Annual Financial Report

Eurolife FFH Life Insurance S.A.

For the year ended
31 December 2023

EUROLIFE FFH

A FAIRFAX Company

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

Contents

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

The Board of Directors presents the Management Report together with the Annual Financial Statements for the year ended 31 December 2023.

Developments in the Greek economy during 2023: remarkable resilience, despite the uncertainties in the international environment

The Greek economy continues its strong recovery, showing positive growth signs from 2021 onwards. Despite the shocks caused by the war in Israel, inflationary pressures (although there is little decongestion) and the ongoing energy crisis, the country seems to maintain its growth momentum, with the growth rate for 2023 estimated at 2,1% remaining among the highest in the euro area in 2023. The strong performance was boosted by the strong recovery in tourism, the additional fiscal support due to high energy prices, and a decline in unemployment, which has fallen to a 14-year low.

The recovery of investment grade status by international rating agencies strengthens confidence in the Greek economy and creates prospects for broadening the investment base.

Following a decade of very low investment flows, there is now a significant recovery in investments (gradually from mid-2020), supported by European funds and the stabilization of the political and wider framework of the domestic economy. The investment mix is focused on residential and construction, followed by mechanical and transport equipment.

Parallel positive signs emerge from the de-escalation of inflation in 2023 to 3,5%, from 9,6% (two years ago), while a decrease in prices for energy goods was observed. However, rising food prices remained.

At the Eurozone level, inflation declined in 2023, to 5,5% from 8,4% in 2022.

However, there are still uncertainties and difficulties regarding the macroeconomic environment, such as the evolution of the crisis in the Middle East as well as the intensity and duration of the impact of the war in Ukraine. At the same time, there are fears that curbing inflationary pressures by raising interest rates could lead to an economic recession. Coordination of monetary and fiscal policy is essential.

Management closely monitors developments globally and periodically assesses the impact they may have on the Company's operations and financial position. The Company has no operations in the Middle East, nor in Ukraine/Russia and does not expect a direct impact on its operations.

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

Development of the Greek insurance market in 2023

The 2023 was another year of growth for the Greek insurance market, following the growth path of the country's economy. The Greek insurance market, as expected, was positively affected by the above-mentioned growth rates of Greek economy. Premium production[1] amounted to €5,3 billion increasing by 8,9% compared to 2022.

However, last year was focused on natural disasters, following the summer wildfires and the unprecedented floods in Thessaly region caused by the storm named "Daniel". The Greek insurance market paid over €420 million compensations for citizens and businesses for these events. At the same time, 2023 was the year that the implementation of the ENFIA discount matured, which finally took place in January 2024.

In the Greek insurance market, according to the available data[1], the total premium production for the year 2023 amounts to € 5,265.6 million. (2022: € 4,836.0 million), out of which € 2,701.0 million (2022: € 2,410.5 million) is attributed to general insurance business and € 2,564.6 million. (2022: 2,425.4 million) in life insurance business.

More specifically, general insurance increased by 12,1% (2022: 6,1%), while life insurance premiums increased by 5,7% (2022: 2,4%). Regarding non-life insurance business, the non-motor lines of business recorded an increase of 16,0% compared to 2022, while motor insurance business recorded an increase of 3,2%. Regarding life insurance lines of business, life insurance linked with investments (Unit-linked products) increased by 17,4%, management of group pension funds increased by 18,2%, while traditional life insurance products decreased by -5,9%.

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

The following table presents the insurance premium production of the Greek market[1] per insurance line of business for year 2023 and the respective variations compared to year 2022.

Insurance premiums of the Greek market	**2023**	**%**	**Change % compared to 2022**
(amounts in € mil.)			
Life traditional insurance	1.152	22%	-5,9%
Life insurance linked to investments (Unit-linked)	1.007	19%	17,4%
Management of group pension funds	405	8%	18,2%
Motor vehicle liability	764	15%	3,2%
Other non-life	1.937	37%	16,0%
Total gross written premiums	**5.266**	**100%**	**8,9%**

The Greek insurance market remains strong in terms of capital adequacy where Greek insurance companies demonstrate adequate Solvency II ratios. The equity capital of insurance companies has more than doubled since 2012, reaching €3,6 billion. In addition, significant progress has been made both in terms of corporate governance and in increasing transparency towards consumers.

Finally, the adoption of two new financial reporting standards, IFRS 17 "Insurance Contracts" (IFRS 17) and IFRS 9 "Financial Instruments" effective by 1st of January 2023, has played an important role. In particular, the transition to IFRS 17 was one of the most significant changes for insurance undertakings in the last 20 years, as a complete revision of the financial statements was required.

Financial Results Review

2023 was another positive year for Eurolife FFH Life Insurance S.A. (the "Company"), during which high levels of profitability and strong capital position were maintained.

Financial Figures of the Company

Key Financial Figures

	2023	**2022 Restated**
(amounts in € mil.)		
Gross written premiums *(including investment contracts)*	527,9	537,7
Insurance Revenue	106,4	103,4
Insurance Service Expense	(87,9)	(85,9)
Net expense from reinsurance contracts held	(1,1)	(0,1)
Insurance Service Result	17,4	17,4
Net investment income from financial assets[2]	277,3	39,5
Fair value gains/(losses) on investment contract liabilities	(45,9)	123,1
Net insurance finance income / (expenses)	(86,6)	56,4
Profit Before Tax	152,4	227,2
Income Tax	(34,3)	(50,9)
Profit for the year	118,1	176,3
Total Assets	3.435,6	3.083,5
Equity	580,8	513,7
Net Insurance Contract Liabilities	2.155,2	1.888,3
Investment Contract Liabilities	584,6	573,2
Number of Employees at 31 December	172	181

[2] The net investment income from financial assets is the sum of the Income Statement lines: Interest and dividends, Net gains/(losses) on financial assets at FVTPL, Net gains/(losses) on financial assets at FVTOCI, Change in credit impairment and Other investment income

Financial Ratios

	2023	2022 Restated
Return on equity after tax (ROE)	21,6%	36,6%
Return on assets before tax (ROA)	4,7%	7,1%
Profit margin before tax	143,2%	219,7%
Annualized premium equivalent (APE) (amounts in € mil.)	270,2	257,2
Contractual service margin (CSM) (amounts in € mil.)	112,2	86,7
Life present value of new business premiums (PVNBP) (amounts in € mil.)	475,5	472,4
Life new business CSM (NB CSM) (amounts in € mil.)	38,7	53,6
Solvency II Ratio (SCR)	168%	193%
Solvency II Ratio (MCR)	673%	773%

Financial Ratios Glossary

Return on equity after tax (ROE): Profit for the year after tax 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 Insurance revenue.

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.

Life present value of new business premiums (PVNBP) : Present value of new business premiums (PVNBP) is gross of reinsurance.

Life new business CSM (NB CSM): New business CSM of life insurance contracts, gross of reinsurance.

Solvency II Ratio (SCR): Eligible Own funds divided by Solvency capital requirement.

Solvency II Ratio (MCR): Eligible Own funds divided by Minimum capital requirement.

Gross written premiums

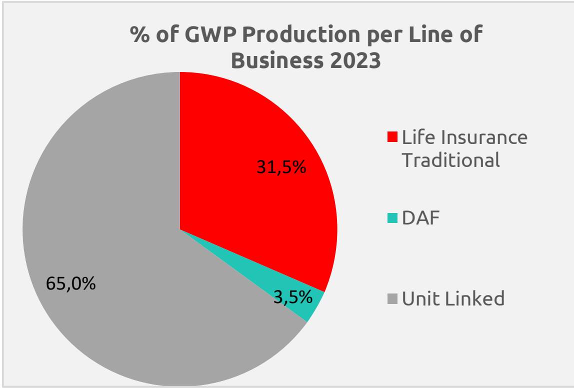
In fiscal year 2023, the gross written premiums of the Company amounted at € 527,9 million, maintaining the high production levels of the previous year (2022: € 537,7 million). The sales of the Unit Linked savings products noted a significant increase in 2023, reaching the 65,0% of the total sales (€ 344,0 million), compared to 38,7% in the last year (€ 208,3 million), replacing part of the production of the traditional life saving products. The insurance production through the Bank network (Bancassurance) remained in 2023 at high levels constituting 77,5% of the Company's total production.

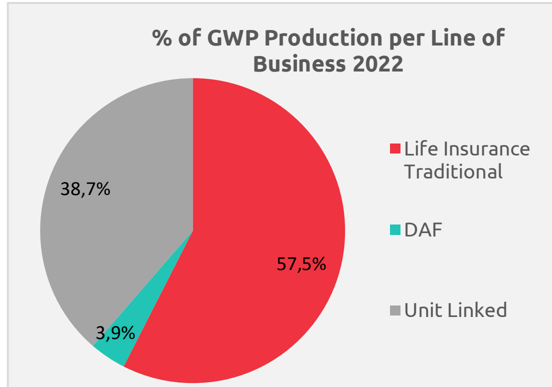
In terms of market shares, the Company gathered in 2023 17,1%[1] (2022: 19%[2]), of the total market, maintaining its leading position and its growth course.

