in technical reserves and other insurance provisions | 67,7 | (155,5) |
| Acquisition expenses | (51) | (49,1) |
| Profit before tax | 112,1 | 86,9 |
| Income tax | (27,9) | (20,2) |
| Profit for the year | 84,2 | 66,8 |
| Total assets | 3.365,6 | 3.584,4 |
| Equity *(IFRS)* | 552,6 | 702,1 |
| Technical Reserves, Other Insurance Provisions and Liabilities for Unit-Linked products [2] | 2.700,8 | 2.746,8 |
| Number of Employees at 31 December | 446 | 421 |

[1] 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 associates and 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**

| | 2022 | 2021 |
|---|---|---|
| Return on equity after tax (ROE) | 13,4% | 9,3% |
| Return on assets before tax (ROA) | 3,2% | 2,5% |
| Profit margin before tax | 18,2% | 14,4% |
| Annualized premium equivalent (APE) (amounts in € mil.) | 338,6 | 315,6 |
| Administrative expense ratio | 13,6% | 13,6% |
| Acquisition costs ratio | 8,4% | 8,1% |
| Net loss ratio of general insurance business | 38,6% | 27,5% |

**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.

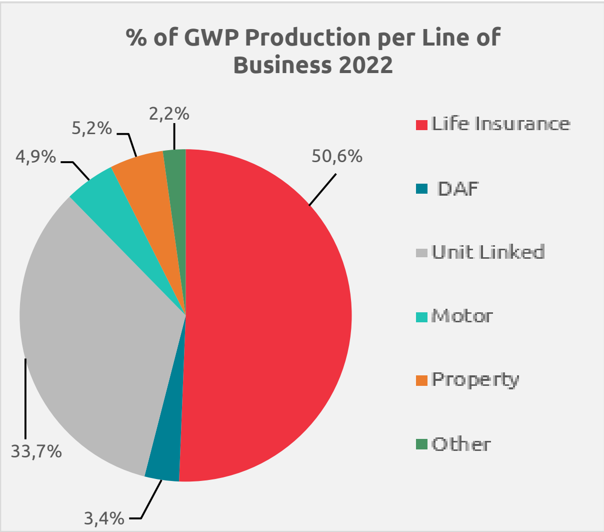
Net Loss ratio: Incurred claims (net of reinsurance share) divided by the net earned premiums.

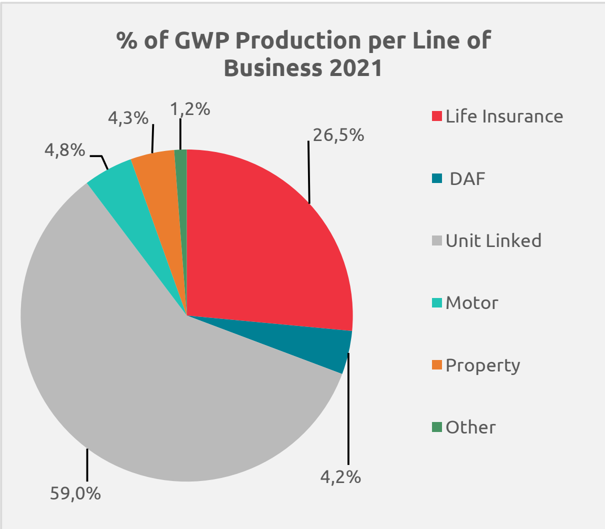
**Gross written premiums**

In 2022, the Group's total insurance premium production reached €616,7 mil., showing an increase of 2,0% compared to 2021 (2021: €605,0 mil.). In more detail, the life insurance premium production in Greece in 2022 amounted to € 537,1 mil. compared to € 539,9 in 2021 showing an marginal decrease of -0,5%. Remarkable is the change in the composition of the life insurance portfolio, as traditional life insurance premiums (guaranteed technical interest) increased from 29% to 57% ( € 308,8 mil.) due to single premium promotion campaign held in Q4 2022, while Unit Linked premiums decreased respectively. The non-life insurance premium production in Greece amounted to € 70,4 mil., showing a increase of 16,1% compared to 2021.

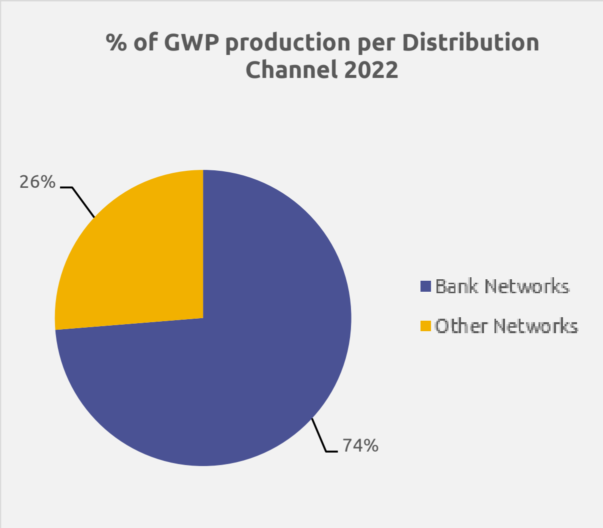
In terms of market share, the Greek insurance subsidiaries (Eurolife FFH Life Insurance SA and Eurolife FFH General Insurance SA) gathered 12,6%[1] (2021: 13,1%[2]) of the total market in 2022, maintaning the market share and confirming the leading position of the Group. In particular, in 2022 the market share of Eurolife FFH Life Insurance SA amounted to 22,1%[1] (2021: 22,5%[2]), and of Eurolife FFH General Insurance SA to 2,9%[1] (2021: 2,7%[2]).

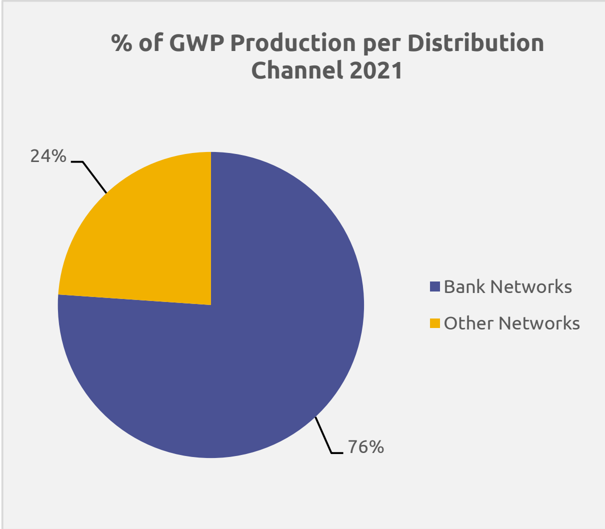
The following charts present the gross written premium production per line of business and per distribution channel for the years 2022 and 2021 respectively:




[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)
[2] Based on the Annual Statistical Report published by the Hellenic Association of Insurance Companies ("E.A.E.E.") which includes data from the published statements of insurance companies established in Greece (http:// www1.eaee.gr/etisia-statistiki-ekthesi)




**Investments**

The total investment income of the Group amounted to € 16,3 million in the year 2022 compared to € 131,0 million in the previous year, showing a decrease of 87,1%. This change is mainly attributable to the decreased returns of Unit Linked investments.

Specifically, the restructuring of the bonds portfolio and the sale of a portion of the Greek Government Bonds in 2021 resulted in the realized gains from the sale of bonds to decrease to €30,8 mil. compared to €41,2 mil. in 2021, the unrealized valuation gains of the bonds to reach €131 thousand in 2022 compared to €2,5 mil. in 2021, whereas the interest income increased to €50,7 mil. in 2022 compared to €42,4 mil. in 2021. In addition, the equities portfolio demonstrated negative fluctuations with the unrealized valuation losses to amount to €7,9 mil. in 2022 compared to gains of €5,0 mil. in 2021. In 2022 Group increased its position in mutual funds whose total net investment income in 2022 reached €15,0 mil.

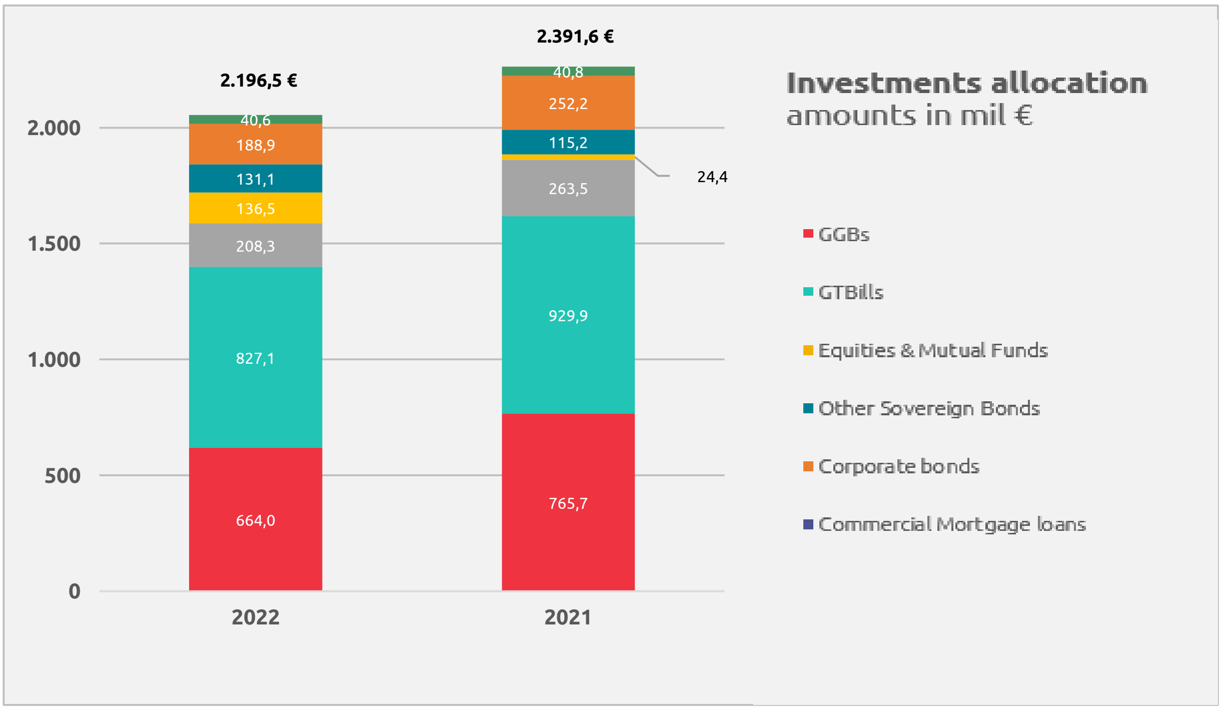
The following tables present the analysis of the total investment income per asset class for the years 2022 and 2021, respectively:

| **31 December 2022** (amounts in € thousand) | Investment Income | Realised gains / (losses) | Fair value gains / (losses) | (Losses) of associates and joint ventures | Gains on derivatives | Total |
|---|---|---|---|---|---|---|
| Bonds | 50.674 | 30.771 | 131 | - | - | 81.575 |
| Equities | 1.247 | (4) | (7.926) | (8.810) | - | (15.493) |
| Mutual Funds | 5.204 | 4.324 | 5.798 | - | - | 15.326 |
| Commercial mortgage loans | 1.020 | - | - | - | - | 1.020 |
| Deposits [1] | 2.625 | - | - | - | - | 2.625 |
| Others | 209 | - | - | - | 31 | 240 |
| **Total Investment Income (excluding Unit-Linked)** | **60.979** | **35.091** | **(1.998)** | **(8.810)** | **31** | **85.293** |
| Unit Linked | - | 2.205 | (71.172) | - | - | (68.968) |
| **Total Investment Income** | **60.979** | **37.296** | **(73.170)** | **(8.810)** | **31** | **16.326** |

| **31 December 2021**<br><br>(amounts in € thousand) | Investment Income | Realised gains / (losses) | Fair value gains / (losses | Gains of associates and joint ventures | (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** |

[1] Includes foreign exchange differences of amount € 1.358 thousand as at 31 December 2022 and € 660 thousand as at 31 December 2021.

The allocation of the Group's investment portfolios per asset class as at 31 December 2022 and 31 December 2021 is as follows:




**Financial Results**

Profit before tax amounted to € 112,1 million in 2022, showing an increase of 29,0 % compared to 2021 (2021: € 86,9 mil.). This change is mainly attributed to the decrease in the liability adequecy reserve resulting from the revised discounted interest rate curves of liabilities.

**Summary of financial data of the Company**

Eurolife FFH Insurance Group Holdings SA (hereinafter the "Company") reported earnings from subsidiaries of € 102,6 mil. in 2022 (2021: € 85,5 mil.), showing an increase compared to the previous year mainly due to increased intra-group dividends received in 2022.

Net profit for the year 2022 amounted to € 102,2 million compared to € 85,2 million in the previous year.

**Financial Figures of the Company**

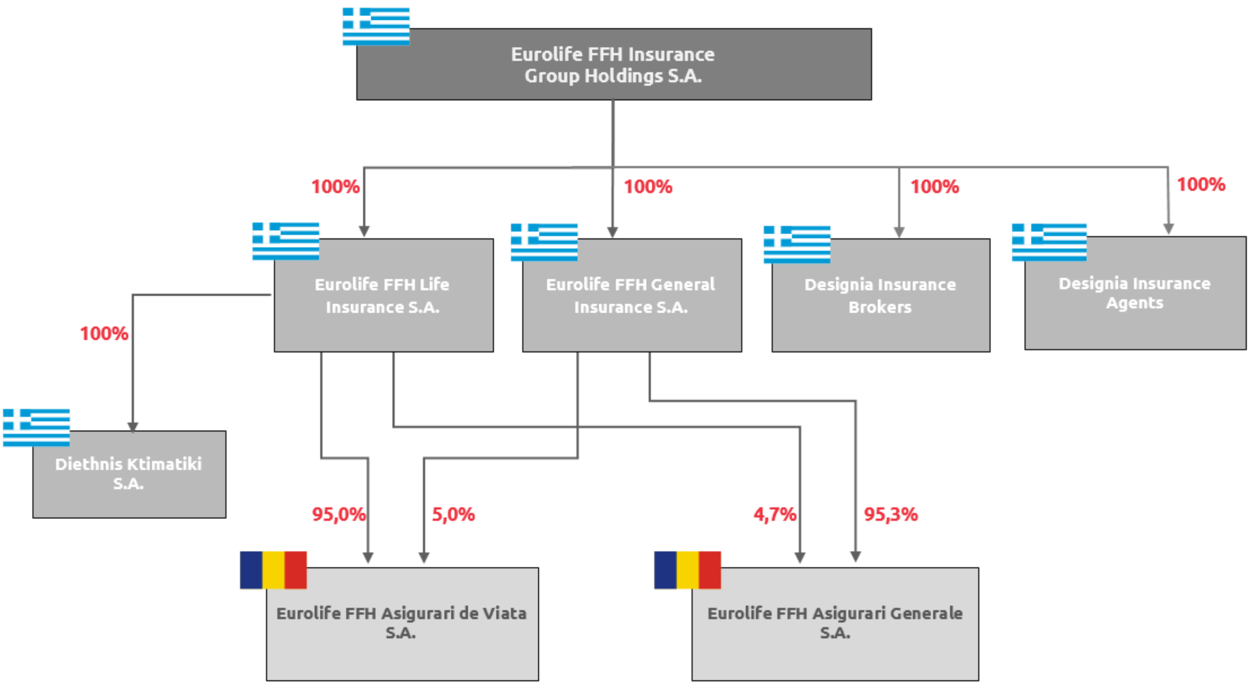
| (amounts in € mil.) | 2022 | 2021 |
|---|---|---|
| Revenue from subsidiaries | 102,6 | 85,5 |
| Profit before tax | 102,1 | 85,1 |
| Profit for the year | 102,2 | 85,2 |
| Total assets | 382,5 | 350,3 |
| Equity | 382,3 | 350,1 |

**Financial Ratios of the Company**

| | 2022 | 2021 |
|---|---|---|
| Return on equity after tax (ROE) | 27,9% | 24,3% |
| Return on assets before tax (ROA) | 27,9% | 24,3% |

**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 2022:




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 2022 and 2021 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.

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

According to 24.03.2022 decision of the Extraordinary Shareholders' General Meeting of of the subsidiary Eurolife FFH Asigurari Generale S.A., the subsidiary proceeded to an increase of share capital by € 999 thousand (RON 4.943 thousand) by issuing 3.497 new shares at a nominal value of € 286 (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 € 6.779 thousand (RON 27.174 thousand).

**Share Capital increase of Eurolife FFH Asigurari de Viata S.A**

According to 14.10.2022 decision of the Extraordinary Shareholders' General Meeting of the subsidiary Eurolife FFH Life Insurance S.A., the subsidiary proceeded to an increase of share capital by € 2.000 thousand (RON 9.883 thousand) by issuing 6.877 new shares at a nominal value of € 291 (RON 1.437,1), covered by its shareholders, Eurolife FFH Life Insurance S.A. (with a percentage of 95%) and Eurolife FFH General Insurance S.A. (with a percentage of 5%). Following the increase, the subsidiary's share capital amounts to € 6.100 thousand (RON 24.254 thousand).

The Group's Equity amounted to € 552,6 mil. on December 31$^{th}$, 2022 compared to € 702,1 million in 2021.

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

| **31 December 2022**<br>*(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) | 537,1 | 70,4 | - | 3,8 | 6,1 |
| Other insurance related income | 8,9 | 2,7 | 4,5 | 0,1 | 0,2 |
| Total investment income [1] | 19,9 | 4,5 | - | 0,6 | 0,2 |
| Profit before tax | 114,9 | 5,3 | 1,3 | (0,8) | (0,8) |
| Profit for the period | 88,6 | 3,8 | 1,0 | (0,6) | (0,6) |

| **31 December 2021**<br>*(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) |

[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 / Investments in associates**

**A. Grivalia Hospitality S.A.**

On 19 February 2017, the subsidiary Eurolife FFH Life Insurance S.A. participated as strategic investor in the share capital increase of Grivalia Hospitality S.A. (or "GH"). GH was founded by Grivalia Properties REIC ("Grivalia") on June 26 2015 and the purpose of its activity is the acquisition, development and management of hotel and tourist properties in Greece and abroad.

Following the completion of the transaction, the percentage of Eurolife FFH Life Insurance S.A and Grivalia in the share capital of GH amounted to 50% each.

On July 27 2017, the investment firm M&G Investment Management Limited ("M&G"), established in London, participated in the share capital of GH. At completion of the transaction, the 25% of share capital of GH are owned by Grivalia, 25% by the Group and 50% by M&G. Furthermore, on 17 May 2019, the Ministry of Economy and Development approved the merger with the absorption of Grivalia by Eurobank and therefore from that date onwards the share of Grivalia belongs to Eurobank.

On March 24 2022, the insurance subsidiary Eurolife FFH Life Insurance S.A. acquired 3.825.000 shares of GH from Euobank for a paid amount of €5,3 million. The Group's percentage of participation n GH increased from 25% to 26,7%.

On 13 April 2022, the insurance subsidiary Eurolife FFH Life Insurance S.A. participated in a new share capital increase of GH, amounting to €35,0 million.The subsidiary Eurolife FFH Life Insurance S.A paid €27,4 million by acquiring 19.828.815 shares. The Group's participation in GH increased from 26,7% to 31,9%.

On 5 July 2022, the insurance subsidiary Eurolife FFH Life Insurance S.A. acquired 3.825.000 shares in GH from M&G for a consideration of €5,3 million. The Group's participation in GH increased from 31,9% to 33,5%. Furthermore, on the same date, M&G sold the remaining percentage of its participation corresponding to 112.500.000 shares to subsidiaries of the Fairfax Group and it is not a shareholder of GH since then.

On 8 July 2022 and 21 November 2022, the insurance subsidiary Eurolife FFH Life Insurance S.A. participated in GH's share capital increases of €25,4 million and €40,0 million, respectively. The subsidiary Eurolife FFH Life Insurance S.A. paid €19,9 million and €31,4 million by acquiring 11.860.981 shares and 18.678.710 shares, respectively. The Group's participation in GH increased gradually from 33,5% to 36,0% and 39,5%, respectively. After the completion of the share capital increase, GH's paid-up share capital now amounts to €325,4 million and will be used for the sufficient execution of its investment plan.

Until 5 July 2022, the Group recognised the investment as an "investment in joint venture" by assessing the nature of the investment and given that the three shareholders made all major decisions by unanimity. From 5 July 2022 onwards when the sale of M&G's shares and its withdrawal from the investment took place, the Group re-assessed the nature of the investment and determined that all conditions were met for the investment to now be classified as an 'investment in associate'. The Group consolidates GH using the equity method.

The total assets and labilities of the GH Group as at 31 December 2022 amount to €589.251 thousand (2021: €416.735 thousand) and €270.196 thousand (2021: €167.308 thousand), respectively. The equity of the GH Group net of the non-controlling interests amounts to €295.170 thousand (2021: €216.054 thousand).

The most significant assets of the GH Group include the property for own use which at 31 December 2022 amount to €265.360 thousand (2021: €212.141 thousand), the investment properties amount to €146.248 thousand (2021: €124.706 thousand) and its bank deposits amounting to €45.780 thousand (2021: €25.954 thousand).

On December 31, 2022 the Group incurred loss of € (8.810) thousand (2021: profit of € 2.424 thousand) as a result of the participation in GH. As of December 31, 2022 the valuation of GH using the equity method amounts to € 135.472 thousand (2021: € 54.013 thousand).