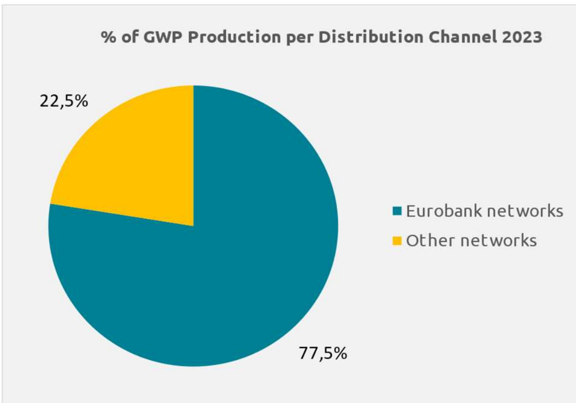
The following charts present the gross written premium production per line of business and per distribution channel for the years 2023 and 2022, respectively:

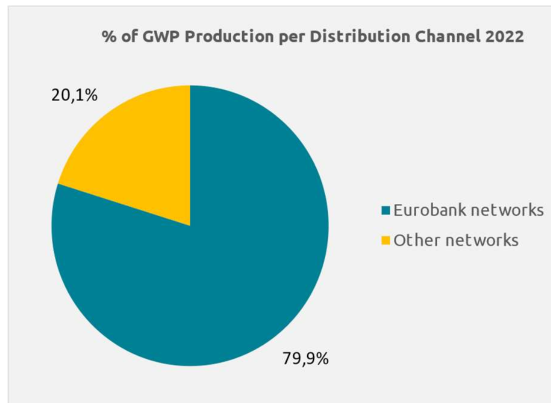
[1] Based on the premium production published by the Hellenic Association of Insurance Companies ("HAIC"), which includes data only for insurance companies that are members of HAIC. (http:// www1.eaee.gr/paragogi-asfalistron)

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









Insurance Service Result per Measurement Model

31 December 2023	**General Model**	**Premium Allocation Approach**	**Variable fee Approach**	**Total**
(amounts in € thousand)				
Insurance revenue	18.941	62.444	25.037	106.422
Insurance service expenses	(13.091)	(65.813)	(9.031)	(87.935)
Net expense from reinsurance contracts held	(373)	(722)	-	(1.094)
Insurance service result	**5.477**	**(4.091)**	**16.007**	**17.393**

31 December 2022	**General Model**	**Premium Allocation Approach**	**Variable fee Approach**	**Total**
(amounts in € thousand)				
Insurance revenue	28.431	56.175	18.837	103.443
Insurance service expenses	(15.309)	(62.859)	(7.762)	(85.930)
Net expense from reinsurance contracts held	167	(285)	-	(118)
Insurance service result	**13.289**	**(6.969)**	**11.074**	**17.394**

The insurance service result of the Company amounted to € 17,4 million in 2023, highlighting the positive profitability of the Company at a technical level even after the adoption of the new accounting standard.

Net Investment Income

The net investment income of the Company amounted to € 231,4 million in 2023 compared to € 162,6 million in the previous year. The investment income from financial assets presented a significant increase of € 236,0 million amounting to € 277,3 million in the current year compared to € 39,5 million in 2022. The increase was mainly driven by the high valuation gains of equities and mutual funds in 2023 compared to valuation losses in 2022. Similarly, the net investment income from the assets backing the unit linked insurance contracts (direct participating contracts) amounted to € 80,1 million in 2023 compared to losses of € -62,6 million in 2022.

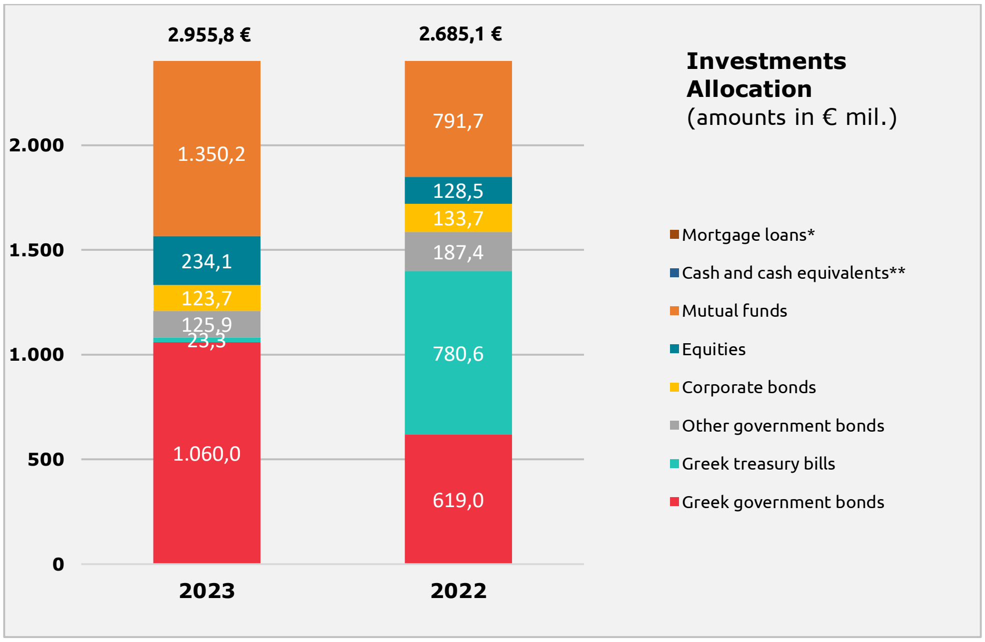
On the other hand, in 2023 the investment contract liabilities had valuation losses of € -45,9 million mainly due to the decrease in interest rates in 2023, while in 2022 they had valuation gains of € 123,1 million due to upward movement in yield curves during 2022.

The following tables present the analysis of the net investment income by category of financial assets and liabilities in the fiscal year 2023 and 2022:

31 December 2023 (amounts in € thousand)	**Investment Income**	**Realized gains/ (losses)**	**Fair Value gains/ (losses)**	**Change in Credit Impairment**	**Total**
Bonds	65.406	(6.903)	10.741	601	69.843
Equities	3.127	129	87.349	-	90.605
Mutual Funds	8	435	105.277	-	105.721
Loans	2.042	-	-	(15)	2.027
Deposits	1.070	-	-	-	1.070
Other	8.056	-	-	-	8.056
Investment contract liabilities	-	-	(45.921)	-	(45.921)
Net Investment Income	**79.709**	**(6.339)**	**157.445**	**585**	**231.400**

31 December 2022 Restated (amounts in € thousand)	**Investment Income**	**Realized gains/ (losses)**	**Fair Value gains/ (losses)**	**Change in Credit Impairment**	**Total**
Bonds	43.319	30.526	53	(496)	73.403
Equities	1.068	(57)	11.991	-	13.003
Mutual Funds	2.914	6.977	(66.756)	-	(56.865)
Loans	974	-	-	(23)	951
Deposits	2.498	-	-	-	2.498
Other	6.478	-	-	-	6.478
Investment contract liabilities	-	-	123.124	-	123.124
Net Investment Income	**57.252**	**37.447**	**68.412**	**(519)**	**162.592**

The allocation of the Company's investment portfolios per asset class at 31 December 2023 and 31 December 2022 is as follows:



* Mortgage loans: 2023: € 38,6 million (2022: € 38,7 million)
** Cash and cash equivalent of Unit Linked contracts: 2023: € 0,0 million (2022: € 5,6 million)

Financial Results

Profits before taxes amounted to € 152,4 million in 2023, showing a decrease of 32,9% compared to 2022 (2022: € 227,2 million). The decrease is primarily driven by fair value losses of the investment contact liabilities in 2023 amounting to € -45,9 million compared to fair value gains in 2022 amounting to € 123,1 million. This movement was mainly driven by the reduced yield curves implied for 2023 compared to 2022.

Share capital – Equity – Main shareholders

The share capital of the Company on December 31, 2023 amounts to € 29.134 thousand, divided into 843.000 common registered voting shares with a nominal value of € 34,56 each. All common registered shares have been issued and the share capital is fully paid. The Company is subsidiary of Eurolife FFH Insurance Group SA Holdings which holds 100% of its share capital.

Costa Luxembourg Holding Sà rl. ("Costa") is domiciled in Luxembourg (1 Jean Piret, L-2350 Luxembourg) and holds the 80% of the share capital of Eurolife FFH Insurance Group SA Holdings. Costa is fully controlled by Colonnade Finance Sà rl. which is also domiciled in Luxembourg and is member of the Fairfax Financial Holding Limited Group. Eurobank SA (hereinafter referred to as "Eurobank") holds the remaining 20% of the share capital of the Eurolife FFH Insurance Group SA Holdings and is considered related party.

The equity of the Company for the year ended 31 December 2023 is €580,8 million compared to €513,7 million in 2022.

Dividend Distribution

On 24 April 2022, the Annual General Meeting of the Company's shareholders decided to distribute a dividend to the shareholder Eurolife FFH Insurance Group in the amount of €26.770 thousand. The distribution of the dividend came from the profit for the financial year ended at 31 December 2021. The amount was paid to the shareholder on 18 May 2022.