**Events after the Balance Sheet date**

On 27 January 2023, the insurance subsidiary Eurolife FFH Life Insurance S.A. acquired 30.175.328 shares of GH from Eurobank for an amount paid of €48,3 million.The percentage of participation of the Group in GH increased from 39,51% to 49,94%.

On 28 February 2023, GH completed a new share capital increase with a capitalization of share premium amounts of €12.507.738,0 and the issue of 12.507.738 new ordinary shares with a nominal value of €1,0 each. The insurance subsidiary Eurolife FFH Life Insurance S.A. did not participate in the new share capital increase. Following the completion of the transaction, the participation percentage of th Group in GH decreased from 49,94% to 47,87%.

On 24 March 2023, the insurance subsidiary Eurolife FFH Life Insurance S.A. participated in a new share capital increase of GH, amounting to €95,0 million. The insurance subsidiary Eurolife FFH Life Insurance S.A. paid €45,5 million acquiring 28.421.738 capital shares. The participation percentage of the Group in GH did not change as a result of this transaction.

**B. Wallbid Limited**

Wallbid Limited (the "Wallbid") was founded by the Company and Onli Technology Services Ltd on 29 September 2022. Wallbid's registered office is in London. Wallbid's purpose is to develop and invest in an insurance product integration platform, with the aim of expanding the distribution and sale of insurance and reinsurance products by reaching a wider audience.

In December 2022, the Company acquired 480 preferred shares of Wallbid with a nominal value of €0,01 each for €3,0 million. Onli Technology Services Ltd acquired 1.520 common shares with a nominal value of €0,01 each. The Group's participation percentage in Wallbid as at 31 December 2022 amounts to 24%.

The Group has assessed the nature of the investment and given that the shareholders make all major decisions by unanimity, it has determined that all conditions are met for the investment to qualify as an 'investment in a joint venture' and therefore to be consolidated using the equity method.

**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's insurance subsidiaries 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 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.

<u>Assessment and risk mitigation techniques used for Life insurance risks</u>

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.

<u>Assessment and risk mitigation techniques used for Non-Life insurance risks</u>

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 and as well as the individual risk . 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, the pricing of the plans and the review of the suitability of reinsurance contracts shall be subject to the approval of the actuarial department. Through the monitoring of the adequacy of reserves it is ensured that the Group has the ability to cover it's liabilities against the insured people. 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 adverse change in the financial situation of an entity 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 fluctuation of interest rates, which affect both the assets and the liabilities.

**Currency risk**: is the risk related to fluctuation of currencies which affect the assets and the liabilities of the Group.

**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 through investment in individual issuers e.g. time deposits, bonds, shares, etc.

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

Assessment and risk mitigation techniques used for market risk

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 Insurance 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-loans**, 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

Assessment and risk mitigation techniques used for credit risk

Credit ratings provided by certified 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.

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, energy crisis due to pandemic or war, could potentially influence the policyholders' behavior. In such cases customers may proceed to redeem their contracts resulting in significant cash outflows for the Group. In order to address the above issues, the Group retains adequate liquid assets and reinsurance treaties covering catastrophic risks. The Group's liquidity position is closely monitored on a daily basis.

Assessment and risk mitigation techniques used for liquidity risk

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.

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, both in terms of assets and liabilities.

### 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), the assessment of the business environment, the monitoring of Key Risk Indicators (KRIs) and in the management of operational risk events (operational losses) and is described in the corresponding documents (methodology, policies and / or procedures).

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 methodology, 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.
  - ✓ Establishmen of the Group's operational risk profile (including the identification and short description of the 10 most important operational risks)
  - ✓ Submission of reports to inform the Board of Director's (via RALIMCo & the Audit Committee meetings).

### 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, as prescribed by the supervisory framework. In addition, for the two Greek insurance entities, the capital adequacy (SCR ratio) is evaluated 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 2022 and 31 December 2021, 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 2022, the Group employed 446 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 58% of the total employees.

The Group is committed to provide equal opportunities for employment and complying with the related legislation on employment opportunities. This commitment was also certified in November 2021 by the signing of the Diversity Charter, the European Commission's initiative to promote diversity in business. The Group is committed to implementing equality of opportunity and diversity within the Group, ensuring equal treatment of its human resources, regardless of gender, race, colour, national or ethnic origin, genetic background, religious or other beliefs, disability or chronic illness, age, marital or social status, sexual orientation, gender identity or gender characteristics. Our goal is to build a work environment that emphasizes talent and equal opportunity every day, without discrimination.

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. For one more year, the Group continued to implement 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 took place in order to help personnel become more familiar with health and safety issues related to the pandemic and the gradual return to normality following the provisions laid down. Employees' health and safety are part of corporate culture and ensured in all aspects of working life.

**Social issues**

The 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 insurance 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, the 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 the 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. The 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.

**B) Promotion of the Greek culture and education**

This pillar is supported by actions to promote the Greek culture as well as to help even more people get in touch with the national inheritance. The ultimate objective of the actions is to give the opportunity to as many people as possible to benefit from art and education - with a focus on residents of remote border and island regions that do not have easy access to educational and cultural initiatives. The 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.

**C) For entrepreneurship and equal opportunities in business**

Through this action pillar, the 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.

**Corporate Social Responsibility Actions for 2022**

The Group, participated in the following activities in 2022, 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 Group supports through the program the following areas: Patmos, Agrafa, Kasos, Kastelorizo, Lipsi, Tilos, Halki, Nisyros, Anafi, Ano Koufonisi.

- Construction of the kindergarten in Leipsoi, so that the children have their own space, where they can work creatively and develop their skills. This is the third kindergarten inaugurated by the Group (the first was in Patmos in 2020 and the second was in Paleokatouna Agrafa), while it has committed to build a kindergarten in each of the above areas. Work on the construction of the remaining seven kindergartens is continuing normally.

- Collaboration with the NGO People Behind, supporting the laboratories of the Elderly University. In this context, the Group 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

- Financial support of the organizations "Together for Children", "Arctic Circle", "The Tree of Life" and the athlete Iason Thanopoulos for the implementation of their project and their activities.

- 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.

- Supporting Solidarity Now's Project MAMA, which is aimed at all families, pregnant women and new parents who want to be informed and empowered on issues related to the care of the mother, the young child and the whole family.

- Exclusive support of the research projects "Observatory of Infertility" of the University of Athens and "The position of women in Greek society" of KEMEFI, which aim to present research findings concerning the issue of infertility in Greece and the position of modern women in work, family and society.

- The Group was certified for second consecutive year 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 Bundled Wind Power (project type: Renewable Energy – Wind) in India.

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

- Sponsoring Greek National Opera's annual artistic program and exclusive sponsorship of the 1st Festival of Worship Music, which was implemented by the National Opera, with the cooperation of the Ministry of Culture and Sports.
- 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.
  - ✓ The support of school visits to the permanent collections of the Museum.
  - ✓ The social programs of the Museum for children of different ethnic communities living in Athens.
  - ✓ The educational activities for the Friends of the Museum (Young Friends).
  - ✓ The creation of a portable device with educational material for people with blindness and visual problems, so that they can easily navigate the Museum's permanent collection (the project is entitled "In Contact" and was presented during a press conference).

• 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 organisation "Atraktos" to support educational activities for children and adolescents.

**Organizing activities to support entrepreneurship, such as:**

• Implementation of educational actionsof the Eurolife Business Academy, the first digital skills academy for professional insurers, created by the Group. Through online courses performed by lecturers of the non-profit organization Foundation, participants who selected from insurance offices cooperating with the Group, gain useful knowledge regarding 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.
• Sponsorship of HIGGS for the implementation of NGO business training activities in Ioannina.
• Donation to the Stemnitsa School of Silversmithing, through the Bodossaki Foundation, to support the students' curriculum.

**Support of various other 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 Primary School of Ierissos for its construction.
• Purchase of invitations to The Christmas Factory for the Group's employees
• Sponsorship of insurance policies to Ithaca, IOAS, Unesco, the Olympic Museum of Athens, the Ark of the World and the Agion Anargyroi Boarding School.
• Sponsorship of the HIGGS organization for the reforestation of the Tatoi Club.

**External Auditors**

The Board of Directors, after taking into consideration the appointment of external auditors for 2023, 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.

**Prospects for 2023: positive dynamics, concerns and uncertainties**

The global economy continues to face significant challenges as growth rates are contracting and inflation remains high despite continual interest rate increase. The war in Ukraine is still ongoing, with no sign of ending soon, constituting the most significant source of uncertainty for the global geopolitics and economy.

On the household side, it appears that two countervailing forces will continue to influence the evolution of consumer confidence in 2023. On the one hand, the impact of the rising cost of living is a concern for households, but it is partly offset by successive packages of interventions to support the most vulnerable.

For 2023, growth is expected to continue at a lower level than in 2022, namely 1.4%. A high nominal growth rate and a small increase in debt in absolute terms, i.e. a significant reduction in debt as a share of GDP, are projected. The exit of Greece from enhanced surveillance, after the implementation of the country's main commitments and the agreed reforms, contributes to this outcome. In addition, the full repayment of the country's debt to the IMF has taken place, benefiting from interest cost savings, reducing the risk of rising interest rates and reducing foreign exchange risk.

2023 will be the first year in which Greece will not be under close fiscal surveillance since 2010, when the first economic adjustment programme was launched. This is expected to attract more investment and bring the country closer to regaining investment grade status. At the same time, 2023 will be the year in which national elections will be held.

Despite the positive picture for most fiscal indicators, growth rates for both Greece and the rest of Europe's economies appear to be deteriorating relative to 2022. The government has already announced its intention to continue to take support measures throughout 2023. The measures focus on supporting households due to the increase in electricity and fuel prices, but also on increasing the purchasing power of workers and pensioners.

Greece's fiscal deficits in the previous two years, during which there was a need to deal with the pandemic and relax fiscal rules in the European context, were particularly deep. For Greece, with a particularly high public debt and a history of deficit generation, achieving sustainable fiscal balances in a way that supports strong growth rates is an essential condition. A key issue is the shift in the production model, with the strengthening of exports and investment. There are positive signs, such as the interest of foreign firms and investors in the Greek economy, the resilience shown by tourism and the continued significant increase in exports of goods from critical manufacturing sectors. Although the pandemic appears to be under control, its costs are still heavy. At the same time, uncertainties from geopolitical developments and inflationary risk may weaken the upward momentum of economic sentiment that has been building in 2022. Therefore, strengthening the competitiveness, the productive base, the resilience of the economy and together with the efficiency of the public sector becomes urgent.

The evolution of inflation will be of central economic and political importance and is estimated at 4%, lower than in 2022. Price increases in goods and services are expected when economies recover strongly after a deep recession and demand increases. However, given the intensified inflationary pressures that have emerged as a result of geopolitical developments, action at the European and global level, by raising interest rates, was deemed necessary to guard the economy against a strong and dangerous upward spiral in prices and wages that would 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**

There are no significant events after the Balance sheet date that need to be reported.

**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, 4 April 2023

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 2022, 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 2022, it's consolidated financial performance and it's 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 2022 during the year ended as at 31 December 2022, are disclosed in the note 36 to the consolidated financial statements.

PricewaterhouseCoopers SA, T: +30 210 6874400, www.pwc.gr

**Athens:** 260 Kifissias Avenue & 270 Kifissias Avenue, 15232 Halandri | T:+30 210 6874400
**Thessaloniki:** 16 Agias Anastasias & Laertou, 55535 Pylaia | T: +30 2310 488880
**Ioannina:** 2 Plateia Pargis (or 23 Pyrsinella), 1st floor, 45332
**Patra:** 2A 28is Oktovriou & Othonos Amalias, 26223

## 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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Valuation of liabilities arising from Individual Life Insurance Contracts</td></tr>
<tr><td>The 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 €1.804m representing 64% of the Group's total liabilities.<br><br>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.<br><br>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.<br><br>In particular the significant assumptions, which are highly sensitive to changes, are the following:<br>● 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.<br>● 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.<br>● 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</td><td>Our work to address the valuation of the Individual Life insurance contract liabilities was supported by our internal life actuarial specialists, and included the following procedures:<br>● 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.<br>● We compared the methodology, models and significant assumptions used against recognised actuarial practices and assessed them by applying our industry knowledge and experience.<br>● 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.<br><br>More specifically, the significant assumptions we focused on, were the following:<br><br>Lapses<br>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.<br><br>Yield curve<br>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.<br><br>Expenses<br>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</td></tr>
</table>

| | |
|---|---|
| assumptions taken into consideration for estimating the future expenses.<br><br>Refer to notes 3, 4.2 and 22 of the Financial Statements for the disclosure of the related judgements and estimates. | 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.<br><br>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.<br>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 €78m as of 31 December 2022, representing 2,8% of the Group's total liabilities.<br><br>Out of the €78m, €75m 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).<br><br>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.<br><br>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.<br><br>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:<br>• We tested, on a sample basis, specific cases in order to obtain evidence for the accuracy and completeness of the underlying data.<br>• 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.<br>• 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.<br>• 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.<br>• We examined the trend in historical claims development.<br><br>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.<br><br>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 Associate** | |
| The Group possesses 39,4% of Grivalia Hospitality S.A. (GH) for a consideration of €146m. | Our work to address the valuation of the investment in joint venture, included the following procedures: |

| | |
|---|---|
| The investment is accounted for as an associate, in accordance with IAS 28, 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 associate. The carrying amount as of 31 December 2022 amounts to €135m and during the year a loss of €8,8m was recognised to the Income Statement.<br><br>The valuation of properties requires a high level of judgement. This is due to factors such as the special nature of each property and it's location. The key assumptions used in the valuation methodology are rents in less active markets and discount rates.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>● We evaluated and verified the independence of external certified valuators, their capabilities and their objectivity.<br><br>● 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.<br><br>● 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).<br><br>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.<br><br>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 2022 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, 7 April 2023
THE CERTIFIED AUDITOR

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

Evangelos Venizelos
SOEL Reg. No. 39891

# Annual Consolidated Financial Statements

## Eurolife FFH Insurance Group Holdings S.A.

For the year ended
31 December 2022

**Eurolife FFH** Insurance Group

A FAIRFAX Company

## TABLE OF CONTENTS

## STATEMENT OF FINANCIAL POSITION

| (amounts in € thousand) | Notes | GROUP 31/12/2022 | GROUP 31/12/2021 |
|---|---|---|---|
| **ASSETS** | | | |
| Property, Plant and Equipment | **5** | 14.925 | 15.426 |
| Investment Properties | | 62 | 62 |
| Right of use assets | **6** | 533 | 644 |
| Intangible assets | **7** | 31.994 | 30.581 |
| Deferred acquisition costs (DAC) | **8** | 30.043 | 32.292 |
| Investment in associates and joint ventures | **10** | 138.473 | 54.013 |
| Deferred tax assets | **11** | 1.203 | 798 |
| Financial assets at FVTPL: | | | |
| - Derivative financial instruments | | 1 | 1 |
| - Financial assets held on behalf of policyholders who bear the investment risk (Unit-Linked) | **12** | 630.515 | 558.782 |
| - Financial assets held for trading | **13** | 1.000.425 | 1.015.219 |
| Available for sale financial assets | **14** | 1.155.414 | 1.335.580 |
| Financial assets classified as loans and receivables | **15** | 40.618 | 40.819 |
| Income tax receivable | | 310 | 7.742 |
| Insurance receivables | **16** | 20.280 | 10.519 |
| Other receivables | **17** | 11.278 | 8.903 |
| Reinsurance share on insurance contracts | **18** | 18.308 | 15.825 |
| Cash and cash equivalents | **19** | 271.264 | 457.243 |
| **Total Assets** | | **3.365.645** | **3.584.449** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| Share Capital | **20** | 225.000 | 225.000 |
| Consolidation reserve | **21** | (235.058) | (235.058) |
| Reserves | **21** | 478.486 | 645.365 |
| Retained Earnings | | 84.191 | 66.761 |
| **Total Equity** | | **552.617** | **702.068** |
| | | | |
| Technical reserves and other insurance provisions | **22** | 2.687.731 | 2.733.195 |
| Financial liabilities | | | |
| - Derivative financial instruments | | 1 | - |
| - Investment contract liabilities | **23** | 13.081 | 13.629 |
| Employee benefits | **24** | 1.142 | 980 |
| Lease liabilities | **6** | 571 | 682 |
| Deferred tax liabilities | **11** | 18.317 | 64.807 |
| Insurance and other liabilities | **25** | 77.826 | 68.982 |
| Income tax payables | | 14.359 | 106 |
| **Total Liabilities** | | **2.813.027** | **2.882.381** |
| **Total Equity and Liabilities** | | **3.365.645** | **3.584.449** |

Athens, 4 April 2023

| 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 AP186537 | LIC. No 0025315 | LIC. No 0099260 |

The notes on pages 34 to 109 are an integral part of these financial statements.

| (amounts in € thousand) | Notes | GROUP | |
|---|---|---|---|
| | | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
| Gross written premiums | | 616.704 | 604.965 |
| Gross change in unearned premium reserve | | (6.270) | 1.090 |
| **Gross earned premiums** | | **610.434** | **606.055** |
| Minus: Premium ceded to reinsurers | | (23.920) | (20.131) |
| **Net earned premiums** | **26** | **586.514** | **585.924** |
| Other insurance related income | **27** | 14.225 | 10.901 |
| Investment income | **28** | 60.979 | 46.521 |
| Gain/(Loss) from associates and joint ventures | **10** | (8.810) | 2.424 |
| Realized gains on financial assets | **29** | 37.296 | 55.842 |
| Fair value gains/(losses) on financial assets | **30** | (73.170) | 29.011 |
| Gains/(Loss) on derivatives | **31** | 31 | (2.753) |
| Other income | **32** | 481 | 297 |
| **Total income** | | **617.576** | **728.167** |
| Movement in technical reserves and other insurance provisions | **33** | 67.697 | (155.497) |
| Claims and insurance benefits incurred | **34** | (466.683) | (384.136) |
| **Total insurance provisions and claims** | | **(398.986)** | **(539.633)** |
| Acquisition expenses | **35** | (51.019) | (49.071) |
| Administrative expenses | **36** | (55.459) | (52.546) |
| **Profit before tax** | | **112.112** | **86.917** |
| Income tax expense | **37** | (27.922) | (20.156) |
| **Profit for the year** | | **84.191** | **66.761** |

Athens, 4 April 2023

| 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 AP186537 | LIC.No 0025315 | LIC. No 0099260 |

The notes on pages 34 to 109 are an integral part of these financial statements.

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | **From 01/01 to 31/12/2022** | **From 01/01 to 31/12/2021** |
| **Profit for the year** | **84.191** | **66.761** |
| **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 | (164.562) | (17.667) |
| **Investment in associates and joint ventures** | | |
| Changes in the share of other comprehensive income of the Associates and Joint Ventures, net of tax | 963 | 60 |
| **Currency translation differences** | | |
| Change in currency translation differences, net of tax | 2 | (191) |
| ***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 | (37) | 28 |
| **Other comprehensive income for the year, net of tax** | **(163.633)** | **(17.770)** |
| **Total comprehensive income for the year, net of tax** | **(79.443)** | **48.991** |

Athens, 4 April 2023

| 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 AP186537 | LIC. No 0025315 | LIC.No 0099260 |

The notes on pages 34 to 109 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 2022** | **225.000** | **(235.058)** | **645.365** | **66.761** | **702.068** |
| Change in available for sale financial assets reserve | - | - | (164.562) | - | **(164.562)** |
| Changes in the share of other comprehensive income of the Associates and Joint Ventures, net of tax | - | - | 963 | - | **963** |
| Remeasurement of post employment benefit obligations, net of tax | - | - | (37) | - | **(37)** |
| Change in currency translation differences | - | - | 2 | - | **2** |
| **Other comprehensive income for the year, net of tax** | - | - | **(163.633)** | **-** | **(163.633)** |
| Profit for the year | - | - | | 84.191 | 84.191 |
| **Total comprehensive income for the year, net of tax** | - | - | **(163.633)** | **84.191** | **(79.443)** |
| Transfer of retained earnings to reserves | - | - | (3.239) | 3.239 | **-** |
| Dividend distribution in shareholders | - | - | - | (70.000) | **(70.000)** |
| Other changes | - | - | (8) | - | **(8)** |
| **Total transactions with shareholders** | **-** | **-** | **(3.247)** | **(66.761)** | **(70.008)** |
| **Balance as at 31 December 2022** | **225.000** | **(235.058)** | **478.485** | **84.191** | **552.617** |

| | GROUP | | | | |
|---|---|---|---|---|---|
| | Share capital | Consolidation Reserve | Reserves | Retained earnings | Total |
| **Restated 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 Associates and Joint Ventures, net of tax | - | - | 60 | - | **60** |
| Restated 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)** |
| **Restated balance as at 31 December 2021** | **225.000** | **(235.058)** | **645.365** | **66.761** | **702.068** |

The notes on pages 34 to 109 are an integral part of these financial statements.

## CASH FLOW STATEMENT

| (amounts in € thousand) | Notes | GROUP From 01/01 to 31/12/2022 | GROUP From 01/01 to 31/12/2021 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| **Profit before Tax** | | **112.112** | **86.917** |
| **Adjustments for:** | | | |
| Depreciation and amortization of property, plant and equipment, investment properties and intangible assets | | 3.037 | 3.043 |
| Change in other provisions | | (601) | 4.476 |
| Employee benefit provisions | 36 | 105 | 105 |
| (Gains)/Losses from associates and joint ventures | 10 | 8.810 | (2.424) |
| Fair value (gains)/losses on financial assets | 30 | 76.422 | (26.309) |
| Foreign exchange differences | 30 | (3.252) | (2.701) |
| Change in insurance reserves & deferred acquisition costs | | (45.547) | 156.633 |
| (Gains) on disposal of financial assets | 29 | (37.296) | (55.842) |
| Interest (income), bonds amortization, dividends and other investment income | | (60.049) | (46.729) |
| (Gains) on derivatives | 31 | (31) | 2.753 |
| Losses on property, plant and equipment disposal | | - | 11 |
| **Changes in Operating Assets and Liabilities:** | | | |
| (Purchases) of financial assets | | (2.540.475) | (2.877.489) |
| Commercial mortgage loans received | 15 | - | 40.000 |
| Sales of financial assets | | 2.433.531 | 3.006.941 |
| Change in insurance receivables and other receivables | | (14.678) | (1.295) |
| Change in insurance and other liabilities, investment contracts and insurance provisions | | 3.618 | (31.976) |
| Income tax received/ (paid) | | (2.030) | (29.048) |
| Interest received / paid | | 46.776 | 44.434 |
| Gains / (losses) from derivatives received/paid | 31 | 31 | (2.639) |
| **Net Cash Flows from Operating Activities** | | **(19.517)** | **268.861** |
| **Cash Flows from Investing Activities** | | | |
| Proceeds from sales of property, plant and equipment | | 1 | - |
| (Purchases) of property, plant and equipment & intangible assets | | (3.691) | (3.779) |
| Acquisition of interest in associates and joint ventures | 10 | (92.307) | (6.250) |
| **Net Cash Flows from Investing Activities** | | **(95.997)** | **(10.029)** |
| **Cash Flows from Financing Activities** | | | |
| Principal repayment of lease liabilities | | (303) | (298) |
| Dividends paid | 40 | (70.000) | (85.500) |
| Interest paid | | (162) | - |
| **Net Cash Flows from Financing Activities** | | **(70.465)** | **(85.798)** |
| Net increase in cash and cash equivalents | | (185.979) | 173.034 |
| Cash and cash equivalents at beginning of the year | 19 | 457.243 | 284.209 |
| **Cash and Cash Equivalents at end of the year** | 19 | **271.264** | **457.243** |

The notes on pages 34 to 109 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.

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 2022 (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 14$^{th}$ 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 4 April 2023 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 2022 and 2021 respectively.

<u>Going concern assessment</u>

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>Macroeconomic Environment</u>

The Greek economy, after a significant recovery of 8,4% in 2021, which covered almost all of the losses in 2020 and amid an adverse international environment, managed to maintain its growth momentum in 2022. Despite the uncertain economic conditions that prevailed in 2022, mainly due to the war in Ukraine, the energy crisis and the acceleration of inflation, the Greek economy showed remarkable resilience with growth estimated at 5,9% for 2022. The growth rate of the Greek economy remains among the highest in the euro zone in 2022. The high performance was supported by a significant recovery in tourism, additional fiscal support due to high energy prices, rising private consumption and a decline in unemployment.

Strong inflationary pressures have been a key feature of 2022, both in the international market and in Greece, with inflation in the Greek economy estimated at 9,2% overall for 2022. Inflationary pressures are no longer solely due to the increase in energy commodity prices, but also to the disruptions that this increase has caused in supply chains and its effects on the production costs of other goods and services. However, inflation from the second half of 2022 has started to slow down (after reaching a 40-year high of 9,1% last June 2022) and inflationary pressures are expected to ease further following the European Central Bank's interest rate increase. In addition, a relative normalisation occurred in energy prices in Q4 2022, despite high prices level, continuing to generate a reduction in the purchasing power of households and businesses.

A significant boost to growth in Greece is expected to be provided by European Union (EU) funding, mainly under the European Commission's "Next Generation EU" (NGEU) and the EU's Multiannual Financial Framework. Greece will receive from the EU more than €30,5 billion (€17,8 billion in grants and €12,7 billion in loans) by 2026 from the Recovery and Resilience Facility (RRF) to finance projects and actions outlined in the National Recovery and Resilience Plan (NRP), entitled "Greece 2.0". To date, the

Greek economy has received an advance of €3,96 billion from the RRF, disbursed in August 2021, as well as the first and second tranches in April 2022 and January 2023, respectively, amounting to €3,6 billion each.

Another important development was the country's exit from the enhanced surveillance regime as of 21 August 2022, which was decided at the Eurogroup of 16 June 2022. Consequently, the monitoring of the country's economic, fiscal and financial situation is now part of the simple post-programme surveillance, and an assessment of its progress will be made every six months (instead of every three months as was previously the case). However, the Greek economy will need to remain constantly vigilant, as especially for highly indebted economies such as Greece, there is a risk that an excessively rapid increase in the cost of money could undermine overall growth prospects.

The recent banking sector turmoil, which evolved globally and in the euro area in early 2023, is expected to generate substantial inflationary pressure. The Group has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity.

Crisis in Ukraine

On 24 February 2022, Russia invaded Ukraine, where, in addition to the humanitarian crisis it caused in the region, it had a negative economic impact on the global economy, mainly through higher energy and commodity prices that caused higher inflation and negatively affected consumer confidence. In 2022, the international community imposed packages of financial and economic sanctions that, in various ways, restricted transactions with many Russian businesses and individuals, trading in Russian government bonds, investment, trade and financing to and from certain regions of Ukraine.

Management closely monitors developments and periodically assesses the impact they may have on the Group's operations and financial position. The Group has no operations in Ukraine and Russia, has taken all necessary measures to comply with the sanctions imposed and does not expect the sanctions to have a direct impact on its operations.

Impact of pandemic COVID-19

The COVID-19 pandemic, which started in early 2020, negatively affected the global and the Greek economy, with the consequence that economic activity in Greece recorded a significant recession of -9%. The economic impact of the pandemic was widespread, leading to a significant reduction in household incomes and consumption, a contraction in investment and limited external demand for Greek goods and services. However, 2021 was characterised by a recovery of the global economy and Greece in particular, as there was a large degree of adjustment to the data of the Covid-19 pandemic, while in 2022 the Greek economy maintained its growth momentum. As of the second half of 2021, all traffic/activity lockdown measures throughout the country have ended, economic activities that had been suspended have reopened and Greece has reopened its borders to international tourism.

However, a relative risk regarding the pandemic and the potential impact of new, more infectious variants of COVID-19 remains. This risk is reinforced by the fact that the pandemic booster vaccination programme at international level has lost momentum. In addition, disruptions may occur in the global supply chain due to the lockdown measures in China.

The Group will continue to assess the relevant conditions so that it can reflect in a timely manner any changes arising from uncertainty about the macroeconomic outlook.

Capital adequacy and profitability

2022 was another successful year for the Group during which the high levels of profitability were maintained and the capital position was further strengthened. The Group's profit after tax for the year ended 31 December 2022 amounted to € 84,2 million (2021: € 66,8 million).

The Group's management systematically monitors the capital adequacy of the insurance companies in accordance with Solvency II and takes the necessary actions to maintain a strong capital base and a high quality investment portfolio. As at 31 December 2022, the Group's eligible own funds exceeded the solvency capital requirement.

Conclusion on going concern

The Board of Directors, recognizing the geopolitical and macroeconomic risks in the economy and taking into account the factors relating to (a) the Group's ability to generate profits, the quality of its assets and its strong capital adequacy, (b) the growth prospects in Greece for the current and coming years, (c) the extensive and continued fiscal and monetary support from the European and Greek authorities to address the unprecedented pandemic COVID-19 crisis, (d) the mobilization of the Group's resources and (e) the need to ensure that the Group's financial resources are sufficient to meet the needs of the Greek economy.

### 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 2022:

**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.

**IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use**

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. 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'**

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'**

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.

**Annual Improvements to IFRS Standards 2018–2020**

The amendments listed below include changes to the following IFRS.

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 have no 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 2022, 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 17, Insurance Contracts and Amendments to IFRS 17 (effective from 1 January 2023, adopted by the EU)**

On 13 May 2022, the European Securities and Markets Authority (ESMA), published a public statement on the implementation of IFRS 17 to promote its consistent application and high-quality implementation by the issuers. ESMA requires insurers to provide financial statements users with the key elements of IFRS 17 requirements, pointing out the main differences with the current accounting practice.

In line with ESMA requirements, the following paragraphs aim to provide the main impacts deriving from the application of IFRS 17 based on reasonable information available on 31 December 2022.

On 18 May 2017, the IASB published Standard IFRS 17 – Insurance contracts, which replaces the current IFRS 4 – Insurance contracts. The new standard introduces a new model for measuring insurance contracts, structured on a Building Block Approach based on the Fulfillment Cash Flows (FCF), which comprise the present value of future cash flows, weighted by the probability of occurrence (Present Value of Future Cash Flows – PVFC), and the adjustment for non- financial Risk (Risk Adjustment – RA), and the expected value of the unearned profit for the services provided (Contractual Service Margin – CSM). The adoption of a simplified approach (Premium Allocation Approach-PAA) is allowed if the contractual coverage period is less than one year or if the model used for the measurement provides a reasonable approximation with respect to the building block approach , i.e. the General Measurement Model (GMM). The simplification applies to the measurement of the Liability of the remaining coverage (LRC), which does not have to be broken down into PVFCF, RA and CSM, but is essentially based on the premium received net of acquisition costs. As it pertains to the liability of Incurred Claims (LIC), its is consistently measured by means of the GMM, for which all the claims occurred are subject to discounting and the calculation of the Risk Adjustment is executed accordingly.

The Variable fee approach (VFA) is envisaged for contracts entailing the direct participation of the policyholders in the company's financial and/or insurance results; this is an alternative model to GMM, which provides for a different treatment of changes in cash flows linked to financial variable whose impact is reported in the CSM rather than directly in the statement of comprehensive impactincome.

The IFRS 17 will also affect the presentation of revenues from insurance contracts, which will no longer include the premiums written and, in particular, the deposit components included in the premiums and claims. In addition, insurance revenues and costs for insurance services gross of reinsurance will be presented with the reinsurance result included in the costs for insurance service. Pursuant to the IFRS 17, insurance liabilities are subject to discounting; the periodic unwinding of discounting will be a financial charge included in the financial result.

On 9 December 2021, the IASB published a limited amendment to the transition requirements of IFRS 17, as regards the application of the requirements of IFRS 9 to the comparative periods. The proposed amendment allows for a better alignment of the presentation of comparative information pursuant to IFRS 17 and 9, by means of a classification overlay, which effectively applies to all financial instruments, including assets sold in 2022, the rules envisaged by IFRS 9 for the purposes of classification and measurement.

The Group intends to restate the comparative period to the first application of IFRS 9 and envisages the application of this amendment to all financial instruments, in order to produce 2022 comparative information consistent with the IFRS 17 and IFRS 9 requirements, in line with the financial information from 1 January 2023 onwards.

***Implementation of the Standard***

In order to adopt IFRS 17 in the Group's consolidated financial statements, a finance transformation program is in place since 2022. This program includes functional workstream dedicated to developing the methodological and interpretative aspects of the standard in coherence with the market practices of the sector and implementation workstream dedicated to the implementation of the operating model and architecture of the target information systems.

The Group is currently assessing the impacts at transition of the joint application of IFRS 17 and IFRS 9 on the consolidated financial statements.

As of 31 December 2022, quantitative information about reasonable expected impact on the financial position of the Group is not available.

***IFRS 17: most relevant accounting requirements and policy choice***

The following paragraphs summarize the most significant insurance accounting requirements of IFRS 17 and policy choice made by the Group.

*Scope*

IFRS 17 is applied to contracts that meet the definition of an insurance contracts, which generally includes:

a) insurance contracts that an entity issues;

b) all reinsurance contracts (that is, those an entity issues and those an entity holds); and

c) investment contracts with discretionary participation features, provided that an entity also issues insurance contracts.

Insurance contracts create a bundle of rights and obligations that work together to generate a package of cash flows. Indeed, while some types of insurance contracts only provide insurance coverage (e.g. Most short term non-life contracts) other types of insurance contracts could contains one or more components that would be within the scope of another Standard if they were separate contracts. For example, some insurance contracts may contain:

- investment components (e.g. pure deposits, such as financial instruments whereby an entity receives a specified sum and undertakes to repay that sum with interest);
- good and service components (e.g. services other than insurance contract services, such as pension administration, risk management services, asset management or custody services); and
- embedded derivatives (e.g. financial derivatives such as interest rate options or options linked to an equity index).

In certain cases, specifically defined by IFRS 17, the above-mentioned components must be separately considered and measured under another IFRS standard.

IFRS 17 requires separating from the host contract the distinct investment components only. Indeed, the investment component is distinct only if, and only if, both of the following criteria are met:

- The investment component and the insurance component are not highly interrelated. The two components are highly interrelated if the value of one component varies with the value of the other component and hence the entity is unable to measure each component without considering the other. The components are also highly interrelated if the policyholder is unable to benefit from one component unless the other is also present. This is, for example, the case if the maturity or lapse of one component causes the maturity or lapse of the other component.
- A contract with terms equivalent to the investment component is sold, or could be sold, separately in the same market or same jurisdiction. An entity takes into account all reasonably available information when it makes this assessment, but it does not have to undertake an exhaustive search.

If the investment component does not satisfy the two conditions above, it would be identified as non-distinct and IFRS 17 would apply on the contract as a whole (no separation from the host contract).

*Level of Aggregation*

IFRS 17 requires that an entity should aggregate contracts at inception in groups for recognition, measurement, presentation and disclosure. An entity shall establish the groups at initial recognition and shall not reassess the composition of the groups subsequently.

The starting point for aggregating contracts is to identify portfolios of insurance contracts. A portfolio comprises contracts that are subject to similar risks and managed together.

The assessment of "similar risks' should take into consideration the prevailing risks of the contracts. In case the prevailing risks are similar, the two contracts can be considered as exposed to similar risks.

IFRS 17 then requires the entity to divide the contracts in each portfolio at initial recognition into the following groups:

- Group of contracts that are onerous at initial recognition;
- Group of contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- Group of the remaining contracts in the portfolio.

IFRS 17 prescribes that an entity cannot include contracts issued more than one year apart in the same group. Therefore, each portfolio should be disaggregated into annual cohorts, or cohorts consisting of periods of less than one year.

*Contract Boundary*

The measurement of a group of insurance contracts includes all the expected cash flows within the boundary of each contract within the group. The Group considers the contract boundary requirements as linked to the entity ability to fully reprice a contract. All future premiums and policyholder options should be included in the initial projections if the entity does not have the ability to fully reprice the contract when the premium is paid/the option is exercised.

According to this requirement, the contract boundaries will be set considering the insurance contract as a whole and not considering each single component independently, leading to difference compared to the current approach applied in Solvency II, with particular reference to multi-risk contracts, where different risk components may have different contracts boundaries.

*Expected Future Cash Flows*

Expected Future Cash Flows are the first element of Fulfilment Cash Flows (FCF) and represents an estimate of future cash flows within the contract boundary. The estimate of future cash flows should:
i) incorporate, in an unbiased way, all reasonable and supportable information available;
ii) reflect the perspective of the entity, provided that the estimates of any relevant market variables are consistent with observable market prices for those variables,
iii) be current and
iv) be explicit.

Generally, the operating assumptions underlying the projections of Expected Future Cash Flows are in line with the ones adopted within the Solvency II framework. However, as regard expense perimeter, differences may arise because of the IFRS 17 requirement envisaging that only expenses directly attributable to insurance and reinsurance contracts must be considered for the measurement of Expected Future Cash Flows.

*Time value of money*

The second element of FCF is represented by the time value of money. IFRS 17 requires adjusting the estimates of expected cash flows to reflect the time value of money and the financial risks associated with those cash flows to the extent that the financial risks are not already included in the cash flow estimates. The discount rates must:
• reflect the time value of money, the characteristics of the cash flows and liquidity characteristics of the insurance contracts;
• be consistent with observable current market prices (if any) for financial instruments with cash flows whose characteristics are consistent with those of the insurance contracts (e.g., timing, currency and liquidity);
• exclude the effect of factors that influence such observable market prices but do not affect the future cash flows of the insurance contracts.
• In case of cash flows that vary according to any financial underlying items, reflect that variability.

The Group will apply a bottom-up approach to define the discount rates to apply to insurance and reinsurance contracts. In detail, the Group's position is to apply a risk neutral approach for IFRS 17 both for participating and non-participating business for the purpose of fulfilling market consistency requirements. In this context, the discount rates should be determined using a risk-free curve with an allowance for an illiquidity premium.

*Risk Adjustment*

The Risk Adjustment (RA) is the last element included within the FCF. The RA for non-financial risk provides information to users of financial statements about the amount the entity charges for bearing the uncertainty over the amount and timing of cash flows arising from non-financial risk. The RA considers risks arising from an insurance contract other than financial risk. This includes insurance risk and other non-financial risks as lapse and expense risk. Entities are required to account for a risk adjustment explicitly, while time value of money and financial risk remains implicit in the Present Value Future Cash Flows (PVFCF).

The RA reflects:
• the degree of diversification benefit that the entity includes when determining the compensation that it requires for bearing that risk; and
• the entity's degree of risk aversion, reflected by both favorable and unfavorable outcomes.

Differently from Solvency II framework for which the Cost of Capital method is applied to quantify the Risk Margin, IFRS 17 does not prescribe a specific method to calculate the Risk Adjustment. The Group will adopt the value at risk approach, appropriately adjusted to comply with the IFRS 17 requirements for determining the Risk Adjustment.

*Contractual Service Margin*

The Contractual Service Margin (CSM) reflects the unearned profit in the group of insurance contracts that has not yet been recognized in profit or loss at each reporting date, because it relates to future service to be provided. The pattern of release of the CSM may be different to the straight-line basis and may require judgement. The CSM is released on the basis of coverage units that are determined by considering for each contract the quantity of the benefits provided under a contract and its expected coverage duration. Depending on the type of service provided, the coverage unit and the related quantity of benefit could be defined in different ways.

*Variable Fee Approach (VFA)*

The VFA is the mandatory measurement model for contracts with direct participation features. The Group expects that a material portion of its insurance liabilities (e.g. unit linked contracts) will qualify as direct participation contracts pursuant to the IFRS 17 and measured under VFA. It is to be noted, that the underlying mechanics of VFA measurement model overcome the accounting scheme of IFRS 4 Shadow Accounting since both the insurance liabilities and the backing underlying items are typically measured at current value. As consequence, any change in fair value of the underlying items will be reflected within the measurement of FCF and CSM.

*Premium Allocation Approach (PAA)*

The PAA is an optional simplification for the measurement of the liability for remaining coverage for insurance contracts with short-term coverage. The Group expects that most of its Non-Life insurance and reinsurance contracts in force at the transition date may be eligible for an extensive application of the premium allocation approach (PAA) and intends to apply the simplified approach thereto, pursuant to the IFRS 17. With reference to Life business, the application of this measurement model will be limited to group of contracts with a coverage period no longer than one year.

*Insurance finance income or expenses*

IFRS 17 requires an entity to make an accounting policy choice whether to disaggregate insurance finance income or expenses for the period between profit or loss and other comprehensive income.
Once chosen, the accounting policy will need to be applied consistently at the level of a portfolio of insurance contracts issued and reinsurance contracts held.

When determining whether to select the accounting disaggregation policy choice, an entity should assess the combinations of various measurement methods for insurance obligations under IFRS 17 and the underlying financial instruments under IFRS 9 that could lead to accounting mismatch and the potential ways to mitigate them.

The Group will apply the Disaggregation Approach to most of its existing insurance contracts issued and reinsurance contracts held portfolio to mitigate the potential accounting mismatch and related volatility in P&L.

*Transition*

IFRS 17 will be applied starting from the 1 January 2023. However, the Transition date is identified by the beginning of the annual reporting period immediately preceding the date of initial application (i.e., 1 January 2022). IFRS 17 envisages the following methods to recognize and measure insurance and reinsurance contracts for transition purposes:
1. Full Retrospective Approach (FRA): this method requires an entity to identify, recognize and measure each group of insurance and reinsurance contracts as if IFRS 17 had always been applied;
2. Modified Retrospective Approach (MRA): if FRA is impracticable, an entity can choose to apply MRA that introduces a set of simplifications to the general Standard’s requirements having regard to the level of aggregation, discount rate, recognition of CSM and allocation of insurance finance income and expenses. However, the objective of the Modified Retrospective Approach, similarly to the Fully Retrospective, is to determine the CSM at initial recognition (allowing for some simplification) and to carry it forward to the transition date;
3. Fair Value Approach (FVA): if FRA is impracticable, an entity can choose to apply the FVA. This transition method relies on the possibility to determine the contractual service margin at the transition date as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

The Group expects to apply Full Retrospective Approach (FRA) in case full historical data exists and hindsight is not required. This will cover mainly LRC for short-term contracts classified under PAA and LIC for most recent generations.

As for long-term contracts where the FRA is impracticable, the MRA is considered as the preferred transition method since more in line with the entity’s estimation of the underlying unearned profit and more aligned to valuation of insurance and reinsurance contracts that will be sold after transition date, while the FVA should be applied, in case MRA is not practicable (e.g., in case of lack of historical information), to group of contracts where the entity chooses to apply the risk mitigation option prospectively from transition date and to other specific group of contracts substantially in run-off.

**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 € 2.588,6, million, € 2.746,8 million and € 2.702,0 million for December 31, 2020, December 31, 2021 and December 31, 2022 respectively, and represent a percentage of 93, 4%, 95,3% and 96,1% 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 16 (Amendment) 'Lease Liability in a Sale and Leaseback' (effective for annual periods beginning on or after 1 January 2024, not adopted by the EU)**

The amendment clarifies how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. An entity applies the requirements retrospectively back to sale and leaseback transactions that were entered into after the date when the entity initially applied IFRS 16. The amendment has not yet been endorsed by the EU. The adoption of the amendment is not expected to have an impact on the Group's financial statements.