On 25 October 2022, the Extraordinary General Meeting of the Company's shareholders decided to distribute a dividend to the shareholder Eurolife FFH Insurance Group for a total amount of €69.876 thousand. The dividend distribution came from undistributed profits of past years, up to and including the financial year ended at 31 December 2020. The amount was paid to the shareholders on 31 October 2022.

On 20 October 2023, the Annual General Meeting of the Company's shareholders decided to distribute a dividend to the shareholder Eurolife FFH Insurance Group in the amount of €39.983 thousand. The dividend distribution came from undistributed profits of past years. The amount was paid to the shareholder on 24 October 2023.

Subsidiaries

In the year 2023, the Romanian subsidiary Eurolife FFH Asigurari De Viata SA which started its operations in September 2007, recorded premiums amounting to € 3,3 million (2022: € 3,8 million). For the year 2023, the losses before taxes amounted to € 1,332 thousand (2022: € 1,478 thousand).

Based on the decision of the Extraordinary Shareholders' General Meeting of the subsidiary Eurolife FFH Asigurari de Viata S.A. dated at 14.10.2022, the subsidiary increased its share capital by €2,0 million (RON 9,9 million) by issuing 6.877 new shares with a nominal value of €291 (RON 1.437), which was covered by its shareholders, the Company (95%) and Eurolife FFH General Insurance SA (5%). After the increase, the share capital of the subsidiary amounts to €6,1 million (RON 24,3 million).

In 2015, the Company bought 100% of the shares of DIETHNIS KTIMATIKI S.A. DIETHNIS KTIMATIKI S.A. operates in the real estate sector and owns the property at 33-35 Panepistimiou and Korai, Athens, which houses the Company's offices. Profits before taxes amounted to € 962 thousand (2022: € 752 thousand) and profits after taxes for the current year amounted to € 738 thousand (2022: € 574 thousand).

Investment in Associates & Joint Ventures

A. Grivalia Hospitality S.A.

On 19 February 2017, the Company participated as strategic investor in the share capital of Grivalia Hospitality S.A. ("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 Company's and Grivalia's shareholding in GH's share capital 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 share capital of GH was owned 25% by Grivalia, 25% by the Company 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 24 March 2022, the Company acquired 3.825.000 shares of GH from Eurobank for a consideration of €5,29 million. The Company's percentage of participation in GH increased from 25% to 26,7%.

On 13 April 2022, the Company participated in the new share capital increase of GH, amounting to €35,0 million.The Company paid €27,4 million by acquiring 19.828.815 shares. The Company's percentage of participation in GH increased from 26,7% to 31,9%.

On 5 July 2022, the Company acquired 3.825.000 shares in GH from M&G for a consideration of €5,3 million. The Company's percentage of 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 Company participated in GH's new share capital increase of €25,4 million and €40,0 million, respectively. The Company paid €19,9 million and €31,4 million by acquiring 11.860.981 shares and 18.678.710 shares, respectively. The Company's percentage of participation in GH increased gradually from 33,5% to 36,0% and 39,5% respectively. After the completion of the increase, the paid-up share capital of GH now amounts to €325,4 million and will be used for the sufficient execution of its investment plan.

On 27 January 2023, the Company acquired 30.175.328 shares of GH from Eurobank for the amount paid of €48,3 million. The percentage of participation of the Company 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 €12,5 million and the issue of 12.507.738 new ordinary shares with a nominal value of €1,0 each. The Company did not participate in the new share capital increase. Following the completion of the transaction, the participation percentage of the Company in GH decreased from 49,94% to 47,87%.

On 24 March 2023, the Company participated in a new share capital increase of GH, amounting to €95,0 million. The Company paid €45,5 million acquiring 28.421.738 capital shares. The participation percentage of the Company in GH did not change as a result of this transaction.

On 6 November 2023, the Company participated in a new share capital increase of GH, amounting to €60,0 million. The Company paid €28,7 million acquiring 17.950.571 capital shares. The participation percentage of the Company in GH did not change as a result of this transaction.

Until 5 July 2022, the Company recognized the investment as an "investment in a joint venture" by assessing the nature of the investment and assuming that the three shareholders made all significant decisions by unanimity. From 5 July 2022 onwards when the sale of M&G's shares and its exit from the investment took place, the Company 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' and therefore consolidated using the equity method.

The total assets and labilities of the GH Group as at 31 December 2023 amount to €751.244 thousand (2022: €589.251 thousand) and €362.565 thousand (2022: €270.196 thousand), respectively. The equity of the GH Group net of the non-controlling interests amounts to €369.787 thousand (2022: €295.170 thousand). The most significant assets of the GH Group include the property for own use which at 31 December 2023 amount to €360.003 thousand (2022: €265.360 thousand), the investment properties amount to €183.588 thousand (2022: €146.248 thousand) and its bank deposits amounting to €106.133 thousand (2022: €45.780 thousand).

B. Antenna Digital Platform TV exchange of shares

In February 2023, the Company acquired 1.765 ordinary shares of Antenna Digital Platform TV CEE B.V. with a nominal value of €0,01 each for €20,0 million. The Company's participation percentage in Antenna Digital Platform TV CEE B.V. as at 31 December 2023 amounts to 15%.

The Company assessed the nature of the investment in Antenna Digital Platform TV CEE B.V. and determined that all conditions were met for the investment to be classified as an 'investment in associate'.

<u>Events after the Balance Sheet date</u>

In March 2024, the Company transferred to Antenna Greece B.V. the 15% equity participation held in Antenna Digital Platform TV CEE B.V. in exchange for 3,1% equity participation in Antenna Greece B.V.. In addition, in March 2024 the Company invested an amount of € 50,0 million in unsecured convertible notes issued by Antenna Greece B.V.

The Company classified the equity participation in Antenna Greece B.V. as common stock.

Management of insurance and financial risks

Risk Management Framework

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

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

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

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

A. Insurance Risk

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

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

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

Longevity risk : related to future losses that may occur 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 future premiums and/or terminate the contract (where these rights are part of the contract terms). Policyholder behaviors can be affected by many factors external to business operations such as economic and financial market conditions.

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

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

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

Assessment and risk mitigation techniques used for insurance risks

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

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

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

B. Market Risk

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

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

Interest rate risk: is the risk related to the fluctuations of interest rates which affect both the assets and the liabilities.

Currency risk: is the risk related to the fluctuations of currencies which affect the assets and the liabilities of the Company.

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

Market risk concentration: The Company is exposed to this risk through its investments 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 Company is exposed to this category through placements in time deposits and bonds-loans.

Assessment and risk mitigation techniques used for market risks

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

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

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

C. Credit risk

Credit risk arises from the possibility of a counterparty causing financial loss due to failure to meet its financial obligations as a result of its deteriorating financial condition. The Company is exposed to credit risk arising principally from: 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 with reinsurers, credit risk refers to the inability of the reinsurer to meet its financial obligation. The Company has placed several types of reinsurance arrangements, with various reinsurers, and as result is exposed to credit risk. While these agreements mitigate insurance risk, the receivables from reinsurers expose the Company to credit risk.

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

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

Assessment and risk mitigation techniques used for credit risk

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

Reinsurance arrangements are reviewed by the Company in order to ensure an adequate level of protection and support of contracts by creditworthy reinsurers. In this context, strict principles have been set up for selection of reinsurers.

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

D. Liquidity risk

Liquidity risk may arise from the Company's inability to liquidate investments and other assets in order to meet its financial obligations when they become due.

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

Assessment and risk mitigation techniques used for liquidity risks

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

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

E. Operational risk

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

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

The Company's Operational Risk Management Framework includes methodologies related to: Risk Control Self-Assessment, scenario assessment, business environment assessment, FRA risk exposure assessment (FRA), evaluation of outsourcing relations (ORA), in the assessment of cloud computing service providers, in the conduct risk assessment of business practices (conduct risk assessment), 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, methodologies, policies and / or procedures.

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

- Establishment of the Operational Risk Framework and definition of roles, duties and responsibilities of management and personnel.
- Performance of the following activities:
  - ✓ Risk & control self-assessment (RCSA), materiality assessment of outsourced functions or activities, cloud services & providers' risk assessment, Outsourcing Relationship Assessment (ORA), Business Environment Assessment, Business Practice Risk Assessment and Fraud Risk Assessment (FRA)
  - ✓ Record keeping of internal operational losses in combination with relevant events' causal analysis as well as analysis of external operational risk events.
  - ✓ Establishment and monitoring of Key Risk Indicators (KRIs).
  - ✓ Introduction and documentation of operational risk management methodologies, policies and processes.
  - ✓ Development and analysis of an appropriate set of scenarios which examine the potential exposure to operational risk
  - ✓ Identification, evaluation and reduction (when necessary) of risks when creating new products, processes and / or systems
  - ✓ Establishment and annual testing of a business continuity plan
  - ✓ Enhancement of operational risk awareness within the Company.
  - ✓ Formulation of the Agency's operational risk profile (including the identification and summary description of the 10 most important operational risks)
  - ✓ Submitting reports to inform the Board of Directors (via RALIMCo & the Audit Committee)

Capital Adequacy

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

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

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

As of 31 December 2023 and 31 December 2022, the eligible own funds of the Company exceed the Solvency Capital Requirement (SCR).