**IAS 1 (Amendments) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2024 , 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 amendment has not yet been endorsed by the EU. 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 IFRS Practice Statement 2 'Disclosure of Accounting policies' (effective for annual periods beginning on or after 1 January 2024, adopted by EU)**
The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The adoption of the amendment 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 for annual periods beginning on or after 1 January 2023, adopted by EU)**
The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. The adoption of the amendment 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 for annual periods beginning on or after 1 January 2023, adopted by EU)**

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. The adoption of the amendment is not expected to have an impact on the Group's financial statements.

**IFRS 17 (Amendment) 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information' (effective for annual periods beginning on or after 1 January 2023, adopted by EU)**

The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. The amendment is aimed at helping entities to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and therefore improve the usefulness of comparative information for users of financial statements. The Group is currently considering the impact of the application of IFRS 17 and IFRS 9, which cannot be quantified at the date of publication of these financial statements.

## 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.

**(d) Associates**

Investments in associates are accounted for in the consolidated financial statements using the equity method. Associates are companies in which the Group exercises significant influence but does not have control.

Under the equity method, the Group's share of the annual profits or losses of associates is recognised in the income statement. The balance sheet presents the Group's share of the associate's interest in the associate as its share of the associate's net assets plus any goodwill arising on acquisition after deducting any accumulated impairment losses. If the group's share of the losses of a related party is equal to or greater than its share of the losses of the related party, it shall discontinue recognising its share of the excess losses unless it has existing liabilities or has made payments on behalf of the related party. Where necessary, the accounting policies of associates have been restated to conform to those adopted by the Group.

If the Group acquires or ceases to have significant influence over an entity, any pre-existing or residual equity interests are remeasured to fair value and all changes are recognised in the income statement, except in those cases where an interest in an associate becomes an interest in a joint venture, in which case the residual equity interest is not remeasured and the equity method continues to be used.

**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 2022 and 2021.

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) Short term leases**

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

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) 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 and the management of its funds in accordance with the applicable regulatory framework;
- 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 validate the processes that govern the Solvency II capital requirement calculation and the execution of the Own Risk and Solvency Assessment exercise;
- to assist the BoD in adopting a rational and prudent investment strategy and policy;
- to 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;
- participation in the crisis management team in the event of a major incident, 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 2021: 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 55% of total production (31 December 2021: 0,52%), Unit Linked products of single premium at approximately 12% of total production (31 December 2021: 78%), and insurance contracts of periodic payments (savings, pension plans, insurance protection of borrowers/ primary health coverage) at approximately 17,8% of total written premiums (December 31, 2021: 21,4%).

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 82%, 14% and 4%, 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 2022** | **Before reinsurance** | | **After reinsurance** | |
|---|---|---|---|---|
| | (amounts in € mil.) | % | (amounts in € mil.) | % |
| 0-6.000 | 168,6 | 7,0 | 168,85 | 10,5 |
| 6.000-15.000 | 224,3 | 9,3 | 171,51 | 10,6 |
| 15.000-20.000 | 95,3 | 3,9 | 77,21 | 4,8 |
| >20.000 | 1.932,06 | 79,8 | 1.193,12 | 74,1 |
| **Total** | **2.420,2** | **100,0** | **1.610,7** | **100,0** |

| **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** |

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** | | | |
|---|---|---|---|---|
| | **31/12/2022** | | **31/12/2021** | |
| | (amounts in € mil.) | % | (amounts in € mil.) | % |
| 0-500 | 3,9 | 8 | 4,7 | 9 |
| 500-1.000 | 9,3 | 20 | 10,4 | 20 |
| 1.000-2.000 | 11,0 | 24 | 12,0 | 23 |
| 2.000-3.000 | 6,2 | 13 | 6,6 | 13 |
| 3.000-4.000 | 4,2 | 9 | 4,4 | 9 |
| 4.000-5.000 | 3,7 | 8 | 4,0 | 8 |
| 5.000-6.000 | 1,7 | 4 | 1,8 | 4 |
| 6.000-8.000 | 2,4 | 5 | 2,5 | 5 |
| 8.000-10.000 | 1,6 | 3 | 1,7 | 3 |
| >10.000 | 2,9 | 6 | 3,3 | 6 |
| **Total** | **46,8** | **100** | **51,3** | **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, there was no need to create additional reserves (31 December 2021: the additional reserves were € 58,3 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 € 2,6 mil. (31 December 2021: the additional reserves were € 8,8mil).

**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. The impact on the adequacy of insurance liabilities from changes in assumptions in the portfolio of traditional life insurance products is zero, due to the increased interest rate curves.

| | Change | Impact on the adequacy of insurance reserves | |
|---|---|---|---|
| | | 31/12/2022 | 31/12/2021 |
| (amounts in € thousand) | | | |
| Increase in lapses and surrenders rates | 10% | - | (3.228) |
| Decrease in lapses and surrenders rates | -10% | - | 3.377 |
| Increase in administrative expenses | 10% | - | 6.294 |
| Decrease in administrative expenses | -10% | - | (6.301) |
| Decrease in surrenders upon retirement | -10% | - | 8.161 |
| Increase in interest rates | 0,5% | - | (48.948) |
| Decrease in interest rates | -0,5% | - | 52.058 |

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 | |
|---|---|---|---|
| | | 31/12/2022 | 31/12/2021 |
| (amounts in € thousand) | | | |
| Increase in lapses and surrenders rates | 10% | 158 | (3) |
| Decrease in lapses and surrenders rates | -10% | (173) | 3 |
| Increase in administrative expenses | 10% | 1.009 | 780 |
| Decrease in administrative expenses | -10% | (225) | (780) |
| Increase in interest rates | 0,5% | (501) | (2.599) |
| Decrease in interest rates | -0,5% | 1.307 | 3.961 |

**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 0,83% (31 December 2021: 0,70%).

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 2022 amounted to 44,0%, 24,5%, 9,9% and 21,5% respectively (2021: 41,1%, 28,2%, 10,6% and 20,1%).

#### 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 € 1.710 thousand (31 December 2021: € 612 thousand). In case of a reduction of the product of development factors by 10,0%, a surplus is generated amounting to € 8.255 thousand (31 December 2021: € 6.361 thousand).

In case of an increase of the estimated loss ratio or of the administrative expense ratio by 10,0%, additional unexpired risks reserve of € 605 thousand (31 December 2021: € 595 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 € 605 thousand (31 December 2021: € 595 thousand) is required.

| (amounts in € thousand) | Change | Impact on the adequacy of insurance reserves | |
|---|---|---|---|
| | | 31/12/2022 | 31/12/2021 |
| Increase of the product of development factors | +10% | 1.710 | 612 |
| Decrease of the product of development factors | -10% | (8.255) | (6.361) |
| Increase of loss ratio or administrative expense ratio | +10% | 605 | 595 |
| Decrease of loss ratio or administrative expense ratio | -10% | (605) | (595) |

#### 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 2022 and 31 December 2021 (in relation to the risk of earthquake).

| **Geographical region** (amounts in € thousand) | **Total insured funds 31 December 2022 (GROSS)** | **Total insured funds 31 December 2021 (GROSS)** |
|---|---|---|
| Attica and Central Greece | 12.062.414 | 10.777.480 |
| Rest of Greece | 13.534.432 | 12.258.702 |
| **Total** | **25.596.847** | **23.036.182** |

The Group is covered by excessive reinsurance contracts for catastrophic events for the amount exceeding € 8 million (2021: € 8 million) per loss and up to € 402 million. The total (maximum) limit has been increased from the previous year by € 20 million (2021: € 382 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 does not arise (31 December 2021 € 11 thousand). In case of a reduction of the product of development factors by 10,0%, a surplus is generated amounting to €2.611 thousand (31 December 2021: € 2.267 thousand).

| | **Change** | **Impact on the adequacy of insurance reserves** | |
|---|---|---|---|
| | | **31/12/2022** | **31/12/2021** |
| (amounts in € thousand) | | | |
| Increase of the product of development factors | +10% | (68) | 11 |
| Decrease of the product of development factors | -10% | (2.611) | (2.267) |

### 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 2022 and 2021.

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. 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) | **31/12/2022** | **31/12/2021** |
| Financial assets at FVTPL | | |
| - Derivative financial instruments | 1 | 1 |
| - Financial assets where the policyholders bear the investment risk (Unit Linked) | 630.515 | 558.782 |
| - Financial assets held for trading | 1.000.425 | 1.015.219 |
| Available for sale financial assets | 1.155.414 | 1.335.580 |
| Financial assets classified as loans and receivables | 40.618 | 40.819 |
| Insurance receivables | 20.280 | 10.519 |
| Other receivables | 11.278 | 8.903 |
| Reinsurance receivables | 18.308 | 15.825 |
| Cash and cash equivalents | 271.264 | 457.243 |
| **Total financial assets bearing credit risk** | **3.148.103** | **3.442.891** |

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 2022, 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 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** | **31/12/2022** | **Rating Fitch** | **31/12/2021** |
| Greece | BB | 1.491.078 | BB | 1.695.618 |
| Germany | AAA | - | AAA | 96.995 |
| Spain | A- | - | A- | 29.684 |
| Italy | BBB- | 3.231 | BBB- | 4.180 |
| Ireland | AA- | 9.453 | A+ | 37.099 |
| Romania | BBB- | 16.063 | BBB- | 18.444 |
| South Africa | BB- | 72.074 | BB- | 77.055 |
| USA | BB- | 107.458 | BB- | - |
| **Total** | | **1.699.357** | | **1.959.075** |

| **Corporate Bonds** | **GROUP** | | | |
|---|---|---|---|---|
| (amounts in € thousand) | **Rating Fitch** | **31/12/2022** | **Rating Fitch** | **31/12/2021** |
| Financial institutions (Banks) | B+ | 100.713 | B+ | - |
| | NR | 11.615 | NR | 11.979 |
| Non-financial institutions (Other commercial companies) | A | 994 | A | - |
| | A- | 5.024 | A- | - |
| | BBB | 4.515 | BBB | - |
| | BBB- | 1.999 | BBB- | - |
| | BB | 11.445 | BB | 12.219 |
| | NR | 170 | NR | 182 |
| **Total** | | **136.475** | | **24.379** |

As at 31 December 2022 and 2021, the largest concentration in the Group's debt securities portfolio is in European sovereign debt which constitute 82,8% and 94,9% respectively of the total debt securities portfolio and 54,2% and 55,2% respectively of the total investments (including cash and cash equivalents).

Especially for the sovereign exposure to Greece, the Group had an exposure of €1.491.078 thousand (53,2% of total investments) and € 1.695.618 thousand (49,8% of total investments), as of 31 December 2022 and 2021, 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 2022 amounts to 42,3% (2021: 48,4%). 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. 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** (amounts in € thousand) | **GROUP** 31/12/2022 | 31/12/2021 |
|---|---|---|
| Group's network | 4.883 | 681 |
| Bancassurance network | 4.582 | 2.978 |
| Agents and brokers | 10.815 | 6.860 |
| **Total** | **20.280** | **10.519** |

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 2022 and 2021, the cash placements to the Eurobank Group amounted to € 85.989 thousand and € 43.309 thousand respectively.
The following table presents the financial assets by credit rating category as of December 31, 2022 and 2021:

**31 December 2022**

| (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** |
| **AA** | - | - | - | - | - | - | - | - | 157.639 | 157.639 |
| **AA+** | - | - | - | - | - | - | 126 | 408 | - | 534 |
| **AA-** | - | - | 9.453 | 1 | - | - | 1.340 | 8.427 | 1.575 | 20.796 |
| **A+** | - | - | - | - | - | - | 11 | 7.112 | 2.495 | 9.618 |
| **A** | - | 993 | - | - | - | - | 195 | 1.838 | - | 3.026 |
| **A-** | - | 5.025 | - | - | - | - | 2 | 401 | - | 5.428 |
| **BBB+** | - | - | - | - | - | - | - | - | 1.972 | 1.972 |
| **BBB** | - | 4.515 | 3.231 | - | - | - | - | - | - | 7.746 |
| **BBB-** | - | 1.999 | 16.063 | - | - | - | - | - | - | 18.062 |
| **BB+** | - | - | - | - | - | - | - | - | 457 | 457 |
| **BB** | - | 801.227 | 747.461 | - | - | - | - | - | - | 1.548.688 |
| **B++** | - | - | - | - | - | - | 1 | 76 | - | 77 |
| **B+** | - | 104.199 | 64.143 | - | - | - | - | - | 92.973 | 261.315 |
| **B** | - | - | - | - | - | - | - | - | 3.834 | 3.834 |
| **B-** | - | - | 69 | - | - | - | - | - | 10.282 | 10.351 |
| **BB-** | 5.571 | - | 179.532 | - | - | - | - | - | - | 185.103 |
| **Non rating** | 624.944 | 82.467 | 135.461 | - | 40.618 | 20.280 | 9.604 | 46 | 38 | 913.459 |
| **Total** | **630.515** | **1.000.425** | **1.155.414** | **1** | **40.618** | **20.280** | **11.278** | **18.308** | **271.264** | **3.148.103** |

| 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** |

**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) 31 December 2022 | GROUP | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **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** | **1.000.425** | **1.087.953** | **40.618** | **1** | **0** | **18.308** | **11.259** | **2.158.564** |
| **Past due but not impaired financial assets** | | | | | | | | |
| Past due by : | | | | | | | | |
| 1 to 90 days | - | - | - | - | 19.462 | - | - | **19.462** |
| >90 days | - | - | - | - | 818 | - | 19 | **836** |
| **Total** | **1.000.425** | **1.087.953** | **40.618** | **1** | **20.280** | **18.308** | **11.278** | **2.178.863** |
| **Financial assets impaired** | | | | | | | | |
| **Gross carrying value of financial assets** | - | 71.139 | - | - | 3.713 | - | 768 | **75.620** |
| Less: impairment allowance | | | | | | | | |
| Impairment allowances on individually assessed financial assets | - | (3.678) | - | - | (3.713) | - | (768) | **(8.159)** |
| **Net carrying value of financial assets** | **1.000.425** | **1.155.414** | **40.618** | **1** | **20.280** | **18.308** | **11.278** | **2.246.324** |

| (amounts in € thousand)<br>31 December 2021 | GROUP | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **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** |

#### 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, currency exchange rates and inflation.

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 2022** | 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) | 5.571 | - | - | 5.571 |
| - Financial assets held for trading | 810.250 | 104.222 | - | 914.472 |
| Available for sale financial assets | 328.108 | 413.720 | 179.532 | 921.360 |
| Financial assets classified as loans and receivables | - | 40.618 | - | 40.618 |
| Cash and cash equivalents | 267.991 | - | 3.274 | 271.264 |
| **Total** | **1.411.919** | **558.560** | **182.806** | **2.153.285** |

| 31 December 2021 (amounts in € thousand) | GROUP 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** |

**Analysis of interest bearing financial assets by type of rate:**

| 31 December 2022 (amounts in € thousand) | GROUP Fixed Rate | Floating rate | Total |
|---|---|---|---|
| Financial assets at FVTPL | | | |
| - Financial assets where the policyholders bear the investment risk (Unit Linked) | 5.571 | - | 5.571 |
| - Financial assets held for trading | 813.759 | 100.713 | 914.472 |
| Available for sale financial assets | 921.360 | - | 921.360 |
| Financial assets classified as loans and receivables | - | 40.618 | 40.618 |
| Cash and cash equivalents | 271.264 | - | 271.264 |
| **Total** | **2.011.954** | **141.331** | **2.153.285** |

| 31 December 2021 (amounts in € thousand) | GROUP 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** |

**(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.
As at 31 December 2022, the Group's overall exposure to equity risk expressed as a percentage of total investments amounted to 14,6% (31 December 2021: 9,3%), and is summarized below:

| % of Investment portfolio under management | GROUP 31 December 2022 | 31 December 2021 |
|---|---|---|
| Exposure to equitysecurities | 9,0% | 7,4% |
| Exposure to REITS | 5,6% | 1,9% |
| **Total exposure to Equities and Mutual Funds Risks** | **14,6%** | **9,3%** |

**(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 2022 amounted to 3,4% (31 December 2021: 5,6%) and is not considered significant.

The table below presents the Group's exposure to foreign currency exchange rate risk as at 31 December 2022 and 2021 respectively. The table includes the Group's assets and liabilities at carrying amounts categorized by currency.

**Currency Risk**

| GROUP | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **31 December 2022**<br>(amounts in € thousand) | | | | | | | | |
| **ASSETS** | **EUR** | **USD** | **RON** | **CHF** | **GBP** | **ZAR** | **BRL** | **Total** |
| Commissions and Deferred acquisition costs (DAC) | 29.461 | - | 581 | - | - | - | - | 30.043 |
| Investments in joint ventures and accosiates | 138.473 | - | - | - | - | - | - | 138.473 |
| Financial assets at FVTPL: | | | | | | | | |
| - Derivative financial instruments | 1 | - | - | - | - | - | - | 1 |
| - Financial assets where the policyholders bear the investment risk (Unit Linked) | 630.515 | - | - | - | - | - | - | 630.515 |
| - Financial assets held for trading | 1.000.425 | - | - | - | - | - | - | 1.000.425 |
| Available for sale financial assets | 948.181 | 11.637 | 16.063 | - | - | 72.074 | 107.458 | 1.155.414 |
| Financial assets classified as loans and receivables | 40.618 | - | - | - | - | - | - | 40.618 |
| Cash and cash equivalents | 261.496 | 495 | 5.914 | 84 | 2 | 3.274 | - | 271.264 |
| Insurance receivables | 19.201 | 1 | 1.027 | 52 | - | - | - | 20.280 |
| Reinsurance receivables | 18.266 | - | 42 | - | - | - | - | 18.308 |
| Other assets | 57.557 | - | 2.746 | - | - | - | - | 60.303 |
| **Total Assets** | **3.144.195** | **12.133** | **26.373** | **136** | **2** | **75.348** | **107.458** | **3.365.645** |
| **LIABILITIES** | | | | | | | | |
| Technical reserves and other insurance provisions | 2.674.378 | 2 | 13.297 | 54 | - | - | - | 2.687.731 |
| Financial liabilities | 13.081 | - | 1 | 0 | - | - | - | 13.082 |
| Other Liabilities | 111.192 | 1 | 1.005 | 17 | - | - | - | 112.215 |
| **Total liabilities** | **2.798.651** | **3** | **14.303** | **70** | **-** | **-** | **-** | **2.813.027** |
| **Total equity** | **345.544** | **12.130** | **12.070** | **65** | **2** | **75.348** | **107.458** | **552.617** |

| 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 and accosiates | 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** | **515.025** | **86.465** | **10.595** | **136** | **1** | **89.846** | **702.068** |

**(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. For 2022, the approach for the VaR calculation methodology has been updated. 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.) | **31/12/2022** | **31/12/2021** |
|---|---|---|
| Total VaR | **59,7** | **20,9** |

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 and the conditions prevailing in the economic environment .