Labor issues

The Company's employees are the greatest asset for its success and sustainable development. As at 31 December 2023, the Company employed 172 employees. Gender and age distribution reflects the equal opportunities approach that the Company implements. In particular, the gender distribution is quite balanced with women reaching the 56,4% of the total employees.

The Company 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. In addition, we recognize as an important priority the training of our employees on diversity management issues, as well as the implementation of policies and practices for its promotion. The Company is committed to implementing equality of opportunity and diversity within the Company, ensuring equal treatment of its human resources, regardless of gender, race, color, national or ethnic origin, genetic background, religious or other beliefs, disability or chronic illness, age, marital or social status, sexual orientation, identity or gender characteristics. Our goal is to build a work environment every day that emphasizes talent and equal opportunity, without discrimination.

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

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

Health and safety are one of the highest priorities of the Company in order to make work safe, improve the quality of employees' working life and prevent related risks. The Company, for another year, continued to take all measures necessary for the prevention and protection of health and safety, by supervising their proper implementation, working conditions and compliance with the rules through an organized risk management framework. Employees' health and safety are part of corporate culture and ensured in all aspects of working life.

Social issues

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

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

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

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

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

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

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

Corporate Social Responsibility Program actions target a large number of beneficiaries, from different age groups and regions. More specifically, the initiatives 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 Company collaborates with key organizations to jointly implement actions that respond to significant problems and difficulties that specific groups of people face today. 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 Greek culture as well as to help even more people get in touch with the national inheritance. The ultimate objective of the actions is to give the opportunity to as many people as possible to benefit from art and education - with a focus on residents of remote border and island regions that do not have easy access to educational and cultural initiatives. The Company has given particular emphasis on this pillar, as its main priority is to support equal opportunities for both children and adults in learning and cultural activities. For this reason, the actions carried out are not limited to major urban centers of the country, but extended to various cities and regions of Greece.

C) For entrepreneurship and equal opportunities in business

Through this action pillar, the Company aims to support the work of organizations that promote new and innovative entrepreneurship ideas and initiatives. Believing in people's capabilities and abilities, 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 2023

The Company, participated in the following activities in 2023, 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 with specialized medical practitioners, as well as counseling and psychological support during pregnancy and childbirth. Until 2023, the Company supports through the program the following 10 areas: Patmos, Agrafa, Kasos, Kastelorizo, Lipsi, Tilos, Halki, Nisyros, Anafi, Ano Koufonisi.
- Construction of the kindergarten in Kastelorizo, so that the children have their own space, where they can work creatively and develop their skills. This is the fourth kindergarten inaugurated by the Company (the first was in Patmos in 2020 and the second in Paleokatouna Agrafa in 2021 and the third one in Lipsoi in 2022), while it has committed to build a kindergarten in each of the above areas. Work on the construction of the remaining kindergartens is continuing normally.
- Financial support of the organizations "Together for Children", "Arctic Circle", "The Tree of Life" and the athlete Iason Thanopoulos and the painter Vasilis Kekkis, for the implementation of their work and activities, and little Valentina from Kastelorizo to meet her health needs.
- 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, ethnic or national origin, genealogical, religion 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.
- The Company, for the third consecutive year, was certified as climate neutral, following a study carried out on behalf of the CSE Sustainability Center and verified by leading organization First Climate, while proceeding with carbon offsets to minimize it and choosing for another one year as a project Bundled Wind Power (project type: Renewable Energy – Wind) in India, , thus proving its consistency of purpose.
- The Company signed an agreement for the use of the Green Carpet of Thomas Cook India and LTIMindtree - a platform harmonized with global ESG reporting standards - for the monitoring and management of emissions resulting from the business trips of its executives.
- The Company, as a member of the Hellenic Association of Insurance Companies (EAEE), responded immediately to the Union's motivation and supported the families and households of Thessaly affected by the catastrophic floods, in order to meet their needs in replacing home equipment and electrical appliances, necessary for their subsistence.

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

- Sponsorship of the annual artistic program of the Greek National Opera.
- 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 1st Cycladic Kids Festival, a multi-thematic arts festival accessible to all children, in the context of which the exhibition of the Children's Drawing Competition took place.
  - ✓ The Weekend Workshops, a series of educational activities for children and parents carried by the Museum's instructors.
  - ✓ The creation of Family kits, special museum tour kits for families
  - ✓ The weekly workshops for people with disabilities, guided tours in sign language, activities for people with blindness with the mobile tactile display case implemented in the framework of the program "In Contact" that was also presented with the support of the Company in 2022
  - ✓ Transportation to and from the Museum for vulnerable groups (people with disabilities, refugees, etc.).
  - ✓ Educational activities for Young Friends & urban culture events, with exclusive activities and collaborations with cultural institutions.
  - ✓ Curated events for Patrons & Donors.
  - ✓ The support of school visits to the permanent collections of the Museum.

  - ✓ The Young Patrons Cultural Weekend in Ios, a three-day cultural program that includes a visit to archaeological sites etc.
  - ✓ Cycladic walks for all, an action with walks – one-day excursions inside and outside Attica to archaeological and cultural sites
- 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.
- Support for the European Cultural Centre of Delphi and its activities, with emphasis on the "Delphic Dialogues", an ambitious programme in which eminent thinkers and scientists of global scope discuss current issues and problems that humanity will be called to face in the near future.

Organizing activities to support entrepreneurship, such as:

- Sponsorship of HIGGS for the implementation of NGO business training activities in Patra and the Philanthropy 2.0 conference, which aimed to highlight the role of NGOs as driver for the development of society.
- 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 Historical Archives – Museum of Hydra, the Craft – Industrial Educational Museum in Lavrion, the Vassilis Papantoniou Foundation and the Sikiaridio Foundation.

• Support of Hellenic-Germany student Education for their participation in the F1 in Schools competition.

• Purchase of invitations to The Christmas Factory and the children's Festival "Together... and Play!" of "Together for the Child" for the employees of the Company.

• Sponsorship of insurance policies to Ithaca, IOAS, Unesco, the Olympic Museum of Athens, Ark of the World, Agioi Anargyroi Boarding School, Craft – Industrial Educational Museum, Association for the Support of Disabled in Kozani, AO Thira and Kremastiotis, Berdou and Kosoglou.

External Auditors

The Board of Directors, after taking into consideration the appointment of external auditors for 2024, will propose an audit firm in the upcoming Annual General Assembly Meeting. The General Assembly will decide on the selection of the Audit Firm and its fee.

Other information

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

<u>Branches</u>: The Company does not have branches.

<u>Own equity shares:</u> The Company does not hold own equity shares.

Prospects of the Greek economy for 2024: Positive dynamics, concerns and uncertainties

The global economy continues to face significant challenges as growth rates shrink while inflation remains high. The war in Ukraine is still ongoing, while recent developments in the Middle East are adding to concerns. These events are the most important source of uncertainty for global geopolitics and economics.

For 2024, growth in Greece is expected to continue maintaining a rate of 2,1%. A high nominal growth rate is projected with small increase in debt in absolute terms, i.e. a significant reduction in debt as a percentage of GDP. Greece's exit from enhanced surveillance, which took place in 2023, also contributes to this outcome.

On the household side, it appears that also in 2024, two opposing forces are influencing the evolution of consumer confidence. On the one hand, the impact of the rising cost of living is a concern for households, but it is partially offset by successive packages of interventions to support the most vulnerable.

Inflation in Greece is expected to be slightly above the Eurozone average in 2024 ~3% (~2,3% in the Eurozone), mainly due to a slower pace of decline in food.

Inbound tourism for 2024 is expected to maintain the positive performance of 2023, in real terms, although there is strong concern due to the situation in the Middle East.

Despite the positive picture of most fiscal indicators, the growth rates of both Greece and the rest of Europe appear to be deteriorating compared to 2023. The government will continue to take support measures during 2024. The measures will focus on supporting households.

At the same time, it is worth mentioning that despite the upgrade of the Greek economy (investment grade), the debt is refinanced at a higher interest rate than the average interest rate on existing debt (about 2%), due to the increase in ECB interest rates.

Greece's fiscal deficits in previous years, during which there was a need to tackle 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 deficits, achieving sustainable fiscal rebalancing in such a way as to support strong growth rates is essential. A key issue is the shift in the production model by boosting exports and investment. There are positive signs, such as the interest of foreign businesses and investors in the Greek economy, the resilience shown by tourism and the continued significant increase in exports of goods from critical sectors of the manufacturing industry. However, the uncertainties from the geopolitical developments and the climate of war in the Middle East increases concerns both globally and locally and weaken the upward momentum of the economic environment that has been built in 2023. Therefore, strengthening the competitiveness, the productive base, the resilience of the economy and the efficiency of the public sector has become urgent.

Recognizing the challenges of the times, the Company continues to rank organic profitable growth and digital transformation at the top of its strategic goals. For this reason, it systematically invests in new technologies and strategic alliances, with first priority the upgrading of infrastructure, the utilization of international practices, and the integration of modern technologies into its operations.

The key to achieving all strategic choices and priorities of the Company is the human resouces. People are considered the most important asset of the Company, having understood that they are its driving force. The aim is to staff it with the most capable and effective human resources, in order to build a competitive advantage. At the same time, policies are implemented that enhance loyalty, facilitate communication, strengthen teamwork, as well as the development, training and evaluation of human resources. All activities related to human resources management contribute decisively to the achievement of the Company's objectives and to the acquisition and maintenance of a competitive advantage.

Events after the Balance Sheet date

There are not any significant subsequent events 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
Alberto Lotti	Independent, Non-Executive Member
Wade Sebastian Burton	Non-Executive Member
Ioannis Serafimidis	Non-Executive Member
Theodoros Kalantonis	Non-Executive Member
Nikolaos Delendas	Executive Member
Amalia Mofori	Executive Member
Vassilios Nikiforakis	Executive Member

Athens, 12 June 2024

Chairman of the B.O.D and CEO

Alexandros Sarrigeorgiou

[Translation from the original text in Greek]

Independent auditor's report

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

Report on the audit of the financial statements

Our opinion

We have audited the accompanying financial statements of Eurolife FFH Life Insurance S.A. (Company) which comprise the statement of financial position as of 31 December 2023, the income statement, the statement of comprehensive income, the statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements,comprising material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Company as at 31 December 2023, its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union and comply with the statutory requirements of Law 4548/2018**.**

Basis for opinion

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

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

Independence

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

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

The non-audit services that we have provided to the Company, in the period from 01 January 2023 during the year ended as at 31 December 2023, are disclosed in the note 27 to the financial statements.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
1. Adoption of IFRS 17 and restatement of comparatives	
IFRS 17 became effective for periods beginning on or after 1 January 2023, replacing IFRS 4, 'Insurance Contracts'. As a result, the Company has adopted IFRS 17 from 1 January 2023 and comparatives have been retrospectively restated from the transition date of 1 January 2022. The adoption of IFRS 17 led to a decrease of the Company's net assets by €167m as at the transition date of 1 January 2022. The transition to IFRS 17 has introduced new financial statement line items and disclosures, requiring significant changes to the measurement of transactions and balances in the financial statements, including new areas of judgement and estimation. New systems, data flows, interfaces, processes and models have been developed and introduced, giving rise to increased risks of material misstatement. In particular, we consider the key risks in relation to the adoption of IFRS 17 and restatement of comparatives to be as follows: • The determination of the transition approach adopted for each group of insurance contracts; • The judgements involved in the determination of the measurement model to apply under the standard; • The methodology that has been used to determine the CSM on transition and its amortisation; • The methodology and assumptions in respect of determining the risk adjustment; • The methodology used by management to determine the illiquidity premium within the discount rate, based on an appropriate reference portfolio of assets; • The implementation of new models to produce the IFRS 17 results, which include the CSM calculation engine; • The new data flow and interfaces arising from the implementation of IFRS 17, from new systems; and	In performing our audit work over the transition to IFRS 17, and restatement of comparative financial statements (including the opening balance sheet), the procedures we performed included the following: • Performed an understanding of the processes defined by management to determine the impact of the adoption of IFRS 17 on the financial statements as of 1 January 2022, as well as on the comparative financial statements as of 31 December 2022. • Assessed the appropriateness of the transition approach adopted for each group of insurance contracts; • Assessed whether the judgements, methodology and assumptions applied by management in determining their accounting policies are in accordance with IFRS 17; • Applied industry knowledge and compared the methodology, models and assumptions used in determining the risk adjustment, CSM (including its amortisation profile) and discounted IFRS 17 future cash flows (including assessment of yield curves) against expected market practice, with the support of our internal actuarial experts; • Assessed the appropriateness of the methodology to derive the illiquidity premium within the discount rate and the methodology used to determine the reference portfolio of assets; • Implemented procedures to test on a sample basis the reliability of the data used as the basis for making estimates;. • Tested, on a sample basis and based on our risk assessment, the calculation models used to estimate future cash flows and the CSM; • Tested the mathematical accuracy and completeness of the supporting calculations and adjustments used to determine the 2022 comparatives;

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• The appropriateness of methodologies, assumptions and significant judgements applied in the calculation of relevant balances. Refer to notes 2.2.1, 2.13, 3.1,13 and 18 of the financial statements for the disclosure related to transition to IFRS 17 including significant judgements and estimates.	Based on the work performed and the evidence obtained, we consider the approaches adopted and resulting measurements and disclosures in the financial statements to be appropriate and in line with the requirement of IFRS 17 transition and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”.

Key audit matter	How our audit addressed the key audit matter
Valuation of Life liabilities measured under General Model and Variable Fee approach	
Insurance contract liabilities include the estimated cost of settling policyholder benefits relating to the liabilities for remaining coverage (“LRC”) associated with life insurance contracts measured under the General Model (“GMM”) and Variable Fee Approach (“VFA”) which amount to €2,098m for the Company, representing 73% of the Company’s total liabilities. The liabilities related to these insurance contracts include the present value of future cash flows, the adjustment for non-financial risks (RA), and the contractual service margin (CSM). The valuation of these liabilities is complex, highly judgmental and requires management to make a number of assumptions regarding future events that are linked to high estimation uncertainty. Small changes in key assumptions used may lead to a material impact on the valuation of these liabilities and operating performance of the Company. We focused on this area because of the significance of these amounts and the need for management to use complex actuarial methodologies and assumption setting processes relating to future events. The determination of these liabilities is based on significant judgments relating to the data used, assumptions about future periods, and the use of estimation techniques. ● The estimation of the present value of future cash flows related to these long-term contracts, evaluated according to the GMM or VFA model, is based on significant judgments,including:	Our audit was supported by our internal life actuarial experts and included the following procedures: ● We assessed the compliance of the methodology applied to estimate the cash flows, Risk Adjustment and CSM related to these contracts with the current accounting standards; ● We challenged the methodology and significant assumptions used by applying our knowledge of the Company as well as the industry and experience to assess whether such methodologies are in compliance with recognized actuarial practices. ● We assessed the design of the controls we deemed key to our audit. ● We tested on a sample basis the underlying data used in the projection of future cash flows and in the experience studies that support the actuarial assumptions used for accuracy and completeness; ● We tested on a sample basis and based on our risk assessment, the calculation models used to estimate future cash flows, non-financial risk adjustment, and the CSM, as well as any significant change to the calculation models; ● We examined on a sample basis the appropriateness of the coverage units used for the CSM recognition into the income statement; ● We performed analytical procedures to identify and analyze any material unusual and/or unexpected variation.

- The level of contract aggregation, including the identification of onerous groups of contracts, and the contract boundaries; - The estimation techniques that rely on complex cash flows projection models, in particular for the VFA model that includes projections of key components of statutory financial statements, namely income or expenses that relate to policyholders, beneficiary obligations, and assets backing those liabilities. - Non-financial assumptions, in particular (i) policyholder behaviour (due to lapse and surrender) and (ii) expenses. - Financial assumptions, particularly the determination of the discount rate. ● The RA determination is based on the assumptions concerning the confidence level established by the Company regarding the risk factors of insurance liabilities, and on a value-at-risk approach, which is the maximum loss within the defined confidence level. ● Finally, the amortization of the CSM, corresponding to the portion of the CSM recognized in the insurance revenue in the current year, is determined based on the coverage units. Refer to notes 2.13, 3.1, 4.2 and 18 of the financial statements.	Based on our procedures, we found that the estimates and the significant assumptions used to value life insurance liabilities to be reasonable. Furthermore, we found the disclosures in the financial statements to be appropriate and 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 financial statements does not cover the Other Information and except to the extent otherwise, explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

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

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

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

- The information given in the Board of Directors’ report for the year ended at 31 December 2023 is consistent with the financial statements.
- The Board of Directors’ report has been prepared in accordance with the legal requirements of article 150 of Law 4548/2018.

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

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

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

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

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

Auditor’s responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on other legal and regulatory requirements

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

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

2. **Appointment**

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 24 June 1999. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 25 years.