**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 match of cash inflows and outflows between assets and liabilities 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 converted to euros using current exchange rates.

| **31 December 2022** | **GROUP** | | | | | |
|---|---|---|---|---|---|---|
| **Financial Liabilities** | **Carrying Value** | **0-1 months** | **1-3 months** | **3-12 months** | **> year** | **Total** |
| (amounts in € thousand) | | | | | | |
| Payables to reinsurers | 5.561 | 18 | 248 | 5.294 | - | **5.561** |
| Payables to reinsured parties | (6) | - | - | (6) | - | **(6)** |
| Agents and insurance brokers | 11.357 | 9.821 | 1.202 | 260 | 74 | **11.357** |
| Liabilities to policyholders from brokerage activities | 305 | - | 305 | - | - | **305** |
| Other creditors | 11.817 | 9.671 | 2.146 | - | - | **11.817** |
| Benefits payable to policyholders | 26.106 | 166 | 1.270 | 24.657 | 14 | **26.106** |
| Lease liabilities | 571 | 22 | 39 | 190 | 334 | **585** |
| Other liabilities | 11.960 | 706 | 246 | 356 | 10.652 | **11.960** |
| **Total financial liabilities** | **67.671** | **20.404** | **5.457** | **30.750** | **11.074** | **67.685** |

| **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 | 23 | 46 | 191 | 467 | **727** |
| Other liabilities | 14.227 | 416 | 105 | 1.460 | 12.246 | **14.227** |
| **Total financial liabilities** | **57.913** | **13.470** | **5.061** | **26.623** | **12.802** | **57.957** |

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

| 31 December 2022 | 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 | 57.158 | 46.027 | 8.276 | 1.739 | 141 | 75 | 56.257 |
| Unearned premiums reserves | 17.067 | 15.335 | (3) | - | - | - | 15.332 |
| Technical Reserves – Life and other reserves | 1.804.462 | 132.680 | 340.567 | 555.493 | 647.174 | 394.985 | 2.070.898 |
| Technical Reserves – Pensions (D.A.F.) | 81.595 | (5.840) | 47.237 | (364) | 8.595 | 59.974 | 109.603 |
| Unit Linked | 620.774 | 24.088 | 122.437 | 125.056 | 308.712 | 84.395 | 664.689 |
| **Total Life insurance reserves** | **2.581.056** | **212.290** | **518.514** | **681.924** | **964.622** | **539.429** | **2.916.779** |
| **Investment Contracts** | | | | | | | |
| Unit Linked | 13.081 | 3.270 | 872 | 1.745 | 3.488 | 3.706 | 13.081 |
| **Total Investment Contracts** | **13.081** | **3.270** | **872** | **1.745** | **3.488** | **3.706** | **13.081** |
| **Total Life** | **2.594.137** | **215.560** | **519.386** | **683.669** | **968.111** | **543.135** | **2.929.860** |
| **Non-Life insurance reserves** | | | | | | | |
| Unearned Premium Reserves | 28.570 | 5.849 | 14.697 | 4.245 | 1.814 | 8 | **26.613** |
| Outstanding claims Reserves | 78.105 | 44.919 | 20.987 | 8.750 | 3.473 | 31 | **78.161** |
| **Total Non Life** | **106.675** | **50.768** | **35.684** | **12.995** | **5.288** | **39** | **104.774** |

| 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** |

**(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 obligations for the insurance contracts.

On a regular basis, numerous reports for the structure of the investment portfolio, classes of assets and liabilities measures of matching assets and liabilities at the cash flow and maturity level 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 2022** | **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 | | | | | | | |
| Unlisted shares and mutual funds | 14.279 | 14.279 | - | - | - | - | **14.279** |
| Listed bonds: | 62.734 | 62.734 | - | - | - | - | **62.734** |
| – Fixed rate | 767.257 | 773.722 | - | - | - | - | **773.722** |
| – Floating rate | 98.699 | 11.863 | - | - | - | - | **110.863** |
| **Available for sale:** | | | | | | | |
| Listed equity securities | 106.805 | 106.805 | - | - | - | - | **106.805** |
| Unlisted equity securities | 111.192 | 111.192 | - | - | - | - | **111.192** |
| Listed bonds: | | | | | | | |
| – Fixed rate | 867.075 | 558.817 | 255.522 | 273.984 | 226.566 | 56.557 | **1.371.446** |
| **Loans and receivables:** | | | | | | | |
| – Floating rate | 38.790 | 41.661 | - | - | - | - | **41.661** |
| **Derivative financial Instruments** | 1 | - | - | - | - | 1 | **1** |
| **Cash and cash equivalents** | 218.385 | 218.385 | - | - | - | 1 | **218.386** |
| **Total** | **2.285.217** | **1.998.458** | **255.522** | **273.984** | **226.566** | **56.560** | **2.811.090** |

| **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 | 1.960.282 | 1.141.147 | 655.910 | 262.030 | 76.144 | 116.859 | **2.252.090** |

| 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 2022 | 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 | 1.997 | 1.997 | - | - | - | - | **1.997** |
| Unlisted shares and mutual funds | 6.943 | 6.943 | - | - | - | - | **6.943** |
| Listed bonds: | | | | | | | |
| – Fixed rate | 46.502 | 47.000 | - | - | - | - | **47.000** |
| – Floating rate | 2.014 | 88 | 88 | 2.088 | - | - | **2.263** |
| **Available for sale:** | | | | | | | |
| Listed equity securities | 8.345 | 8.345 | - | - | - | - | **8.345** |
| Unlisted equity securities | 7.712 | 7.712 | - | - | - | - | **7.712** |
| Listed bonds: | | | | | | | |
| – Fixed rate | 54.285 | 2.881 | 3.564 | 27.084 | 27.674 | 98 | **61.302** |
| **Loans and receivables** | | | | | | | |
| -Floating rate | 1.828 | 82 | 1.881 | - | - | - | **1.963** |
| **Cash and cash equivalents** | 11.012 | 11.012 | - | - | - | - | **11.1012** |
| **Total** | **140.637** | **86.059** | **5.533** | **29.172** | **27.674** | **98** | **148.536** |

| **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 | 106.675 | 50.768 | 23.474 | 12.210 | 8.056 | 10.266 | **104.774** |

| 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** |

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), evaluation of business environment (internal & external), risk assessment related to outsourcing of functional/activities to third parties (materiality assessment), evaluation of agreements ,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/receivables.

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 2022 and 31 December 2021, 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 2022** | **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 | 630.515 | - | - | 630.515 |
| - Financial asset held for trading | 930.747 | 69.678 | - | 1.000.425 |
| - Derivative financial instruments | - | 1 | - | 1 |
| Available for sale financial assets | 1.037.371 | 113.816 | 4.227 | 1.155.414 |
| **Total Financial Assets** | **2.598.634** | **183.495** | **4.227** | **2.786.355** |
| | | | | |
| **Financial Liabilities** | | | | |
| - Investment contract liabilities | 13.081 | - | - | 13.081 |
| **Total Financial Liabilities** | **13.081** | **-** | **-** | **13.081** |

| **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** |

The change in the value of financial assets that have been classified as Level 3 from € 9.627 thousand on December 31, 2021 to € 4.227 thousand on December 31, 2022 is mainly due to the change in the fair value valuation and share sales.

The change in the value of financial assets that have been classified as Level 2 from € 241.141 thousand on 31 December 2021 to € 183.495 thousand on 31 December 2022 is attributed by € (71.364) thousand to the liquidation of assets of € 13.718 thousand in change in fair value valuation.

**(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 2022** (amounts in € thousand) | **Level 1** | **Level 2** | **Level 3** | **Total Fair value** | **Total Carrying Value** |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Financial assets classified as loans and receivables | - | 40.361 | - | 40.361 | 40.618 |
| **Total of financial assets** | **-** | **40.361** | **-** | **40.361** | **40.618** |

| **31 December 2021** (amounts in € thousand) | **Level 1** | **Level 2** | **Level 3** | **Total Fair value** | **Total Carrying Value** |
|---|---|---|---|---|---|
| **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** |

**NOTE 5: PROPERTY, PLANT AND EQUIPMENT**

| (amounts in € thousand) | **GROUP** | | | | | |
|---|---|---|---|---|---|---|
| | **Land** | **Buildings** | **Leasehold Improvements** | **Vehicles** | **Other Equipment** | **Total** |
| **Cost:** | | | | | | |
| **Balance at 1 January 2022** | **7.840** | **8.477** | **207** | **479** | **5.053** | **22.056** |
| Additions | - | 127 | 12 | - | 86 | 226 |
| Sales and write offs | - | - | - | - | (1) | (1) |
| **Balance at 31 December 2022** | **7.840** | **8.604** | **219** | **479** | **5.138** | **22.281** |
| **Accumulated Depreciation:** | | | | | | |
| **Balance at 1 January 2022** | **-** | **(1.885)** | **(162)** | **(371)** | **(4.212)** | **(6.630)** |
| Depreciation charge | - | (268) | (12) | (75) | (371) | (726) |
| **Balance at 31 December 2022** | **-** | **(2.153)** | **(174)** | **(447)** | **(4.582)** | **(7.356)** |
| **Net Book Value at 31 December 2022** | **7.840** | **6.451** | **45** | **32** | **556** | **14.925** |

| (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** |

As at 31 December 2022, the fair value of Group's properties for own use, as determined by independent certified valuer, is as follows:

| Property Description | Area | Carrying amount | Carrying amount | Fair value | Fair value |
|---|---|---|---|---|---|
| | | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 |
| (amounts in € thousand) | | | | | |
| Commercial property 8.732 sq.m | Athens, Panepistimiou 35 & Korai | 13.629 | 13.519 | 16.480 | 16.135 |
| Commercial property 558 sq.m | Athens,Sina 2-4 | 662 | 678 | 945 | 923 |
| **Total** | | **14.292** | **14.197** | **17.425** | **17.058** |

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

| (amounts in € thousand) | GROUP | | | |
|---|---|---|---|---|
| | Buildings | Vehicles | Other Equipment | Total |
| **Cost:** | | | | |
| **Balance at 1 January 2022** | **683** | **442** | **212** | **1.338** |
| Additions | 3 | 145 | 6 | 153 |
| Cancellations | - | (8) | - | (8) |
| **Balance at 31 December 2022** | **686** | **579** | **218** | **1.483** |
| **Accumulated Depreciation:** | | | | |
| **Balance at 1 January 2022** | **(267)** | **(234)** | **(193)** | **(694)** |
| Depreciation charge | (140) | (98) | (19) | (257) |
| Cancellations | - | 1 | - | 1 |
| **Balance at 31 December 2022** | **(406)** | **(331)** | **(212)** | **(950)** |
| **Net Book Value at 31 December 2022** | **279** | **248** | **6** | **533** |

| (amounts in € thousand) | GROUP | | | |
|---|---|---|---|---|
| | 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 Janaury 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** |

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

| (amounts in € thousand) | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Short-term lease liabilities | 241 | 234 |
| Long-term lease liabilities | 330 | 448 |
| **Total** | **571** | **682** |

Additionally, lease liabilities are due as follows:

| (amounts in € thousand) | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Within a year | 241 | 234 |
| Within the second year | 228 | 355 |
| From 3 to 5 years | 102 | 94 |
| **Total lease liabilities** | **571** | **682** |

The amounts recognized by the Group in the income statement for the years 2022 and 2021 relating to leases, are as follows:

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
| **Amounts recognized in financial results** | | |
| Depreciation charge of right of use assets | (257) | (260) |
| Interest expense on lease liabilities | (29) | (29) |
| Expenses related to short-term leases and non-lease components | (178) | (167) |
| Variable lease expenses not included in the measurement of lease liabilities | (12) | (17) |
| **Total** | **(476)** | **(472)** |

**NOTE 7: INTANGIBLE ASSETS**

| | GROUP | | | |
|---|---|---|---|---|
| (amounts in € thousand) | Software | Goodwill | Other | Total |
| **Cost:** | | | | |
| **Balance at 1 January 2022** | **19.961** | **22.056** | **215** | **42.232** |
| Additions | 3.465 | - | - | 3.465 |
| **Balance at 31 December 2022** | **23.426** | **22.056** | **215** | **45.697** |
| **Accumulated amortization:** | | | | |
| **Balance at 1 January 2022** | **(11.465)** | **-** | **(186)** | **(11.651)** |
| Amortization charge | (2.030) | - | (24) | (2.053) |
| **Balance at 31 December 2022** | **(13.494)** | **-** | **(209)** | **(13.704)** |
| **Net Book Value at 31 December 2022** | **9.932** | **22.056** | **6** | **31.994** |

| | 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) |
| **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** |

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 2022 and 31 December 2021 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 2022 and 2021 are as follows:

| | 2022 | 2021 |
|---|---|---|
| Discount factor (before tax) | 15% | 8% |
| Growth rate | 2% | 2% |

**NOTE 8: DEFERRED ACQUISITION COSTS (DAC)**

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | 31/12/2022 | 31/12/2021 |
| Deferred Acquisition costs – Life | 27.438 | 29.859 |
| Deferred Acquisition costs - Non Life | 2.605 | 2.433 |
| | **30.043** | **32.292** |

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

| (amounts in € thousand) | GROUP | | | | | |
|---|---|---|---|---|---|---|
| | 31/12/2022 | | | 31/12/2021 | | |
| | Technical reserve | Acquisition Costs | Total DAC | Technical reserve | Acquisition Costs | Total DAC |
| **Cost:** | | | | | | |
| **Balance 1 January** | **26.979** | **2.880** | **29.859** | **27.915** | **2.637** | **30.552** |
| Capitalization | 43 | 482 | **525** | 577 | 477 | **1.054** |
| Amortization | (2.751) | (194) | **(2.946)** | (1.513) | (234) | **(1.747)** |
| **Balance at 31 December** | **24.271** | **3.167** | **27.438** | **26.979** | **2.880** | **29.859** |

**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, 2022:

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

**a.** 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%.

**b.** 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%. According to 14.10.2022 decision of the Extraordinary General Meeting of Shareholders of the subsidiary Eurolife FFH Asigurari De Viata S.A., the subsidiary proceeded to an increase of share capital by € 2.000 thousand (RON 9.883 thousand) by issuing 6.877 new shares at a nominal value of € 291 (RON 1.437,10), which was covered by its shareholders, Eurolife FFH Life Insurance S.A. (with a percentage of 95%) and Eurolife FFH General Insurance S.A. (with a percentage of 5%). Following the increase, the share capital of the subsidiary amounts to € 6.100 thousand (RON 24.254 thousand).

**c.** 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 24.03.2022 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 4.943 thousand) by issuing 3.497 new shares at a nominal value of € 286 (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 € 6.779 thousand (RON 27.174 thousand).

**d.** 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 ASSOCIATES AND JOINT VENTURES

### A. Grivalia Hospitality S.A.

On 19 February 2017, the subsidiary Eurolife FFH Life Insurance S.A. participated as strategic investor in the share capital increase of Grivalia Hospitality S.A. (or "GH"). GH was founded by Grivalia Properties REIC ("Grivalia") on June 26 2015 and the purpose of its activity is the acquisition, development and management of hotel and tourist properties in Greece and abroad. Following the completion of the transaction, the percentage of Eurolife FFH Life Insurance S.A. and Grivalia in the share capital of GH amounted to 50% each.

On July 27 2017, the investment firm M&G Investment Management Limited ("M&G"), established in London, participated in the share capital of GH. At completion of the transaction, the 25% of share capital of GH are owned by Grivalia, 25% by the Group and 50% by M&G.

Furthermore, at 17 May 2019 the Ministry of Economy and Development approved the merger with the absorption of Grivalia by Eurobank and therefore from that date onwards the share of Grivalia belongs to Eurobank.

On March 9, 2021, the insurance subsidiary Eurolife FFH Life Insurance S.A. participated in the 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. 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.

On March 24 2022, the insurance subsidiary Eurolife FFH Life Insurance S.A. acquired 3.825.000 shares of GH from Eurobank for a paid amount of €5,3 million. The Group's percentage of participation n GH increased from 25% to 26,7%.

On 13 April 2022, the insurance subsidiary Eurolife FFH Life Insurance S.A. participated in a new share capital increase of GH, amounting to €35.0 million.The subsidiary Eurolife FFH Life Insurance S.A paid €27,4 million by acquiring 19.828.815 shares. The Group's participation in GH increased from 26,7% to 31,9%.

On 5 July 2022, the insurance subsidiary Eurolife FFH Life Insurance S.A. acquired 3.825.000 shares in GH from M&G for a consideration of €5,3 million. The Group's participation in GH increased from 31,9% to 33,5%. Furthermore, on the same date, M&G sold the remaining percentage of its participation corresponding to 112.500.000 shares to subsidiaries of the Fairfax Group and it is not a shareholder of GH since then.

On 8 July 2022 and 21 November 2022, the insurance subsidiary Eurolife FFH Life Insurance S.A. participated in GH's share capital increases of €25.4 million and €40.0 million, respectively. The subsidiary Eurolife FFH Life Insurance S.A. paid €19,9 million and €31,4 million by acquiring 11.860.981 shares and 18.678.710 shares, respectively. The Group's participation in GH increased gradually from 33,5% to 36,0% and 39.5%, respectively. After the completion of the share capital increase, GH's paid-up share capital now amounts to €325,4 million and will be used for the sufficient execution of its investment plan.

Until 5 July 2022, the Group recognised the investment as an "investment in joint venture" by assessing the nature of the investment and given that the three shareholders made all major decisions by unanimity. From 5 July 2022 onwards when the sale of M&G's shares and its withdrawal from the investment took place, the Group re-assessed the nature of the investment and determined that all conditions were met for the investment to now be classified as an 'investment in associate'. The Group consolidates GH using the equity method.

The total assets and labilities of the GH Group as at 31 December 2022 amount to €589.251 thousand (2021: €416.735 thousand) and €270.196 thousand (2021: €167.308 thousand), respectively. The equity of the GH Group net of the non-controlling interests amounts to €295.170 thousand (2021: €216.054 thousand).

The most significant assets of the GH Group include the property for own use which at 31 December 2022 amount to €265.360 thousand (2021: €212.141 thousand), the investment properties amount to €146.248 thousand (2021: €124.706 thousand) and its bank deposits amounting to €45.780 thousand (2021: €25.954 thousand).

On December 31, 2022 the Group incurred loss of € (8.810) thousand (2021: profit of € 2.424 thousand) as a result of the participation in GH. As of December 31, 2022 the valuation of GH using the equity method amounts to € 135.472 thousand (2021: € 54.013 thousand).

**Events after the Balance Sheet date**

On 27 January 2023, the insurance subsidiary Eurolife FFH Life Insurance S.A. acquired 30.175.328 shares of GH from Eurobank for the amount paid of €48,3 million.The percentage of participation of the Group in GH increased from 39,51% to 49,94%.

On 28 February 2023, GH completed a new share capital increase with a capitalization of share premium amounts of €12.507.738,0 and the issue of 12.507.738 new ordinary shares with a nominal value of €1,0 each. The insurance subsidiary Eurolife FFH Life Insurance S.A. did not participate in the new share capital increase. Following the completion of the transaction, the participation percentage of th Group in GH decreased from 49,94% to 47,87%.

On 24 March 2023, the insurance subsidiary Eurolife FFH Life Insurance S.A. participated in a new share capital increase of GH, amounting to €95,0 million. The insurance subsidiary Eurolife FFH Life Insurance S.A. paid €45,5 million acquiring 28.421.738 capital shares. The participation percentage of the Group in GH did not change as a result of this transaction.

**B. Wallbid Limited**

Wallbid Limited (the "Wallbid") was founded by the Company and Onli Technology Services Ltd on 29 September 2022. Wallbid's registered office is in London. Wallbid's purpose is to develop and invest in an insurance product integration platform, with the aim of expanding the distribution and sale of insurance and reinsurance products by reaching a wider audience.

In December 2022, the Company acquired 480 preferred shares of Wallbid with a nominal value of €0,01 each for €3,0 million. Onli Technology Services Ltd acquired 1.520 common shares with a nominal value of €0,01 each. The Group's participation percentage in Wallbid as at 31 December 2022 amounts to 24%.

The Group has assessed the nature of the investment and given that the shareholders make all major decisions by unanimity, it has determined that all conditions are met for the investment to qualify as an 'investment in a joint venture' and therefore to be consolidated using the equity method.

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

| (amounts in € thousand) | 2022 | 2021 |
|---|---|---|
| **Balance at 1 January** | **54.013** | **45.279** |
| Cost of joint venture Wallbid | 3.000 | - |
| Participation in share capital increase in joint ventures and associates | 89.307 | 6.250 |
| Group's share in the profit/ (losses) of joint ventures and associates | (8.810) | 2.424 |
| Group's share in other comprehensive income of joint ventures and associates | 963 | 60 |
| **Balance at 31 December** | **138.473** | **54.013** |

## NOTE 11: DEFERRED TAX

| | GROUP | | | |
|---|---|---|---|---|
| (amounts in € thousand) | **Opening Balance 01/01/2022** | **Changes in Income Statement** | **Changes in OCI** | **Closing Balance 31/12/2022** |
| **Valuation of Investments** | | | | |
| Changes in fair value of financial assets available for sale | (67.557) | - | 46.315 | (21.242) |
| Impairment of financial assets available for sale | 655 | 124 | - | 780 |
| Changes in fair value of financial assets held for trading | (1.009) | 1.031 | - | 22 |
| Changes in the amortized cost of Financial Assets classified as Loans and Receivables | (127) | 70 | - | (56) |
| **Non-deductible expenses** | | | | |
| Provision for staff leaving indemnities | 216 | 25 | 10 | 251 |
| Provision for unused personnel leave | 77 | (7) | - | 70 |
| Provision for other doubtful and disputed receivables | 851 | (58) | - | 794 |
| Provision for technical reserves and other insurance provisions | 46 | (10) | - | 36 |
| Other temporary differences | 329 | (102) | - | 227 |
| **Recoverable tax losses** | | | | |
| Deferred tax on recoverable losses | 581 | 205 | - | 786 |
| **Foreign exchange differences of Investments** | | | | |
| Foreign exchange differences | 1.940 | (711) | (4) | 1.224 |
| **Property, plant and equipment & Intangible Assets** | | | | |
| Depreciation of property, plant and equipment and intangible assets | (33) | 14 | - | (19) |
| **Deferred tax in OCI** | | | | |
| Deferred tax in OCI | 21 | - | (8) | 13 |
| **Total Deferred Tax Assets / (Liabilities)** | **(64.009)** | **582** | **46.314** | **(17.114)** |

| (amounts in € thousand) | GROUP | | | |
|---|---|---|---|---|
| | **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)** |

The movement of the deferred tax from changes in the fair value of Available-for-Sale Financial instruments is attributed by € 35.792 thousand (2021: € 8.877 thousand) to changes in fair value and by € 10.523 thousand (2021: € 4.566 thousand) to transfer in the income statement as a result of the debt securities' disposals in 2022.

The deferred tax of the Group is analyzed as follows:

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | **31/12/2022** | **31/12/2021** |
| Deferred tax assets | 1.203 | 798 |
| Deferred tax liabilities | (18.317) | (64.807) |
| **Total Deferred Taxes assets / liabilities** | **(17.114)** | **(64.009)** |

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

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | **31/12/2022** | **31/12/2021** |
| **Other issuers' securities:** | | |
| Banks | - | 1.043 |
| Other | 630.504 | 555.305 |
| **Subtotal** | **630.504** | **556.348** |
| **Total** | **630.504** | **556.348** |
| | | |
| Bonds | - | 2.556 |
| Time diposits | 5.560 | - |
| Equity Shares | 7.510 | 8.270 |
| Mutual Funds | 617.434 | 545.522 |
| **Subtotal** | **630.504** | **556.348** |
| **Plus** | | |
| Accrued interest | - | 37 |
| Cash and cash equivalents | 11 | 2.398 |
| **Subtotal** | **11** | **2.434** |
| | | |
| **Total** | **630.515** | **558.782** |

The movement in securities is as follows:

| | **2022** | **2021** |
|---|---|---|
| **Balance at 1 January** | **558.782** | **300.505** |
| Additions | 203.128 | 358.413 |
| Sales / Liquidations | (62.929) | (122.871) |
| Changes in fair value | (71.603) | 20.395 |
| Changes in cash and cash equivalents | 3.173 | 2.376 |
| Change in accrued interest | (37) | (37) |
| **Balance at 31 December** | **630.515** | **558.782** |

## NOTE 13: FINANCIAL ASSETS HELD FOR TRADING

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | **31/12/2022** | **31/12/2021** |
| **Government securities:** | | |
| Greek Government | 801.227 | 929.930 |
| **Subtotal** | **801.227** | **929.930** |
| | | |
| **Other issuers' securities:** | | |
| Banks | 101.742 | 2.945 |
| Other | 94.925 | 82.343 |
| **Subtotal** | **196.667** | **85.288** |
| **Total** | **997.894** | **1.015.219** |
| | | |
| Bonds | 110.714 | - |
| Treasury Bills | 801.227 | 929.930 |
| Mutual Funds | 69.678 | 63.880 |
| Equity Shares | 16.275 | 21.408 |
| **Total** | **997.894** | **1.015.219** |
| | | |
| **Plus** | | |
| Accrued interest | 2.531 | - |
| **Subtotal** | **2.531** | **-** |
| | | |
| **Total** | **1.000.425** | **1.015.219** |

The movement in securities is as follows:

| | 2022 | 2021 |
|---|---|---|
| **Balance at 1 January** | **1.015.219** | **1.248.294** |
| Additions | 2.000.491 | 2.431.247 |
| Sales / Liquidations | (2.013.999) | (2.666.305) |
| Bonds amortization | 869 | (2.599) |
| FX differences | - | 446 |
| Changes in fair value of debt securities | (3.121) | (248) |
| Changes in fair value of equity securities | (1.564) | 4.384 |
| Changes in accrued interest | 2.531 | - |
| **Balance at 31 December** | **1.000.425** | **1.015.219** |

**NOTE 14: HELD TO MATURITY FINANCIAL ASSETS**

(amounts in € thousand)

| | GROUP | |
|---|---|---|
| | **31/12/2022** | **31/12/2021** |
| **Government securities:** | | |
| Greek Government | 673.389 | 749.713 |
| Foreign Government | 199.520 | 256.547 |
| **Subtotal** | **872.908** | **1.006.260** |
| **Other issuers' securities:** | | |
| Banks | 64.212 | 54.255 |
| Other | 192.820 | 251.944 |
| **Subtotal** | **257.032** | **306.199** |
| **Total** | **1.129.941** | **1.312.459** |
| Bonds | 869.778 | 1.030.401 |
| Treasury Bills | 26.109 | - |
| Equity Shares | 114.829 | 93.781 |
| Mutual Funds | 119.225 | 188.278 |
| **Subtotal** | **1.129.941** | **1.312.459** |
| **Plus** | | |
| Accrued Interest | 25.473 | 23.121 |
| **Subtotal** | **25.473** | **23.121** |
| **Total** | **1.155.414** | **1.335.580** |

The movement in securities is as follows:

| | 2022 | 2021 |
|---|---|---|
| **Balance at 1 January** | **1.335.580** | **1.431.811** |
| Additions | 336.709 | 87.794 |
| Sales / Liquidations | (318.897) | (159.519) |
| Bonds amortization | 7.851 | 6.766 |
| Foreign Exchange Differences | 3.252 | 2.257 |
| Changes in fair value of debt securities | (229.641) | (71.849) |
| Changes in fair value of equity securities | 18.769 | 40.959 |
| Impairment of equity securities | (564) | 540 |
| Other Changes | 4 | (318) |
| Changes in accrued interest | 2.352 | (2.861) |
| **Balance at 31 December** | **1.155.414** | **1.335.580** |

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 | |
|---|---|---|
| | **31/12/2022** | **31/12/2021** |
| Commercial Mortgage Loans | 40.256 | 40.576 |
| **Plus** | | |
| Accrued interest on loans | 361 | 243 |
| **Total** | **40.618** | **40.819** |

The movement of loans is as follows:

| | **2022** | **2021** |
|---|---|---|
| **Balance at 1 January** | **40.819** | **82.279** |
| Commercial mortgage loans (received) | - | (40.000) |
| Loans amortization | (320) | (1.216) |
| Changes in accrued interest | 118 | (243) |
| **Balance at 31 December** | **40.618** | **40.819** |

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 | |
|---|---|---|
| | **31/12/2022** | **31/12/2021** |
| Insurance receivables up to 30 days | 16.819 | 8.371 |
| Insurance receivables between 30 to 90 days | 2.944 | 1.958 |
| Insurance receivables beyond 90 days | 4.478 | 4.245 |
| Provision for doubtful receivables | (3.733) | (3.673) |
| Minus: premium prepayments | (227) | (383) |
| **Total** | **20.280** | **10.519** |

Insurance receivables from related parties represent 17,5 % (2021: 19,8%) 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 | |
|---|---|---|
| | 31/12/2022 | 31/12/2021 |
| Prepaid Expenses | 1.810 | 1.887 |
| Accrued interest income | 36 | 6 |
| Receivables from ceding insurers (current accounts) | 641 | 699 |
| Reinsurance receivables (current accounts) | 2.047 | 1.077 |
| Advances to agents and brokers | 789 | 762 |
| Brokerage commissions from insurance companies | 744 | 688 |
| Other receivables | 5.979 | 4.587 |
| Provision for doubtful other receivables | (768) | (802) |
| **Total** | **11.278** | **8.903** |

### NOTE 18: REINSURANCE RECEIVABLES

| **31 December 2022** | GROUP | | |
|---|---|---|---|
| (amounts in € thousand) | LIFE | NON LIFE | TOTAL |
| Receivables from unearned premiums reserves (U.P.R.) (Note 22) | 334 | 4.642 | 4.976 |
| Receivables from outstanding claims reserves (O.C.R.) (Note 22) | 2.102 | 11.230 | 13.332 |
| **Total** | **2.435** | **15.873** | **18.308** |

| **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** |

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 | |
|---|---|---|
| | 31/12/2022 | 31/12/2021 |
| Cash in hand | 5 | 5 |
| Deposits on demand | 176.180 | 261.306 |
| Time deposits | 94.919 | 195.772 |
| Restricted deposits | 160 | 160 |
| **Total** | **271.264** | **457.243** |

Time deposits have a maturity of less than 90 days. During the year 2022, the weighted average effective interest rate on time deposits was 3,2% for the Greek subsidiaries amounting to € 57.104 thousand (2021: 3,3% and € 191.268 thousand) and it comes mainly from time deposits in foreign currency, 6,1% for the Romanian subsidiaries amounting to € 5.816 thousand (2021: 0.9% and €1.504 thousand) and 0,2% for the Company amounting to € 32.000 thousand (2021: 0,1% and € 3.000 thousand).

### NOTE 20: SHARE CAPITAL

| | GROUP | |
|---|---|---|
| | 31/12/2022 | 31/12/2021 |
| 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, 2022 and 2021, 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 2022** | **71.435** | **(1.975)** | **231.628** | **(2.949)** | **(197)** | **347.423** | **645.365** |
| Transfer of prior year's profit | 4.267 | 3.977 | - | - | - | (11.484) | **(3.239)** |
| Changes in the share of other comprehensive income of the associates and joint ventures, net of tax | - | - | - | 963 | - | - | **963** |
| Other changes | - | - | - | - | - | (8) | **(8)** |
| Currency translation differences | - | - | - | 2 | - | - | **2** |
| Remeasurement of defined benefit obligation, net of tax | - | - | - | - | (37) | - | **(37)** |
| Change in AFS financial assets | - | - | (210.837) | - | - | - | **(210.837)** |
| Deferred tax on change in AFS financial assets | - | - | 46.277 | - | - | - | **46.277** |
| **Balance at 31 December 2022** | **75.702** | **2.002** | **67.068** | **(1.984)** | **(234)** | **335.932** | **478.486** |

| | 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 associates and joint ventures , 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** |

"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 investment in associate 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.

**NOTE 22: TECHNICAL RESERVES AND OTHER INSURANCE PROVISIONS**

| (amounts in € thousand) | GROUP | | | | | |
|---|---|---|---|---|---|---|
| | 31/12/2022 | | | 31/12/2021 | | |
| | Group | Reinsurers | Total | Group | Reinsurers | Total |
| **Life insurance reserves** | | | | | | |
| Technical reserves - Life | 1.804.441 | - | **1.804.441** | 1.820.289 | - | **1.820.289** |
| Technical reserves - (DAF) | 81.595 | - | **81.595** | 207.919 | - | **207.919** |
| Unearned premiums reserves (UPR) | 16.734 | 334 | **17.067** | 14.516 | - | **14.516** |
| Outstanding claims reserves | 55.056 | 2.102 | **57.158** | 44.797 | 1.971 | **46.768** |
| Other insurance provisions | 20 | - | **20** | 24 | - | **24** |
| Insurance provisions for life insurance contracts where the policyholders bear the investment risk (Unit Linked) | 620.774 | - | **620.774** | 546.390 | - | **546.390** |
| **Total Life insurance reserves** | **2.578.621** | **2.435** | **2.581.056** | **2.633.935** | **1.971** | **2.635.906** |
| **Non Life insurance reserves** | | | | | | |
| Unearned premiums reserves (UPR) | 22.439 | 4.642 | 27.081 | 20.158 | 3.211 | 23.369 |
| Outstanding claims reserves | 66.875 | 11.230 | 78.105 | 61.786 | 10.643 | 72.429 |
| Unexpired Risk Reserve (URR) | 1.489 | - | 1.489 | 1.491 | - | 1.491 |
| **Total Non-Life insurance reserves** | **90.802** | **15.873** | **106.675** | **83.435** | **13.854** | **97.289** |
| **Total technical reserves and other insurance provisions** | **2.669.423** | **18.308** | **2.687.731** | **2.717.370** | **15.825** | **2.733.195** |

Life technical reserves amount to € 1.804,4 mil. as at 31 December 2022 compared to € 1.820,3 mil. in the previous year, presenting a decrease of € 15,9 mil. The movement of life technical reserves is analyzed mainly as follows: a ) an increase of € 240,5 mil. due to new life insurance premiums production, b) decrease of € 199 mil. driven by surrenders, lapses, deaths and maturities of life insurance policies and c) decrease of € 58,4 mil. attributed to the movement of the liability adequacy reserve.

DAF technical reserves amount to € 81,6 mil. as at 31 December 2022 compared to € 207,9 mil. in the previous year, presenting decrease of € 126,3 mil. The movement of DAF technical reserves is analyzed mainly as follows: a ) an increase of € 21,6 mil. due to new DAF premiums production, b) decrease of € 142,3 mil. driven by surrenders, deaths and maturities of DAF insurance policies and c) decrease of € 6,2 mil. attributed to the movement of the liability adequacy reserve.

The decrease in the liability adequacy reserve in the Group's traditional life insurance policy portfolio and the D.A.F. policy portfolio, is due to the revised interest rate curves.

The insurance provisions for life insurance contracts where the policyholders bear the investment risk (Unit Linked) amount to € 620,8 mil. as at 31 December 2022 compared to € 546,4 mil. in the previous year, presenting increase of € 74,4 mil. This movement is analyzed as: a) an increase of €175,0 million due to the new production of Unit Linked insurance policies, b) a decrease of €53,7 million resulting from the acquisition, maturities and deaths contracts of Unit Linked insurance policies and c) an increase of €46,9 million resulting from a decrease in return on investments.

The non-life outstanding claims reserves mainly include the reserve for reported losses amounting to € 75.245 thousand and € 69.829 thousand as at 31 December 2022 and 2021, 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 2022 and 2021:

| (amounts in € thousand) | GROUP | | | | | |
|---|---|---|---|---|---|---|
| | Life | Pensions (DAF) | Other Provisions | Unit Linked | U.P.R | Total |
| **Balance at 1 January 2022** | **1.820.289** | **207.919** | **24** | **546.390** | **14.516** | **2.589.138** |
| New production, renewals | 240.465 | 21.563 | - | 175.002 | 3.000 | **440.026** |
| Surrenders, lapses, maturities, deaths etc | (199.008) | (142.308) | (4) | (53.668) | (780) | **(395.763)** |
| Additional reserves (LAT) | (58.309) | (6.204) | - | - | - | **(64.513)** |
| Return on investments | - | - | - | (46.949) | - | **(46.949)** |
| Excess investment return on technical reserves | 1.006 | 624 | - | - | - | **1.630** |
| **Provisions' movement - Group's share** | **(15.846)** | **(126.325)** | **(4)** | **74.385** | **2.220** | **(65.569)** |
| Provisions' movement - Reinsurers' share | - | - | - | - | 334 | **334** |
| Foreign Exchange differences | (2) | - | - | - | (3) | **(5)** |
| **Balance at 31 December 2022** | **1.804.441** | **81.595** | **21** | **620.774** | **17.067** | **2.523.898** |

| (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** |

The following table presents the change in outstanding claim reserves for the years ended 31 December 2022 and 2021:

| amounts in € thousand) | 31/12/2022 | | | 31/12/2021 | | |
|---|---|---|---|---|---|---|
| | Group | Reinsurers | Total | Group | Reinsurers | Total |
| **Movement of Life outstanding claim reserves** | | | | | | |
| 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 1 January** | **44.797** | **1.971** | **46.768** | **42.288** | **1.774** | **44.063** |
| (Decrease) from paid claims | (16.470) | (1.315) | (17.785) | (13.549) | (1.706) | (15.254) |
| Increase/ (Decrease) from current year's claims | 26.742 | 1.074 | 27.816 | 18.870 | 1.496 | 20.367 |
| Increase/ (Decrease) from prior years' claims | (1.110) | 371 | (739) | (3.020) | 407 | (2.613) |
| Additional reserves (LAT / IBNR) | 1.097 | - | - | 209 | - | 209 |
| Foreign Exchange differences | - | - | - | (2) | (1) | (3) |
| **Movement - Outstanding claims** | **10.259** | **131** | **10.390** | **2.509** | **196** | **2.705** |
| Outstanding claims | 50.536 | 2.102 | 52.638 | 41.374 | 1.971 | 43.345 |
| Additional reserves (LAT / IBNR) | 4.520 | - | 4.520 | 3.423 | - | 3.423 |
| **Balance at 31 December** | **55.056** | **2.102** | **57.158** | **44.797** | **1.971** | **46.768** |

| (amounts in € thousand) | 31/12/2022 | | | 31/12/2021 | | |
|---|---|---|---|---|---|---|
| | Group | Reinsurers | Total | Group | Reinsurers | Total |
| **Movement of Non-Life outstanding claim Reserves** | | | | | | |
| Outstanding claims reserves | 59.187 | 10.643 | 69.829 | 59.536 | 9.718 | 69.254 |
| Additional reserves (LAT / IBNR) | 2.600 | - | 2.600 | 2.872 | 14 | 2.886 |
| **Balance at 1 January** | **61.786** | **10.643** | **72.429** | **62.407** | **9.732** | **72.139** |
| Decrease from paid claims | (8.862) | (717) | (9.579) | (8.642) | (491) | (9.133) |
| Increase/ (Decrease) from current year's claims | 18.080 | 2.590 | 20.670 | 13.333 | 1.541 | 14.874 |
| Increase/ (Decrease) from prior years' claims | (4.377) | (1.296) | (5.674) | (5.040) | (125) | (5.165) |
| Additional reserves (LAT / IBNR) | 247 | 12 | 259 | (271) | (14) | (285) |
| Foreign Exchange differences | - | (1) | (1) | (1) | (1) | (2) |
| **Movement - Outstanding claims** | **5.089** | **588** | **5.677** | **(621)** | **910** | **290** |
| Outstanding claims | 62.028 | 11.218 | 75.245 | 59.187 | 10.643 | 69.829 |
| Additional reserves (LAT / IBNR) | 2.848 | 18 | 2.860 | 2.599 | - | 2.600 |
| **Balance at 31 December** | **66.876** | **11.230** | **78.105** | **61.786** | **10.643** | **72.429** |

**Table of non-life claims development**

| Year of incident | < 2013 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Estimate of ultimate cost: | | | | | | | | | | | | |
| Year of claim | | 19.132 | 22.359 | 10.835 | 15.496 | 18.400 | 27.254 | 20.692 | 20.060 | 20.774 | 27.443 | 722.762 |
| One year later | | 19.729 | 23.017 | 10.908 | 16.041 | 18.731 | 28.061 | 20.647 | 20.566 | 21.863 | | |
| Two years later | | 19.458 | 22.921 | 10.757 | 16.395 | 18.345 | 27.920 | 20.808 | 20.802 | | | |
| Three years later | | 19.316 | 22.282 | 10.743 | 15.876 | 18.003 | 27.292 | 20.873 | | | | |
| Four years later | | 18.824 | 20.981 | 10.557 | 15.218 | 16.867 | 26.466 | | | | | |
| Five years later | | 15.167 | 16.952 | 8.638 | 12.824 | 13.446 | | | | | | |
| Six years later | | 14.687 | 16.889 | 8.465 | 12.285 | | | | | | | |
| Seven years later | | 14.462 | 16.545 | 8.006 | | | | | | | | |
| Eight years later | | 13.787 | 16.175 | | | | | | | | | |
| Nine years later | | 13.644 | | | | | | | | | | |
| Current estimate for cumulative claims | 123.682 | 13.644 | 16.175 | 8.006 | 12.285 | 13.446 | 26.466 | 20.873 | 20.802 | 21.863 | 27.443 | 304.685 |
| Cumulative payments | 115.072 | 12.441 | 14.224 | 7.213 | 10.706 | 11.810 | 18.362 | 12.520 | 13.298 | 10.361 | 7.533 | 233.540 |
| **Amount of reserves** | **8.611** | **1.203** | **1.951** | **793** | **1.579** | **1.636** | **8.104** | **8.353** | **7.504** | **11.502** | **19.910** | **71.146** |
| Reserve for previous years | | | | | | | | | | | | **370** |
| Reserve for inwards reinsurance-Motor | | | | | | | | | | | | **3.332** |
| Additional reserve with statistical method | | | | | | | | | | | | **181** |
| Unallocated Loss Adjustment Expenses | | | | | | | | | | | | **2.667** |
| **Reserve for Outstanding Claims (Greece)** | **8.611** | **1.203** | **1.951** | **793** | **1.579** | **1.636** | **8.104** | **8.353** | **7.504** | **11.502** | **19.910** | **77.695** |
| **Reserve for Outstanding Claims (Romania)** | | | | | | | | | | | | **410** |
| **Reserve for Outstanding Claims – GROUP** | | | | | | | | | | | | **78.105** |

## NOTE 23: INVESTMENT CONTRACT LIABILITIES

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | 2022 | 2021 |
| **Balance at 1 January** | **13.629** | **11.738** |
| Additions | 628 | 1.819 |
| Liquidations | (676) | (272) |
| Realized gain/(losses) from disposals | (78) | 1.478 |
| Interest income | 8 | 102 |
| Fair value (losses) | (430) | (1.236) |
| **Balance at 31 January** | **13.081** | **13.629** |

## 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 2022 | GROUP 2021 |
|---|---|---|
| **Movement of provision for staff leaving indemnities** | | |
| **Balance at 1 January** | **980** | **909** |
| Benefits paid by the employer | (43) | (64) |
| Total expense recognized in the income statement | 158 | 178 |
| Actuarial Losses / (gains) recognized in OCI | 47 | (43) |
| **Balance at 31 December** | **1.142** | **980** |

| (amounts in € thousand) | GROUP From 01/01 to 31/12/2022 | GROUP From 01/01 to 31/12/2021 |
|---|---|---|
| **Amounts recognized in the income statement** | | |
| Current service cost | 116 | 113 |
| Net interest | 5 | 1 |
| Curtailments / settlements / terminations | 37 | 64 |
| **Total expense in income statement** | **158** | **178** |

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.

| **Actuarial assumptions** | GROUP 31/12/2022 | GROUP 31/12/2021 |
|---|---|---|
| Discount rate | 3,25% | 0,55% |
| Future salary increases | 2,0% to 4,0% | 0,0% to 4,0% |
| Inflation | 2,8% | 1,4% |
| Expected remaining working life (years) | 4,3 | 5,3 |

The sensitivity analysis based on reasonable changes in significant actuarial assumptions as at 31 December 2022 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 (€ 24,0) thousand / € 25,1 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 € 24,0 thousand / (€ 25,1) thousand.

• A zero rate of turnover would result in an increase of the staff retirement obligation by € 72,0 thousand.