Halandri, 28 June 2024
THE CERTIFIED AUDITOR

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

Andreas Riris
SOEL Reg. No. 65601

(amounts in € thousand)	Notes	31/12/2023	31/12/2022 Restated*	1/1/2022 Restated*
Assets				
Property, Plant and Equipment	*5*	166	266	462
Right of use assets	*6*	2.317	2.584	2.953
Intangible assets	*7*	5.356	4.789	3.801
Investment in financial assets:				
Financial assets at FVTOCI	*10*	1.208.197	854.710	1.033.022
Financial assets at FVTPL	*11*	1.709.029	1.791.662	1.749.512
Financial assets at amortised cost	*12*	38.584	38.735	38.951
Investment in subsidiaries, associates and joint ventures	*8*	309.398	166.876	75.669
Income tax receivable		9.978	-	6.413
Insurance contract assets	*18*	420	1.180	1.185
Reinsurance contract assets	*13*	4.087	3.772	2.531
Other receivables	*14*	12.286	4.775	2.934
Cash and cash equivalents	*15*	135.743	214.130	421.316
Total Assets		**3.435.562**	**3.083.479**	**3.338.748**
Equity				
Share Capital	16	29.134	29.134	29.134
Share Premium	16	79.014	79.014	79.014
Reserves	17	354.594	229.310	283.958
Retained Earnings		118.070	176.282	57.984
Total Equity		**580.813**	**513.740**	**450.091**
Liabilities				
Insurance contract liabilities	18	2.155.595	1.889.450	2.116.115
Investment contract liabilities	19	584.636	573.193	704.569
Reinsurance contract liabilities	13	-	-	579
Employee benefits	20	745	688	554
Deferred tax liabilities	9	61.984	36.905	17.241
Lease liabilities	6	2.562	2.821	3.161
Other liabilities	21	49.227	52.393	46.439
Income tax payables		-	14.289	-
Total Liabilities		**2.854.749**	**2.569.739**	**2.888.657**
Total Equity and Liabilities		**3.435.562**	**3.083.479**	**3.338.748**

*More information regarding the restatements made in the amounts of the year ended 31 December 2022 is given in note 2.2.1.

Athens, 12 June 2024

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	EVANGELIA D. TZOURALI	EVANGELOS S. EFSTATHIOU
ID AM644393	ID AP186537	LIC. No 0099260	LIC. No 0110083

The notes on pages 31 to 111 are an integral part of these financial statements.

(amounts in € thousand)	Notes	01/01 - 31/12/2023	01/01 - 31/12/2022 Restated*
Insurance revenue	22	106.422	103.443
Insurance service expenses	23	(87.935)	(85.930)
Insurance service result from insurance contracts issued		18.487	17.512
Allocation of reinsurance premiums	24	(2.352)	(1.454)
Amounts recovered from reinsurance contracts	24	1.258	1.336
Net expense from reinsurance contracts held		(1.094)	(118)
Insurance service result		**17.393**	**17.394**
Interest and dividends	25	71.652	50.774
Net gains/(losses) on financial assets at FVTPL	25	196.391	(50.887)
Net gains on financial assets at FVTOCI	25	637	33.621
Change in credit impairment	25	585	(519)
Fair value gains/(losses) on investment contract liabilities	25	(45.921)	123.124
Other investment income	25	8.056	6.478
Net investment income		**231.400**	**162.592**
Finance income / (expenses) from insurance contracts issued	26	(86.603)	56.253
Finance income / (expenses) from reinsurance contracts held	26	(8)	123
Net insurance finance income / (expenses)		**(86.612)**	**56.376**
Other operating expenses	27	(9.789)	(9.139)
Profit before tax		**152.393**	**227.223**
Income tax expense	28	(34.322)	(50.941)
Profit for the year		**118.070**	**176.282**

*More information regarding the restatements made in the amounts of the year ended 31 December 2022 is given in note 2.2.1.

Athens, 12 June 2024

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	EVANGELIA D. TZOURALI	EVANGELOS S. EFSTATHIOU
ID AM644393	ID AP186537	LIC. No 0099260	LIC. No 0110083

The notes on pages 31 to 111 are an integral part of these financial statements.

(amounts in € thousand)	Notes	From 01/01 to 31/12/2023	From 01/01 to 31/12/2022 Restated*
Profit for the year		**118.070**	**176.282**
Other comprehensive income:			
Other comprehensive income items that may be reclassified to profit or loss in subsequent periods:			
- Net gains/(losses) on financial assets measured at FVTOCI	**17**	43.879	(172.668)
- Finance income / (expenses) from insurance contracts issued	**17**	(54.904)	156.739
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	**17**	10	(57)
Other comprehensive income for the year		(11.015)	(15.986)
Total comprehensive income for the year, net of tax		**107.055**	**160.295**

*More information regarding the restatements made in the amounts of the year ended 31 December 2022 is given in note 2.2.1.

Athens, 12 June 2024

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	EVANGELIA D. TZOURALI	EVANGELOS S. EFSTATHIOU
ID AM644393	ID AP186537	LIC. No 0099260	LIC. No 0110083

The notes on pages 31 to 111 are an integral part of these financial statements.

(amounts in € thousand)	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Balance at 1 January 2022	**29.134**	**79.014**	**451.012**	**57.984**	**617.145**
Impact of initial application of IFRS 17	-	-	(166.956)	-	(166.956)
Impact of initial application of IFRS 9	-	-	(98)	-	(98)
Balance at 1 January 2022 Restated *	**29.134**	**79.014**	**283.958**	**57.984**	**450.091**
Net gains/(losses) on financial assets measured at FVTOCI	-	-	(172.668)	-	(172.668)
Finance income / (expenses) from insurance contracts issued	-	-	156.739	-	156.739
Remeasurement of post employment benefit obligations	-	-	(57)	-	(57)
Other comprehensive income for the year, net of tax	**-**	**-**	**(15.986)**	**-**	**(15.986)**
Profit for the year	-	-	-	176.282	176.282
Total comprehensive income for the year	**-**	**-**	**(15.986)**	**176.282**	**160.295**
Transfer of retained earnings to reserves	-	-	57.984	(57.984)	-
Dividend distribution in shareholders	-	-	(96.646)	-	(96.646)
Total transactions with shareholders	**-**	**-**	**(38.661)**	**(57.984)**	**(96.646)**
Balance at 31 December 2022 Restated *	**29.134**	**79.014**	**229.310**	**176.282**	**513.740**

(amounts in € thousand)	Share Capital	Share Premium	Reserves	Retained Earnings	Total
Balance at 1 January 2023 Restated *	**29.134**	**79.014**	**229.310**	**176.282**	**513.740**
Net gains/(losses) on financial assets measured at FVTOCI	-	-	43.879	-	43.879
Finance income / (expenses) from insurance contracts issued	-	-	(54.904)	-	(54.904)
Remeasurement of post employment benefit obligations	-	-	10	-	10
Other comprehensive income for the year, net of tax	**-**	**-**	**(11.015)**	**-**	**(11.015)**
Profit for the year	-	-	-	118.070	118.070
Total comprehensive income for the year	**-**	**-**	**(11.015)**	**118.070**	**107.055**
Transfer of retained earnings to reserves	-	-	176.282	(176.282)	-
Dividend distribution in shareholders	-	-	(39.983)	-	(39.983)
Total transactions with shareholders	**-**	**-**	**136.299**	**(176.282)**	**(39.983)**
Balance at 31 December 2023	**29.134**	**79.014**	**354.594**	**118.070**	**580.813**

*More information regarding the restatements made in the amounts of the year ended 31 December 2022 is given in note 2.2.1.

The notes on pages 31 to 111 are an integral part of these financial statements.

	Notes	From 01/01 to 31/12/2023	From 01/01 to 31/12/2022 Restated*
(amounts in € thousand)			
Cash Flows from Operating Activities			
Profit before Tax		**152.393**	**227.223**
Adjustments for non cash items :			
Depreciation of property, plant and equipment and amortization of intangible assets		2.077	1.621
Change in other provisions		600	(681)
Non realized foreign exchange differences	**25**	(7.496)	(3.013)
Fair value (gains) / losses on financial assets	**25**	(196.471)	58.218
Changes in insurance and reinsurance contract assets/liabilities	**13,18**	196.199	(27.533)
Change in investment liabilities	**19**	11.443	(131.375)
Realized (gains)/ losses on financial assets	**25**	6.339	(37.444)
Interest income and expenses, dividends and other investment income		(51.011)	(47.345)
Bonds amortization and interest on deposits		(18.925)	(2.519)
Changes in Operating Assets and Liabilities :			
Purchases of financial assets	**10,11,12**	(1.494.132)	(2.351.100)
Sales of financial assets		1.492.337	2.258.136
Intercompany Loans granted	**14**	-	(13.242)
Intercomapny Loans received	**14**	-	13.242
Change in other receivables		(1.929)	(4.961)
Changes in insurance and reinsurance contract assets/liabilities and other liabilities		(11.913)	2.081
Interest received / paid and other investment income		49.457	43.333
Income tax paid		(22.176)	(1.442)
Net Cash Inflows/ (Outflows) from Operating Activities		**106.793**	**(16.800)**
Cash Flows from Investing Activities			
Purchases of property, plant and equipment and intangible assets	**5,7**	(1.952)	(1.844)
Increase of interest in associates/subsidiaries/joint ventures	**8**	(142.522)	(91.207)
Net Cash Outflows from Investing Activities		**(144.474)**	**(93.051)**
Cash Flows from Financing Activities			
Principal repayment of lease liabilities		(723)	(690)
Dividends paid	**31**	(39.983)	(96.646)
Net Cash Outflows from Financing Activities		**(40.706)**	**(97.335)**
Net decrease in cash and cash equivalents		(78.387)	(207.186)
Cash and cash equivalents at the beginning of the year	**15**	214.130	421.316
Cash and Cash Equivalents at the end of the year	**15**	**135.743**	**214.130**

*More information regarding the restatements made in the amounts of the year ended 31 December 2022 is given in note 2.2.1.

The notes on pages 31 to 111 are an integral part of these financial statements.