## NOTE 25 INSURANCE AND OTHER LIABILITIES

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | **31/12/2022** | **31/12/2021** |
| Reinsurers – current accounts | 5.561 | 4.227 |
| Agents and insurance brokers | 11.357 | 13.183 |
| Liabilities to policyholders from brokerage activities | 305 | 269 |
| Taxes | 8.674 | 9.989 |
| Social security | 2.051 | 1.763 |
| Other Creditors | 11.817 | 2.578 |
| Payable surrenders and claims settlement | 26.106 | 22.746 |
| Other Liabilities | 11.954 | 14.227 |
| **Total** | **77.826** | **68.982** |

As at 31 December 2022, other creditors amounted to € 8.262 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 2022** | GROUP | | | |
|---|---|---|---|---|
| (amounts in € thousand) | **Life** | **Motor** | **Property & Other** | **Total** |
| **Gross written premiums – Direct** | | | | |
| Gross Written premiums | 540.548 | 13.791 | 51.157 | 605.496 |
| Policy fees | 91 | 3.448 | 6.952 | 10.491 |
| | **540.639** | **17.239** | **58.109** | **615.987** |
| **Gross written premiums – Inward Reinsurance** | | | | |
| Gross Written premiums | - | - | 717 | 717 |
| | **-** | **-** | **717** | **717** |
| **Total Gross Written Premiums** | **540.639** | **17.239** | **58.826** | **616.704** |
| Change in unearned premium reserve | (2.553) | (96) | (3.621) | (6.270) |
| **Total Gross Earned Premiums** | **538.086** | **17.143** | **55.205** | **610.434** |
| Premium Ceded to Reinsurers | (5.927) | (166) | (19.593) | (25.686) |
| Change in unearned premium reserve – reinsurers' share | 334 | - | 1.432 | 1.765 |
| **Total Earned Premiums ceded** | **(5.593)** | **(166)** | **(18.161)** | **(23.920)** |
| **Total Net Earned Premiums** | **532.492** | **16.977** | **37.044** | **586.514** |

| 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** |

## NOTE 27: OTHER INSURANCE RELATED INCOME

| | GROUP | |
|---|---|---|
| (amounts in € thousand) | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
| Commission income from reinsurers | 6.147 | 4.206 |
| Management fees-Insurance Unit Linked contracts | 4.908 | 3.862 |
| Lapse and exit fees-Insurance Unit Linked contracts | 602 | 472 |
| Management fees-Investment Unit Linked contracts | 60 | 67 |
| Commission income from insurance brokerage | 2.539 | 2.294 |
| **Total other income related to insurance activities** | **14.255** | **10.901** |

## NOTE 28: INVESTMENT INCOME

| | GROUP | |
|---|---|---|
| (amounts in € thousand) | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
| **Trading Portfolio & Deposits** | | |
| Interest income and amortization on debt securities | 3.509 | (3.002) |
| Interest income on deposits | 1.267 | 414 |
| Gains from Currency translation differences | 1.358 | 660 |
| **Subtotal** | **6.134** | **(1.928)** |
| **Available for sale financial assets** | | |
| Dividend income on equities | 1.247 | 1.258 |
| Interest income and amortization on debt securities | 47.165 | 45.384 |
| Mutual Funds | 5.204 | 1.408 |
| **Subtotal** | **53.616** | **48.050** |
| **Loans and receivables financial assets** | | |
| Interest income on commercial mortgage loans | 1.020 | 297 |
| **Subtotal** | **1.020** | **297** |
| **Other investment income** | | |
| Interest income on reinsurers' reserve | 4 | 4 |
| Other interest income | 205 | 98 |
| **Subtotal** | **209** | **102** |
| **Total Investment Income** | **60.979** | **46.521** |

## NOTE 29: REALISED GAINS ON FINANCIAL ASSETS

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
| **Trading Portfolio** | | |
| (Losses) from equities disposal | (3) | (39) |
| Gains from mutual funds disposal | - | 830 |
| **Subtotal** | **(3)** | **791** |
| **Financial assets held on behalf of policyholders who bear the investment risk (Unit Linked)** | | |
| Gains from mutual funds disposal | 2.205 | 11.499 |
| **Subtotal** | **2.205** | **11.499** |
| **Available for sale financial assets** | | |
| (Losses) from equities disposal | (1) | (488) |
| Gains from bonds disposal | 30.771 | 41.224 |
| Gains from mutual funds disposal | 4.324 | 2.817 |
| **Subtotal** | **35.095** | **43.553** |
| **Total realized gains on financial assets** | **37.296** | **55.842** |

Gains from the sale of financial assets amount to € 37.296 thousand on 31 December 2022, in comparison to € 55.842 thousand in prior year, presenting decrease of € 18.546 thousand , which is mainly attributable to the increased gains recorded by the Greek insurance subsidiaries from the disposal of Greek Government Bonds and mutual funds of Unit Linked products, which were realized throughout 2021.

## NOTE 30: FAIR VALUE GAINS/(LOSSES) ON FINANCIAL ASSETS

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
| **Trading Portfolio & Deposits** | | |
| Gains/(Losses) from equities valuation | (7.362) | 4.093 |
| (Losses) from bonds valuation | (3.121) | (248) |
| Gains from valuation of Mutual Funds | 5.798 | 291 |
| Gains from foreign exchange differences | - | 446 |
| **Subtotal** | **(4.686)** | **4.582** |
| **Financial assets held on behalf of policyholders who bear the investment risk (Unit Linked)** | | |
| Unrealized fair value gains on Unit Linked contracts | (71.172) | 21.632 |
| **Subtotal** | **(71.172)** | **21.632** |
| **Financial assets available for sale** | | |
| Impairment of equities | (564) | 899 |
| Impairment of Mutual Funds | - | (359) |
| Gains from Foreign Exchange differences | 3.252 | 2.256 |
| **Subtotal** | **2.688** | **2.795** |
| Changes in Fair Value of investment property | - | 2 |
| **Total fair value gains/ (losses) on financial assets** | **(73.170)** | **29.011** |

## NOTE 31: GAINS / (LOSSES) ON DERIVATIVES

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
| Gains/ (Losses) from derivative forward contracts | 31 | (2.639) |
| (Losses) from derivative valuation | - | (115) |
| **Total gains/(losses) on derivatives** | **31** | **(2.753)** |

Group entered into foreign exchange futures contracts in 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 31/12/2022 | From 01/01 to 31/12/2021 |
| Currency Translation differences on current deposits and cash | 131 | (167) |
| Reversal of unused provisions | 111 | 51 |
| Other income | 238 | 413 |
| **Total other income** | **481** | **297** |

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

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
| Change in technical reserves – Life | 15.846 | 124.431 |
| Change in technical reserves - pensions (DAF) | 126.325 | (21.840) |
| Change in other insurance provisions | 4 | - |
| Plus: Taxes | (92) | (2.764) |
| Change in insurance provisions for life insurance contracts where the policyholders bear the investment risk (Unit Linked) | (74.385) | (255.324) |
| **Total movement in technical reserves and other insurance provisions** | **67.697** | **(155.497)** |

## NOTE 34: CLAIMS AND INSURANCE BENEFITS INCURRED

| **From 1 January to 31 December 2022** | GROUP | | | |
|---|---|---|---|---|
| (amounts in € thousand) | Life | Motor | Property & Other | Total |
| **Gross claims and insurance benefits incurred** | | | | |
| Surrenders-Life insurance contracts | (334.227) | - | - | (334.227) |
| Surrenders-Unit Linked contracts | (59.022) | - | - | (59.022) |
| Claims paid | (44.232) | (10.310) | (6.690) | (61.232) |
| Change in outstanding claims | (10.390) | (2.543) | (3.134) | (16.067) |
| **Gross Claims and insurance benefits incurred** | **(447.871)** | **(12.853)** | **(9.825)** | **(470.549)** |
| **Reinsurers' share** | | | | |
| Claims paid | 1.990 | - | 1.156 | 3.147 |
| Acquisition of reinsurer's share on outstanding claims portfolio | 0 | - | - | - |
| Change in outstanding claims | 131 | - | 588 | 719 |
| **Claims and insurance benefits incurred – Reinsurers' Share** | **2.121** | **-** | **1.745** | **3.866** |
| **Net claims and insurance benefits incurred** | **(445.750)** | **(12.853)** | **(8.080)** | **(466.683)** |

| 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)** |

## NOTE 35: ACQUISITION EXPENSES

| | GROUP | |
|---|---|---|
| (amounts in € thousand) | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
| Commission and overcommission fees on premium production | (31.329) | (28.521) |
| Other commission fees and production expenses | (10.262) | (12.796) |
| Commissions to cedents | (139) | (193) |
| | **(41.730)** | **(41.510)** |
| Change of deferred acquisition costs | (1,962) | (650) |
| Mandatory contributions on premium production | (5.092) | (4.888) |
| Direct costs on insurance brokerage | (2.247) | (2.023) |
| Decrease of provision of doubtful debt | 13 | 4 |
| Interest expenses on Reinsurers' reserves | (0) | (4) |
| | **(7.326)** | **(6.911)** |
| **Total Acquisition Expenses** | **(51.019)** | **(49.071)** |

## NOTE 36: OTHER ADMINISTRATIVE EXPENSES

| | GROUP | |
|---|---|---|
| (amounts in € thousand) | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
| Personnel expenses | (23.885) | (22.607) |
| Administrative expenses | (18.953) | (16.558) |
| Taxes | (268) | (257) |
| Depreciation expenses | (2.984) | (2.934) |
| Provisions | 182 | (410) |
| Interest and other investment expenses | (9.499) | (9.627) |
| Other expenses | (53) | (153) |
| **Total Administrative Expenses** | **(55.459)** | **(52.546)** |

| | GROUP | |
|---|---|---|
| (amounts in € thousand) | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
| Salaries and other benefits | (20.042) | (19.546) |
| Social security contributions | (2.582) | (2.346) |
| Provisions related to personnel | (105) | (105) |
| Other benefits and personnel costs | (1.155) | (610) |
| Total Personnel expenses | (23.885) | (22.607) |

| | | |
|---|---|---|
| Average Number of Personnel | 432 | 414 |

In 2020, the Board of Directors decided to terminate the defined contribution plans and to return the total contributions to their employees. And instead of these plans, an Employee Occupational Insurance Fund is established through which all employees will be able to participate as members.

Following the above decisions, the Group companies terminated the defined contribution plans of the employees and paid the accumulated contributions and dividends to the employees before the end of the financial year 2020. Furthermore, on December 30 2021 the establishment of the Professional Insurance Fund of Eurolife FFH Group Companies and Partners N.P.I.D. (the "Fund") is completed through which all employees of the Group are eligible to participate as members and for which the Group will henceforth pay the employer's contributions of the members belonging to its staff while covering, on a pro rata basis, the costs of the Fund during the first 5 years.

**External Auditors**

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

| | GROUP | |
|---|---|---|
| (amounts in € thousand) | **From 01/01 to 31/12/2022** | **From 01/01 to 31/12/2021** |
| Statutory Audit | (308) | (272) |
| Tax audit-article 65a, Law 4174/2013 | (76) | (72) |
| Other audit related assignments | (551) | (118) |
| Non audit assignments | (19) | (12) |
| | **(954)** | **(473)** |

**NOTE 37: INCOME TAX EXPENSE**

| (amounts in € thousand) | GROUP | |
|---|---|---|
| | **From 01/01 to 31/12/2022** | **From 01/01 to 31/12/2021** |
| **Current income tax** | | |
| Current tax on profits for the year | (28.422) | (18.998) |
| Adjustment on previous years' income tax | (82) | 98 |
| **Total current income tax** | **(28.503)** | **(18.900)** |
| | | |
| **Deferred tax** | | |
| Increase/(Decrease) in deferred tax assets | (533) | (909) |
| (Increase)/Decrease in deferred tax liabilities | 1.115 | (347) |
| **Total deferred tax (expense)/ income** | **581** | **(1.256)** |
| **Total income tax** | **(27.922)** | **(20.156)** |

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% 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, as of 31 December 2021, 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 31/12/2022 | GROUP From 01/01 to 31/12/2021 |
|---|---|---|
| Profit before tax | 112.112 | 86.917 |
| | **112.112** | **86.917** |
| Income tax at applicable tax rate (22%): | (24.665) | (19.122) |
| **Tax effect of amounts which are not deductible (taxable) in calculating taxable income** | | |
| Provisions | 3 | - |
| Non tax deductible expenses | (1.272) | (1.519) |
| Income not subject to tax | (1.854) | 625 |
| Adjustment in previous years' income tax and other adjustments | (82) | 98 |
| Different tax rates in different countries | (52) | (38) |
| Impact from change in tax rate | - | (202) |
| **Total income tax** | **(27.922)** | **(20.156)** |

### 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) | 31/12/2022 | | | |
|---|---|---|---|---|
| **Eurobank** | **Receivables** | **Payables** | **Revenue** | **Expenses** |
| Deposits on demand & Time Deposits | 85.657 | - | 223 | 6 |
| Insurance operations | 3.305 | 8.123 | 23.572 | 21.939 |
| Other transactions | 23 | - | 64 | 1.675 |
| **Total** | **88.985** | **8.123** | **23.860** | **23.620** |

| **GROUP** (amounts in € thousand) | 31/12/2022 | | | |
|---|---|---|---|---|
| **Other related parties** | **Receivables** | **Payables** | **Revenue** | **Expenses** |
| Deposits on demand & Time Deposits | 340 | - | - | - |
| Insurance operations | 239 | 53 | 1.744 | 353 |
| Investment operations | 1.307 | - | 4.705 | 6.661 |
| Other transactions | - | 149 | 14 | 140 |
| **Total** | **1.886** | **202** | **6.463** | **7.154** |
| **Transactions with key management personnel** | **2** | **283** | **136** | **207** |
| **Key management personnel remuneration and other benefits** | | | | **7.336** |

| **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** |

On December 31, 2021 and 2022 there were no loans to the Groups management.

The Group holds investments in bonds, mutual funds and equities issued by related parties. More specifically on 31 December 2022 the fair value of the relevant bonds amounted to € 109.655 thousand (31 December 2021: € 11.775 thousand), mutual funds amounted to € 184.676 thousand (31 December 2021: € 242.531 thousand) and of the equities amounted to € 67.699 thousand (31 December 2021: € 57.200 thousand).

The above table does not include the transactions with shareholders regarding dividend distributions that took place in the fiscal years 2022 and 2021 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 2022 which may affect significantly the financial position of the Group.

**Unaudited tax years**

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. Therefore, based on the above as a general rule, the company and the Greek subsidiaries of the Group have 6 unaudited tax years.

For the financial years begining from 1 January 2016 onwards, according to Law 4174/2013, is provided on a voluntary basis, the receipt of Annual Tax Certificate by Greek companies whose annual financial statements are subject to mandatory audit.
This certificate is issued after the relevant tax audit has been carried out by the statutory auditor or audit firm that audits the annual financial statements. The Company and its Greek Group companies (as a general rule) will continue to receive it.

For the year ended 31 December 2022, tax audits by external auditors are in progress.

Under Greek tax legislation, companies for which tax certificates have been issued without notices of tax law violations for the last 6 unaudited tax years are not exempt from the imposition of additional taxes and fines by the Greek tax authorities after the completion of the tax audit.

In light of the above, as at 31 December 2022, as a general rule, the right of the Greek government to impose taxes up to and including the tax year 2015 (inclusive) has lapsed for the Company and the Greek subsidiaries of the Group operating in Greece.

The unaudited tax years of the Company and the Group's subsidiaries are as follows:
(a) Eurolife FFH Insurance Group S.A. Holdings, 2016-2022,
(b) Eurolife FFH Life Insurance S.A., 2016-2022,
(c) Eurolife FFH General Insurance S.A. 2016-2022,
(d) Designia Insurance Agents S.A., 2016-2022
(e) Designia Insurance Agents S.A., 2019-2022; and
(f) Diethnis Ktimatiki S.A., 2018-2022
(g) Eurolife FFH Asigurari De Viata S.A., 2017-2022

(h) Eurolife FFH Asigurari Generale S.A., 2017-2022.

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 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.

On October 27, 2022, the Extraordinary General Meeting of the Company's shareholders decided to distribute a dividend of a total amount of € 70.000 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 profits of previous years, up to the year ended 31 December 2021. The amount was paid to the shareholders on November 2, 2022.

**NOTE 41: EVENTS AFTER THE BALANCE SHEET DATE**

There are no significant events after the Balance sheet date that need to be reported.

[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 2022, 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 2022, 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.

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 2022 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, 7 April 2023
THE CERTIFIED AUDITOR

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

Evangelos Venizelos
SOEL Reg. No. 39891

# Annual Separate Financial Statements

## Eurolife FFH Insurance Group Holdings S.A.

For the year ended
31 December 2022

**Eurolife FFH** Insurance Group

A FAIRFAX Company

Eurolife FFH Insurance Group
A FAIRFAX Company

## Table of Contents

| (amounts in € thousand) | Notes | 31/12/2022 | 31/12/2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non Current Assets** | | | |
| Right of use assets | **5** | 45 | 52 |
| Intangible assets | **6** | 2 | 2 |
| Investments in subsidiaries | **7** | 346.801 | 346.801 |
| Investment in joint ventures | **8** | 3.000 | - |
| Deferred tax assets | **9** | 261 | 186 |
| **Current Assets** | | | |
| Income tax receivable | | 1 | - |
| Other receivables | **10** | 56 | 46 |
| Cash and cash equivalents | **11** | 32.320 | 3.168 |
| **Total assets** | | **382.486** | **350.256** |
| **EQUITY** | | | |
| Share Capital | **12** | 225.000 | 225.000 |
| Reserves | **13** | 55.121 | 39.938 |
| Retained Earnings | | 102.218 | 85.191 |
| **Total equity** | | **382.340** | **350.129** |
| **LIABILITES** | | | |
| **Non Current Liabilities** | | | |
| Lease liabilities | **5** | 40 | 48 |
| **Current Liabilities** | | | |
| Lease liabilities | **5** | 9 | 8 |
| Other liabilities | **14** | 97 | 71 |
| **Total liabilities** | | **146** | **127** |
| **Total equity and liabilities** | | **382.486** | **350.256** |

Athens, 4 April 2023

| 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 AP186537 | LIC No 0025315 | LIC No 0099260 |

The notes on pages 119 to 138 are an integral part of these financial statements.

| (amounts in € thousand) | Notes | From 01/01 to 31/12/2021 | From 01/01 to 31/12/2022 |
|---|---|---|---|
| Dividend income from subsidiaries | **15** | 102.579 | 85.495 |
| Investment income | **16** | 6 | - |
| **Total income** | | **102.584** | **85.495** |
| Other income / (expenses) | | 30 | 13 |
| Operating expenses | **17** | (478) | (366) |
| **Profit before tax** | | **102.136** | **85.142** |
| Income tax expense | **18** | 82 | 49 |
| **Profit for the year** | | **102.218** | **85.191** |
| **Total comprehensive income for the year, net of tax** | | **102.218** | **85.191** |

Athens, 4 April 2023

| 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 AP186537 | LIC No. 0025315 | LIC No. 0099260 |

The notes on pages 119 to 138 are an integral part of these financial statements.

| (ποσά σε € χιλ.) | Share Capital | Reserves | Retained earnings | Total |
|---|---|---|---|---|
| **Balance as at 1 January 2022** | **225.000** | **39.938** | **85.191** | **350.129** |
| Profit of the year | - | - | 102.218 | 102.218 |
| **Total income after tax** | **-** | **-** | **102.218** | **102.218** |
| Transfer of retained earnings to reserves | - | 15.191 | (15.191) | - |
| Dividend distribution to shareholders | - | - | (70.000) | (70.000) |
| Deferred tax in equity | - | (8) | - | (8) |
| **Total transactions with shareholders** | **-** | **15.183** | **(85.191)** | **(70.008)** |
| **Balance at 31 December 2022** | **225.000** | **55.121** | **102.218** | **382.340** |

| (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)** | **(85.510)** |
| **Balance at 31 December 2021** | **225.000** | **39.938** | **85.191** | **350.129** |

The notes on pages 119 to 138 are an integral part of these financial statements.

| (amounts in € thousand) | Notes | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
|---|---|---|---|
| **Cash Flows from Operating Activities** | | | |
| **Profit before tax** | | 102.136 | 85.142 |
| **Adjustments for:** | | | |
| Depreciation and amortization of property, plant and equipment and intangible assets | **17** | 9 | 15 |
| Other provisions | | 9 | - |
| Interest income | | (3) | 3 |
| Dividend income from subsidiaries | **15** | (102.579) | (85.495) |
| **Changes in Operating Assets and Liabilities:** | | | |
| Change in other receivables | | (10) | 304 |
| Change in other liabilities | | 17 | (7) |
| Interest received and paid | | 5 | - |
| **Net Cash Flows from Operating Activities** | | **(415)** | **(38)** |
| **Cash Flows from Investing Activities** | | | |
| Purchase of tangible and intangible assets | **6** | (1) | - |
| Dividends received from subsidiaries | **15** | 102.579 | 85.495 |
| (Increase) of investments in subsidiaries | **7** | - | (300) |
| (Increase) of investments in joint ventures | **8** | (3.000) | - |
| **Net Cash Flows from Investing Activities** | | **99.578** | **85.195** |
| **Cash Flows from Financing Activities** | | | |
| Principal repayment of lease liabilities | **5** | (11) | (10) |
| Dividends paid | **21** | (70.000) | (85.500) |
| **Net Cash Flows from Financing Activities** | | **(70.011)** | **(85.510)** |
| Net decrease / (increase) in cash and cash equivalents | | 29.152 | (354) |
| Cash and cash equivalents at the beginning of the year | | 3.168 | 3.522 |
| **Cash and Cash Equivalents at the end of the year** | **10** | **32.320** | **3.168** |

The notes on pages 119 to 138 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.

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 2022.

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 4 April 2023 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 2022 and 2021 respectively.

Going concern assessment

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:

Macroeconomic Environment

The Greek economy, after a strong recovery of 8,4% in 2021, which covered almost all of the losses in 2020 and amid an adverse international environment, managed to maintain its growth momentum in 2022. Despite the uncertain economic conditions that prevailed in 2022, mainly due to the war in Ukraine, the energy crisis and the acceleration of inflation, the Greek economy showed remarkable resilience with growth estimated at 5,9% for 2022. The growth rate of the Greek economy remains among the highest in the euro area in 2022. The strong performance was supported by a strong recovery in tourism, additional fiscal support due to high energy prices, rising private consumption and a decline in unemployment.

Strong inflationary pressures have been a key feature of the past year, both in the international market and in Greece, with inflation in the Greek economy estimated at 9,2% overall for 2022. Inflationary pressures are no longer solely due to the increase in energy product prices, but also to the disruptions it has caused in supply chains and its effects on the production costs of other goods and services. However, inflation from the second half of 2022 has started to slow down (after reaching a 40-year high of 9,1% last June 2022) and inflationary pressures are expected to ease further following the European Central Bank's interest rate hike. In addition, a relative normalisation occurred in energy prices in Q4 2022, with prices remaining high, however, continuing to generate a reduction in the purchasing power of households and businesses.

A significant recovery to growth in Greece is expected to be provided by European Union (EU) funding, mainly under the European Commission's "Next Generation EU" (NGEU) and the EU's Multiannual Financial Framework. Greece will receive from the EU more than €30,5 billion (€17,8 billion in grants and €12,7 billion in loans) by 2026 from the Recovery and Resilience Facility (RRF) to finance projects and actions outlined in the National Recovery and Resilience Plan (NRP), entitled "Greece 2.0". To date, the Greek economy has received an advance of €3,96 billion from the RRF, disbursed in August 2021, as well as the first and second tranches in April 2022 and January 2023, respectively, amounting to €3,6 billion each.

Another important development was the country's exit from the enhanced surveillance regime as of 21 August 2022, which was decided at the Eurogroup of 16 June 2022. Consequently, the monitoring of the country's economic, fiscal and financial situation is now part of the simple post-programme surveillance, and an assessment of its progress will be made every six months (instead of every three months as was previously the case). However, the Greek economy will need to remain constantly vigilant, as especially for highly indebted economies such as Greece, there is a risk that an excessively rapid increase in the cost of money could undermine overall growth prospects.

The recent banking sector turmoil, which evolved globally and in the euro area in early 2023, is expected to generate substantial inflationary pressure. The Company has increased its level of readiness, so as to accommodate decisions, initiatives and policies to protect its capital and liquidity.

Crisis in Ukraine

On 24 February 2022, Russia invaded Ukraine, where, in addition to the humanitarian crisis it caused in the region, it had a negative economic impact on the global economy, mainly through higher energy and commodity prices that fuelled higher inflation and negatively affected consumer confidence. In 2022, the international community imposed packages of financial and economic sanctions that, in various ways, restricted transactions with many Russian businesses and individuals, trading in Russian government bonds, investment, trade and financing to and from certain regions of Ukraine.

Management closely monitors developments and periodically assesses the impact they may have on the Company's operations and financial position. The Company has no operations in Ukraine and Russia, has taken all necessary measures to comply with the sanctions imposed and does not expect the sanctions to have a direct impact on its operations.

Impact of pandemic COVID-19

The COVID-19 pandemic, which started in early 2020, negatively affected the global and the Greek economy, with the consequence that economic activity in Greece recorded a significant recession of -9%. The economic impact of the pandemic was widespread, leading to a significant reduction in household incomes and consumption, a contraction in investment and limited external demand for Greek goods and services. However, 2021 was characterised by a recovery of the global economy and Greece in particular, as there was a large degree of adjustment to the data of the Covid-19 pandemic, while in 2022 the Greek economy maintained its growth momentum. As of the second half of 2021, all traffic/activity lockdown measures throughout the country have ended, economic activities that had been suspended have reopened and Greece has reopened its borders to international tourism.

However, a relative risk regarding the pandemic and the potential impact of new, more infectious variants of COVID-19 remains. This risk is reinforced by the fact that the pandemic booster vaccination programme at international level has lost momentum. In addition, disruptions may occur in the global supply chain due to the lockdown measures in China.

The Company will continue to assess the relevant conditions so that it can reflect any changes resulting from uncertainty about the macroeconomic outlook in a timely manner.

Conclusion on going concern

The Board of Directors, recognizing the geopolitical and macroeconomic risks in the economy and taking into account the factors relating to (a) the ability of the Eurolife FFH Group, to which the Company belongs, to generate profits and its strong capital adequacy, (b) the growth prospects in Greece for the current and the coming years, (c) the extensive and continued fiscal and monetary support from the European and Greek authorities to address the unprecedented pandemic COVID-19 crisis, (d) the activation of new fiscal measures to address the effects of inflation and (f) the Company's negligible exposure to Russia and Ukraine; considered that the Company's financial statements can be prepared on a going concern basis.

### 2.1.1 Adoption of International Financial Reporting Standards (IFRS)

**i) New standards and amendments to standards adopted by the Company**

The following new standards and amendments to existing standards as issued by the International Accounting Standards Board (IASB) and the IFRS Interpretations Committee and endorsed by the European Union (EU), are effective from 1 January 2022:

**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 Company's financial statements.

**IAS 16 (Amendment) 'Property, Plant and Equipment – Proceeds before Intended Use**

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. 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'**

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'**

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

**Annual Improvements to IFRS Standards 2018–2020**

The amendments listed below include changes to the following IFRS.

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 have no impact on the Group's financial statements.

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

A number of new standards and amendments to existing standards will enter into force after 2022, as they have not yet been adopted for use in the European Union or the Company has not has adopted them earlier than the date of their mandatory application. What may be related to the Company are as follows:

**IFRS 16 (Amendment) 'Lease Liability in a Sale and Leaseback' (effective for annual periods beginning on or after 1 January 2024, , adopted by the EU)**

The amendment clarifies how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. An entity applies the requirements retrospectively back to sale and leaseback transactions that were entered into after the date when the entity initially applied IFRS 16. The amendment has not yet been endorsed by the EU. The adoption of the amendment is not expected to have an impact on the Company's financial statements.

**IAS 1 (Amendments) 'Classification of liabilities as current or non-current' (effective for annual periods beginning on or after 1 January 2024 , 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 amendment has not yet been endorsed by the EU. 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 IFRS Practice Statement 2 'Disclosure of Accounting policies' (effective for annual periods beginning on or after 1 January 2024, adopted by EU)**

The amendments require companies to disclose their material accounting policy information and provide guidance on how to apply the concept of materiality to accounting policy disclosures. The adoption of the amendment is not expected to have an impact on the Company's financial statements.

**IAS 8 (Amendments) 'Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates' (effective for annual periods beginning on or after 1 January 2023, adopted by EU)**

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

**IAS 12 (Amendments) 'Deferred tax related to Assets and Liabilities arising from a Single Transaction' (effective for annual periods beginning on or after 1 January 2023, adopted by EU)**

The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations. The adoption of the amendment 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) <u>Right of use asset</u>**

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

**ii) <u>Lease liabilities</u>**

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

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

**iii) <u>Short term leases</u>**

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

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, its carrying amount is reduced to its recoverable amount which is the present value of the expected future cash flows discounted at the initial effective interest rate. Interest income is then accounted using the same interest rate on the impaired (new book) value.

**Dividend income**

Dividend income from financial assets is recognized in the income statement when the right to receive 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. Due to the nature of its activities, the Company is exposed to financial risks, such as credit, market and liquidity risk, and operational risk. To minimize the potential adverse effects arising from these risks, the Company has established:

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

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

### 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, investments 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 2022 and 2021.

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. 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) | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Investments in subsidiaries | 346.801 | 346.801 |
| Investments in joint ventures | 3.000 | - |
| Other receivables | 56 | 46 |
| Cash and cash equivalents | 32.320 | 3.168 |
| **Total financial assets bearing credit risk** | **382.177** | **350.015** |

**Credit risk related to cash and cash equivalents:**
As at 31 December 2022 and 2021 the cash placements to the group of Eurobank amounted to €32.320 thousand and €3.168 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 2022 and 2021:

| **31 December 2022**<br>**Rating**<br>(amounts in € thousand) | **Investments in Subsidiaries** | **Investments in joint ventures** | **Other Receivables** | **Cash and cash equivalents** | **Total** |
|---|---|---|---|---|---|
| **B+** | - | - | - | 32.320 | 32.320 |
| **Non rating** | 346.801 | 3.000 | 56 | - | 349.857 |
| **Total** | **346.801** | **3.000** | **56** | **32.320** | **382.177** |

| **31 December 2021**<br>**Rating**<br>(amounts in € thousand) | **Investments in Subsidiaries** | **Investments in joint ventures** | **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** |

### 4.2.2 Market Risk

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

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 2022 | | 31 December 2021 | |
|---|---|---|---|---|
| (amounts in € thousand) | 0 – 3 % | Total | 0 – 3 % | Total |
| Cash and cash equivalents | 32.320 | 32.320 | 3.168 | 3.168 |
| **Total** | **32.320** | **32.320** | **3.168** | **3.168** |

**Analysis of interest bearing financial assets by type of rate:**

| | 31-Dec-22 | | | 31-Dec-21 | | |
|---|---|---|---|---|---|---|
| (amounts in € thousand) | Fixed rate | Floating rate | Total | Fixed rate | Floating rate | Total |
| Cash and cash equivalents | 32.320 | - | 32.320 | 3.168 | - | 3.168 |
| **Total** | **32.320** | **-** | **32.320** | **3.168** | **-** | **3.168** |

**(b) Currency risk**

The Company does not face significant foreign exchange risk as most of its trading activity is in euro. At 31 December 2022 and 2021, 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 2022 and 2021 respectively.

| 31 December 2022<br>(amounts in € thousand) | Carrying value | 0-1 months | 1-3 months | 3-12 months | Total |
|---|---|---|---|---|---|
| Cash and cash equivalents | 32.320 | 32.320 | - | - | **32.320** |
| Prepaid expenses | 41 | 41 | - | - | **41** |
| Other receivables | 15 | 15 | - | - | **15** |
| **Total** | **32.376** | **32.376** | **-** | **-** | **32.376** |

| 31 December 2021<br>(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** |
| **Total** | **3.215** | **3.215** | **-** | **-** | **3.215** |

**(b)** Analysis of maturity of undiscounted liability cash flows at 31 December 2022 and 2021 respectively.

| 31 December 2022<br>(amounts in € thousand) | Carrying Value | 0-1 months | 1-3 months | 3-12 months | > year | Total |
|---|---|---|---|---|---|---|
| Lease liabilities | 49 | 1 | 1 | 5 | 41 | **49** |
| Other creditors | 59 | 44 | 14 | - | - | **59** |
| Other liabilities | 12 | 2 | - | 9 | - | **12** |
| Accrued expenses | 12 | 12 | - | - | - | **12** |
| **Total** | **132** | **59** | **16** | **15** | **41** | **132** |

| 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** |
| **Total** | **127** | **22** | **52** | **6** | **48** | **127** |

**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, 2022 and 2021 is presented in the following tables:

| (amounts in € thousand) | Buildings |
|---|---|
| **Cost:** | |
| **Balance at 1 January 2022** | 77 |
| Modifications | 1 |
| **Balance at 31 December 2022** | **79** |
| | |
| **Accumulated Depreciations:** | |
| **Balance at 1 January 2022** | (25) |
| Depreciation charge | (9) |
| **Balance at 31 December 2022** | **(34)** |
| | |
| **Net Book Value at 31 December 2022** | **45** |

| (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** |

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

| (amounts in € thousand) | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Short-term lease liabilities | 9 | 8 |
| Long-term lease liabilities | 40 | 48 |
| **Total** | **49** | **56** |

In addition, lease liabilities are due as follows:

| (amounts in € thousand) | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Within a year | 9 | 8 |
| Within the second year | 9 | 9 |
| From 3 to 5 years | 31 | 29 |
| After 5 years | - | 10 |
| **Total lease liabilities** | **49** | **56** |

In addition, the amounts recognized by the Company in the income statement for the year 2022 and 2021 relating to leases, are as follows:

| (amounts in € thousand) | 2022 | 2021 |
|---|---|---|
| **Amounts recognized in financial results** | | |
| Depreciation charge of right of use assets | (9) | (8) |
| Interest expense on lease liabilities | (3) | (3) |
| **TOTAL** | **(11)** | **(12)** |

## NOTE 6: INTANGIBLE ASSETS

| (amounts in € thousand) | Software | Other | Total intangible assets |
|---|---|---|---|
| **Cost:** | | | |
| **Balance at 1 January 2022** | 37 | 2 | 40 |
| Additions | 1 | - | 1 |
| **Balance at 31 December 2022** | **38** | **2** | **40** |
| **Accumulated Depreciation:** | | | |
| **Balance at 1 January 2022** | (36) | (1) | (37) |
| Amortization charge | - | - | - |
| **Balance at 31 December 2022** | **(36)** | **(2)** | **(38)** |
| **Net Book Value at 31 December 2022** | **2** | **1** | **2** |

| (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** |

## NOTE 7: INVESTMENTS IN SUBSIDIARIES

The following table is a listing of the Company's subsidiaries at 31 December 2022 and 2021:

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

**a)** 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%.

**b)** 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%. According to 14.10.2022 decision of the Extraordinary General Meeting of Shareholders of the subsidiary Eurolife FFH Asigurari De Viata S.A., the subsidiary proceeded to an increase of share capital by € 2.000 thousand (RON 9.883 thousand) by issuing 6.877 new shares at a nominal value of € 291 (RON 1.437,10), which was covered by its shareholders, Eurolife FFH Life Insurance S.A. (with a percentage of 95%) and Eurolife FFH General Insurance S.A.. (with a percentage of 5%). Following the increase, the share capital of the subsidiary amounts to € 6.100 thousand (RON 24.254 thousand).

**c)** 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 24.03.2022 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 4.943 thousand) by issuing 3.497new shares at a nominal value of € 286 (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 € 6.779 thousand (RON 27.174 thousand).

**d)** 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: INVESTMENTS IN JOINT VENTURES

**Wallbid Limited**

Wallbid Limited (the "Wallbid") was founded by the Company and Onli Technology Services Ltd on 29 September 2022. Wallbid's registered office is in London. Wallbid's purpose is to develop and invest in an insurance product integration platform, with the aim of expanding the distribution and sale of insurance and reinsurance products by reaching a wider audience.

In December 2022, the Company acquired 480 preferred shares of Wallbid with a nominal value of €0,01 each for €3,0 million. Onli Technology Services Ltd acquired 1.520 common shares with a nominal value of €0,01 each. The Group's participation percentage in Wallbid as at 31 December 2022 amounts to 24%.

The Company has assessed the nature of the investment and given that the shareholders make all major decisions by unanimity, it has determined that all conditions are met for the investment to qualify as an 'investment in a joint venture' and therefore to be consolidated using the equity method.

## NOTE 9: DEFERRED TAX

| (amounts in € thousand) | Opening balance 01/01/2022 | Changes in Income Statement | Changes in equity | Closing Balance 31/12/2022 |
|---|---|---|---|---|
| **Recoverable tax losses** | | | | |
| Deferred tax on recoverable tax losses | 164 | 82 | - | 247 |
| **Fixed assets** | | | | |
| Valuation adjustment | 1 | - | - | 1 |
| Deferred tax in equity | 21 | - | (8) | 13 |
| **Total Deferred Tax Assets / (Liabilities)** | **186** | **82** | **(8)** | **261** |

| (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** |

**NOTE 10: OTHER RECEIVABLES**

| (amounts in € thousand) | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Prepaid expenses | 41 | 46 |
| Other receivables | 15 | - |
| **Total** | **56** | **46** |

**NOTE 11: CASH AND CASH EQUIVALENTS**

| (amounts in € thousand) | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Deposits on demand | 320 | 168 |
| Time deposits | 32.000 | 3.000 |
| **Total** | **32.320** | **3.168** |

Time deposits do not exceed 90 days. The weighted average effective interest rate on time deposits during the year 2022 was 0,20% (2021: 0,05%).

**NOTE 12: SHARE CAPITAL**

| (amounts in € thousand) | 31/12/2022 | 31/12/2021 |
|---|---|---|
| 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 2022 and 2021, the share capital amounted to €225.000 thousand divided into 100.000.000 ordinary shares of nominal value of €2,25 each.

**NOTE 13: RESERVES**

| (amounts in € thousand) | Statutory Reserve | Special Reserves | Extraordinary Reserves | Total |
|---|---|---|---|---|
| **Balance at 1 January 2022** | **18.521** | **466** | **20.950** | **39.938** |
| Transfer of retained earnings to reserves | 4.260 | (13) | 10.944 | 15.191 |
| Deferred tax in equity | - | - | (8) | (8) |
| **Balance at 31 December 2022** | **22.781** | **453** | **31.887** | **55.121** |

| (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 |
| Divident distribution | - | - | (85.500) | (85.500) |
| Deferred tax in equity | - | - | (10) | (10) |
| **Balance at 31 December 2021** | **18.521** | **466** | **20.950** | **39.938** |

“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 14: OTHER LIABILITES

| (amount in € thousand) | 31/12/2022 | 31/12/2021 |
|---|---|---|
| Taxes - Levies | 14 | - |
| Other creditors | 59 | 71 |
| Other liabilities | 12 | - |
| Accrued expenses | 12 | - |
| **Total** | **97** | **71** |

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

## NOTE 15: DIVIDEND INCOME FROM SUBSIDIARIES

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.

On April 29, 2022, 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 June 1, 2022 the Annual General Meeting of the shareholders of the subsidiary Designia Insurance Brokers decided the distribution of € 32.703 thousand , € 26.770 thousand, € 5.433 thousand and € 500 thousand respectively. The dividend distributions of the subsidiaries came from the profits of the year ended December 31, 2021 and from undistributed profits of previous years. The amounts were paid to the Company on May 18, 2022 and on June 22, 2022.

On October 25, 2022, the Extrordinary General Meetings of the shareholders of the subsidiary Eurolife FFH Life Insurance S.A. decided the distribution of € 69.876 thousand. The dividend distributions came from the undistributed profits of previous years ended December 31 2020. The amounts were paid to the shareholders on October 1, 2022.

## NOTE 16: INVESTMENT INCOME

| (amounts in € thousand) | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
|---|---|---|
| **Trading Portfolio** | | |
| Interest income on deposits | 6 | - |
| **Total Investment Income** | **6** | **-** |

## NOTE 17: OPERATING EXPENSES

| (amounts in € thousand) | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
|---|---|---|
| Personnel expenses | (153) | (156) |
| Administrative expenses | (302) | (190) |
| Taxes | (1) | (1) |
| Depreciation and amortization expense | (9) | (15) |
| Provisions | (9) | - |
| Interest and other investment expenses | (3) | (3) |
| **Total operating expenses** | **(478)** | **(366)** |

The Company does not employ staff as of December 31, 2022 and 2021. The personnel expenses that appear for the years 2022 and 2021, 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 31/12/2022 | From 01/01 t1 31/12/2021 |
|---|---|---|
| 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 18: INCOME TAX EXPENSE

| (amounts in € thousand) | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
|---|---|---|
| **Deferred tax** | | |
| Increase in deferred tax assets | 82 | 49 |
| **Total deferred tax income** | **82** | **49** |
| **Total income tax** | **82** | **49** |

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 in Greece that hold double-entry books, excluding credit institutions, are taxed at a rate of 22% for the 2021 tax year onwards.

| (amounts in € thousand) | From 01/01 to 31/12/2022 | From 01/01 to 31/12/2021 |
|---|---|---|
| Profit before tax | 102.136 | 85.142 |
| Income tax at applicable tax rate (22%): | (22.470) | (18.731) |
| **Tax effect of amounts which are not deductible in calculating taxable income** | | |
| Non tax deductible expenses | (179) | (19) |
| Income not subject to tax | 22.567 | 18.809 |
| Impact from change in tax rate | - | (10) |
| **Total income tax** | **82** | **49** |

### NOTE 19: 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 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.

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** | **31/12/2022** | | | |
|---|---|---|---|---|
| (amounts in € thousand) | **Receivables** | **Payables** | **Revenue** | **Expenses** |
| Deposits on demand and time deposits | 32.170 | - | 6 | 1 |
| **Total** | **32.170** | - | **6** | **1** |

| **Other related parties** | **31/12/2022** | | | |
|---|---|---|---|---|
| (amounts in € thousand) | **Receivables** | **Payables** | **Revenue** | **Expenses** |
| Deposits on demand and time deposits | 151 | - | - | - |
| Other transactions | 15 | 21 | 14 | 81 |
| **Total** | **165** | **21** | **14** | **81** |

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

The above table does not include the Company's transactions with its shareholders from dividend distributions made during fiscal years 2022 and 2021, which are described in detail in Note 21. In addition, the above table does not include the distribution of dividends of the Company's subsidiaries for the fiscal years 2022 and 2021, which are described in detail in Note 15.

**NOTE 20: COMMITMENTS AND CONTINGENT LIABILITIES**

**Legal cases**

There are no pending lawsuits against the Company or other contingent liabilities and commitments on 31 December 2022 which may significantly affect the financial position of the Company.

**Unaudited tax years**

For the financial years begining from 1 January 2016 onwards, according to Law 4174/2013, it is provided on a voluntary basis, the receipt of an Annual Tax Certificate by Greek companies whose annual financial statements are subject to mandatory audit. This certificate is issued after the relevant tax audit has been carried out by the statutory auditor or audit firm that audits the annual financial statements. The Company will continue to receive it.

In accordance with the Greek tax legislation and the respective Ministerial Decisions issued, companies for which a tax certificate is issued without indications of tax law violations are not exempt from the imposition of additional taxes and fines by the Greek tax authorities after the completion of the tax audit within the legislative limitations (as a general principle, five years from the end of the fiscal year in which the tax return should have been filed).

Therefore, based on the above the right of the Greek State to impose taxes has been time-barred up to year ended 31 December 2015.

The Company has received an unqualified tax certificate for fiscal years 2016-2021. For fiscal year 2022, 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 21: DIVIDENDS**

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

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.

On October 27, 2022, the Annual General Meeting of the Company's shareholders decided to distribute a dividend of a total amount of € 70.00 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 profits of the year 2021, up to the year ended 31 December 2021. The amount was paid to the shareholders on November 2, 2022.

**NOTE 22: EVENTS AFTER THE BAANCE SHEET DATE**

There are no significant events after the Balance sheet date that need to be reported.