NOTE 1: GENERAL INFORMATION

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

The Company's headquarters are located in Athens, 33-35 El. Venizelou (Panepistimiou) Str. & 6-10 Korai Str., P.O. 105 64 (GEMI Registration 121651960000), tel:(+30) 2109303800, www.eurolife.gr. The Company operates in Greece and abroad via its Romanian subsidiary under the discreet title Eurolife FFH Asigurari De Viata S.A.

On 31 December 2023 the number of personnel was 175 (2022: 181).

The Board of Directors consists of the members below:

Name	Attribute
Alexandros Sarrigeorgiou	Chairman and CEO, Executive Member
Konstantinos Vasileiou	Vice-Chairman, Non-Executive Member
Angelos Androulidakis	Independent, Non-Executive Member
Alberto Lotti	Independent, Non-Executive Member
Wade Sebastian Burton	Non-Executive Member
Ioannis Serafimidis	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 12 June 2024 and are subject to approval by the Annual General Meeting of Shareholders.

The Company is a subsidiary of Eurolife FFH Insurance Group Holdings SA. (hereinafter referred to as "Eurolife FFH Insurance Group") which holds 100% of its share capital. Eurolife FFH Insurance Group is a subsidiary of the company Costa Luxembourg Holding S.a r.l. ("Costa"), which holds 80% of its share capital. Costa is domiciled in Luxembourg and is 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.

Activities of the Company

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

NOTE 2: PRINCIPAL ACCOUNTING POLICIES

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

2.1 Basis of preparation of Financial Statements

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

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

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

The policies set out below have been consistently applied to the years ended 31 December 2023 and 2022, respectively.

Going concern considerations

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

Despite the fragile international environment, the economy of Greece remained in expansionary territory in 2023, overperforming most of its European Union (EU) peers. More specifically, according to provisional data by the Hellenic Statistical Authority (ELSTAT), the Greek economy expanded by 2% on an annual basis in 2023 (2022: 5,6%), driven by increases in exports of goods and services, household consumption, and fixed investment. The inflation rate, as measured by the annual change in the Harmonized Index of Consumer Prices (HICP) decelerated to 4,2% in 2023 from 9,3% in 2022 according to ELSTAT, while a decrease in prices for energy goods was observed. According to its Winter Economic Forecast (February 2024), the European Commission (EC) expects a GDP growth rate of 2,3% in 2024 and 2025, while it forecasts further de-escalation of the inflation rate to 2,7% in 2024, and 2% in 2025. The average quarterly unemployment rate decreased to 11.1% from 12.4% in 2022, while based on the International Monetary Fund forecasts it is expected at 9.2% and 8.5% in 2024 and 2025, respectively. On the fiscal front, according to the 2024 State Budget, the general government primary balance is expected to post primary surpluses of 1.1% and 2.1% of GDP in 2023 and 2024 respectively, from 0.1% of GDP in 2022.

A significant boost in the growth in Greece is expected to be achieved from the EU-funded investment projects and reforms. Greece shall receive € 36 billion (€ 18,2 billion in grants and € 17,7 billion in loans) up to 2026 through the Recovery and Resilience Facility (RRF), out of which € 14,7 billion (€ 7,4 billion in grants and € 7,3 billion in loans) has already been disbursed by the EU. A further € 40 billion is due through EU's long-term budget (MFF), out of which € 20,9 billion is to fund the National Strategic Reference Frameworks (ESPA 2021–2027).

In 2023, the Greek government issued or re-opened twelve bonds of various maturities (from 5 to 19 years) through the Public Debt Management Agency (PDMA), raising a total of € 11,45 billion from the international financial markets. In February 2024, the PDMA raised an additional € 4,4 billion through a new 10-year bond issue and the reopening of two past issues. Following a series of sovereign rating upgrades, the "investment grade" was recovered for first time since 2010. More specifically, in the second half of 2023, the rating agencies Fitch Ratings, Scope Ratings and S&P Global upgraded the Greek government's long-term debt to the investment grade «BBB-» from «BB+» with a stable outlook, the rating agency DBRS Morningstar upgraded Greece to the investment grade «BBB (low)» from «BB» with a stable outlook and the rating agency Moody's Global upgraded the Greece's credit rating by two notches to «Ba1» from «Ba3» with a stable outlook.

Regarding the outlook for the next 12 months, the major macroeconomic risks and uncertainties in Greece are associated with: (a) the open war fronts in Ukraine and the Middle East, their implications regarding regional and global stability and security, and their repercussions on the global and the European economy, including the disruption in global trade caused by the recent attacks on trading vessels in the Red Sea, (b) a potential prolongation of the ongoing inflationary wave and its impact on economic growth, employment, public finances, household budgets, firms' production costs, external trade and banks' asset quality, as well as any potential social and/or political ramifications these may entail, (c) the timeline of the anticipated interest rate cuts by the ECB, as persistence on high rates for longer may keep exerting pressure on sovereign and private borrowing costs and certain financial institutions' balance sheets, but early rate cuts entail the risk of a rebound in inflation, (d) the prospect of Greece's major trade partners, primarily the euro area, remaining stagnant or even facing a temporary downturn, (e) the absorption capacity of the RRF funds and the attraction of new investments in the country (f) the effective and timely implementation of the reform agenda required to meet the RRF milestones and targets and to boost productivity, competitiveness, and resilience and (g) the environmental challenges, the extreme weather events and the natural disasters due to the climate change and their effect on GDP, employment, fiscal balance and sustainable development in the long run.

Materialization of the above risks, would have potentially adverse effects on the fiscal planning of the Greek government, the liquidity, asset quality, solvency and profitability of the Greek financial sector. In this context, the Company's Board of Directors are continuously monitoring the developments on the macroeconomic, financial and geopolitical fronts. In addition they have increased their level of readiness, so as to accommodate decisions, initiatives and policies to protect the Company's capital, asset quality and liquidity standing as well as the fulfilment, to the maximum possible degree, of its strategic and business goals.

Capital adequacy and profitability

2023 was another successful year for the Company during which the high levels of profitability and the strong capital position were maintained. The Company's profit after tax for the year ended 31 December 2023 amounted to €118,07 million (2022: € 176,28 million).

The Company's management systematically monitors the capital adequacy 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 2023, the Company's solvency II ratio was 168 % (2022: 193 %).

Conclusion on going concern

The Board of Directors, acknowledging the geopolitical and macroeconomic and financial risks risks in the economy and taking into account the factors relating to (a) the growth opportunities in Greece for the current and coming years, underpinned by the mobilisation of the already approved EU funding mainly through the RRF, (b) the Company's ability to generate profits, the quality of its assets, its strong capital adequacy and its liquidity standing, and (c) the Company's negligible exposure to Russia, Ukraine and Middle East, considered that the Company's financial statements can be prepared on a going concern basis.

2.2 Adoption of International Financial Reporting Standards (IFRS)

2.2.1 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 2023:

2.2.1.1. IFRS 17 Insurance Contracts

The Company has adopted IFRS 17 Insurance Contracts from 1 January 2023 and comparatives have been retrospectively restated from the transition date of 1 January 2022. IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods beginning on or after 1 January 2023.

The nature and effects of the key changes in the Company's accounting policies resulting from its adoption of IFRS 17 are summarized below:

i. Recognition, measurement and presentation of (re) insurance contracts

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts and investment contracts with discretionary participation features. It introduces a model that measures groups of contracts based on the Company's estimates of the present value of future cash flows that are expected to arise as the Company fulfils the contracts, an explicit risk adjustment for non-financial risk and a contractual service margin (CSM).

Under IFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Company expects to receive consideration and an allocation of premiums that relate to recovering insurance acquisition cash flows. In addition, investment components are no longer included in insurance revenue and insurance service expenses.

Insurance finance income and expenses are presented separately from insurance revenue and insurance service expenses. Insurance finance income and expenses are disaggregated between profit or loss and OCI for life risk and life savings contracts measured under general measurement model (GMM) and are recognized in total in profit or loss for the life insurance contracts measured under premium allocation approach (PAA) and variable fee approach (VFA).

The Company applies the PAA to simplify the measurement of the life insurance contracts with coverage of one year or less. Moreover, the reinsurance contracts held are all eligible to be measured by applying the PAA except for the individual life reinsurance treaty which is measured by applying the general measurement model. When measuring liabilities for remaining coverage, the PAA is similar to the Company's previous accounting treatment. However, when measuring liabilities for incurred claims, the Company now discounts the future cash flows (unless they are expected to occur in one year or less from the date on which the claims are incurred) and includes an explicit risk adjustment for non-financial risk.

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ('deferred acquisition costs') until those costs were included in profit or loss. Under IFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised as separate assets and are tested for recoverability. These assets are presented in the carrying amount of the related portfolio of contracts and are derecognised once the related contracts have been recognised.

The Company's classification and measurement of insurance and reinsurance contracts is disclosed in Note 2.13 The quantitative impact of applying IFRS 17 as at 1 January 2022 is disclosed in Note 2.2.1.3.

ii. Transition

On transition to IFRS 17, the Company has applied the full retrospective approach unless impracticable. The Company has applied the full retrospective approach on transition to all groups of contracts measured under PAA and to the groups of contracts measured under GMM and VFA that have been issued on or after 1 July 2021. For the groups of contracts measured under GMM issued prior to 2016 the fair value approach was applied. For all the remaining groups of contracts measured under GMM (issued from 1 January 2016 to 30 June 2021) and VFA (issued before 30 June 2021) the modified retrospective approach has been applied.

Full retrospective approach

The Company has applied the full retrospective approach on transition to to all groups of contracts measured under PAA and to the groups of contracts measured under GMM and VFA that have been issued on or after 1 July 2021.

Under the full retrospective approach, at 1 January 2022 the Company:

- identified, recognised and measured each group of insurance and reinsurance contracts as if IFRS 17 had always been applied,
- identified, recognised and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that the recoverability assessment was not applied before 1 January 2022,
- derecognised previously reported balances that would not have existed if IFRS 17 had always been applied. These included some deferred acquisition costs for insurance contracts and insurance receivables and payables. Under IFRS 17, they are included in the measurement of the insurance contracts,
- recognised any resulting net difference in equity.

Modified retrospective approach

The Company has applied the modified retrospective approach for the groups of contracts measured under GMM issued between 1 January 2016 to 30 June 2021 and for all the groups of contracts measured under VFA issued before 30 June 2021. The application of the full retrospective approach on transition for these portfolios was determined to be impracticable for the Company, as obtaining all required historical data for its existing products was not possible. Therefore, the Company has used reasonable and supportable information from its existing reporting systems, which resulted in the closest outcome to the full retrospective approach.

The Company has elected to use the simplification in the modified retrospective approach for determining the CSM or loss component of the liability for remaining coverage at the transition date. The Company has used the following procedure to determine the CSM at initial recognition for these contracts:

- Estimated future cash flows at the date of initial recognition as the amount of the future cash flows at transition date, adjusted by the actual cash flows that have occurred between the date of initial recognition and the transition date. The cash flows that are known to have occurred include cash flows resulting from contracts that ceased to exist before the transition date

- Estimated historical discount rates using an observable market interest curve for that period, adjusted by a spread in order to reflect liquidity characteristics of underlying contracts

- Estimated the risk adjustment for non-financial risk at the date of initial recognition by adjusting the risk adjustment at transition date by the expected release of risk in the periods before transition.

The CSM at transition date has been further determined by:

- Using the modified discount rates determined at initial recognition to accrete interest on the CSM

- Applying the amount of the CSM recognised in profit or loss because of the transfer of services before the transition date, by comparing the remaining coverage units at that date with the coverage units provided under the group of contracts before the transition date.

For the group of contracts measured under GMM, the Company has elected to disaggregate insurance finance income or expenses between amounts included in profit or loss and amounts included in other comprehensive income.

Fair Value Appoach

The Company has applied the fair value approach on transition for groups of contracts measured under GMM issued prior to 2016 where it grouped contracts from multiple cohorts and years into a single unit for accounting purposes. Obtaining reasonable and supportable information to apply the full retrospective approach was impracticable without undue cost or effort. The Company has determined the CSM of the liability for remaining coverage at the transition date, as the difference between the fair value of the group of insurance contracts and the fulfilment cash flows measured at that date. In determining fair value, the Company has applied the requirements of IFRS 13 Fair Value Measurement, except for the demand deposit floor requirement.

The Company has aggregated contracts issued more than one year apart in determining groups of insurance contracts under the fair value approach at transition as it did not have reasonable and supportable information to aggregate groups into those including only contracts issued within one year.

Assets for insurance acquisition cash flows

For the life risk segment measured under PAA, the Company also has recognized and measured certain assets for insurance acquisition cash flows at 1 January 2022.

2.2.1.2 IFRS 9 Financial Instruments

The Company has also adopted IFRS 9 Financial Instruments from 1 January 2023 and comparatives have been retrospectively restated. The Company had previously deferred the application of IFRS 9 to align with the implementation of IFRS 17.

The nature of the changes in accounting policies can be summarised, as follows:

i. Changes to classification and measurement

To determine their classification and measurement category, IFRS 9 requires all financial assets to be assessed based on a combination of the Company's business model for managing the assets and the instruments' contractual cash flow characteristics.

The IAS 39 measurement categories for financial assets (fair value through profit or loss (FVTPL), available for sale (AFS), held-to-maturity (HTM) and loans and receivables (L&R) at amortised cost) have been replaced by:

- Financial assets at fair value through profit or loss including equity instruments and derivatives
- Debt instruments at fair value through other comprehensive income, with gains or losses recycled to profit or loss on derecognition
- Equity instruments at fair value through other comprehensive income, with no recycling of gains or losses to profit or loss on derecognition (not used by the Company)
- Debt instruments at amortised cost

The Company's classification of its financial assets is explained in Note 2.6.1. The quantitative impact of applying IFRS 9 as at 1 January 2022 is disclosed in Note 2.2.1.3.

ii. Changes to the impairment calculation

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for debt instruments held at FVTOCI or amortised cost by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Company to record an allowance for ECLs for all debt instruments not held at FVTPL.

For debt instruments, the ECL is based on the portion of lifetime ECLs (LTECL) that would result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since origination or purchase of the assets, the allowance is based on the full lifetime ECL.

The Company's debt instruments at FVTOCI comprise mainly of quoted bonds with credit risk equivalent to investment grade according to the Moody's Agency and, therefore, are considered to be low credit risk investments.

It is the Company's policy to measure such instruments on a 12-month ECL (12mECL) basis. The Company considers that there has been a significant increase in credit risk for non-investment grade debt instruments when one of the following two conditions occurs first: a) there is a two-notches downgrade in the issue/issuer credit rating since the acquisition date or b) the 12-month PD of the issuer/counterparty as of the reporting period is more than 5% in absolute terms and has increased significantly relative to the 12-month PD as of the acquisition date.

The Company considers an instrument to be in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider an instrument to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full. In cases where a debt instrument or an issuer is credit rated as defaulted by any external credit rating agency, the debt instrument will be allocated to Stage 3. The same will also apply if the issuer/counterparty has additional obligations with the Company and is in default in one of these obligations, then the debt instrument will be assigned to Stage 3, even if the external credit rating does not indicate the issue as defaulted. There were no such instances in 2023 or 2022.

The Company's impairment methodology of its financial assets is disclosed in Note 2.8. The quantitative impact of applying IFRS 9 as at 1 January 2022 is disclosed in Note 2.2.1.3.

2.2.1.3 Impact of the transition to the new accounting standards

The impact on equity from the combined application of IFRS 9 and IFRS 17 has been determined on 1 January 2022. The impact of combined application of new standards on the Company Shareholder's equity at the transition date has been approximately € 167.054 thousand. IFRS 9 has not resulted in any significant measurement differences on adoption by the Company but does impact the disclosure of financial instruments.

The following tables set out the impact of adopting IFRS 9 and IFRS 17 on the statement of financial position.

The table below provides a reconciliation between the carrying amounts at 31 December 2021 as reported under IAS 39 and IFRS 4 to the restated amounts in the balance sheet at 1 January 2022 after implementation of IFRS 9 and IFRS 17.

Reconciliation of balance sheet 31 December 2021/ 1 January 2022 ('transition date')

Original Balance Sheet item with IAS 39 and IFRS 4	Reported amount	IFRS 9 Remeasurement (1)	IFRS 9 Reclassification (2)	Impact of IFRS 17 adoption (3)	Adjusted amount	Restated Balance Sheet item with IFRS 9 and IFRS 17
(amounts in € thousand)						
Property, Plant and Equipment	462	-	-	-	462	Property, Plant and Equipment
Right of use assets	2.953	-	-	-	2.953	Right of use assets
Intangible assets	3.801	-	-	-	3.801	Intangible assets
Deferred acquisition costs	29.476	-	-	(29.476)	-	
Available for sale financial assets	1.294.474	-	(261.452)	-	1.033.022	Financial assets at FVTOCI
Financial assets classified as loans and receivables	38.982	(31)	-	-	38.951	Financial assets at amortised cost
Financial assets at FVTPL	1.488.133	(74)	261.452	-	1.749.512	Financial assets at FVTPL
Investment in associates and joint ventures	75.669	-	-	-	75.669	Investment in associates and joint ventures
Income tax receivable	6.413	-	-	-	6.413	Income tax receivable
	-	-	-	1.185	1.185	Insurance contract assets
Reinsurance share on insurance contracts	1.945	-	-	586	2.531	Reinsurance contract assets
Insurance receivables	7.404	-	-	(7.404)	-	
Other receivables	4.478	-	-	(1.544)	2.934	Other receivables
Cash and cash equivalents	421.316	-	-	-	421.316	Cash and cash equivalents
Total Assets	**3.375.506**	**(105)**	**-**	**(36.653)**	**3.338.748**	**Total Assets**
Technical reserves and other insurance provisions	2.624.924	-	-	(508.809)	2.116.115	Insurance contract liabilities
Investment contract liabilities	13.629	-	-	690.939	704.569	Investment contract liabilities
	-	-	-	579	579	Reinsurance contract liabilities
Employee benefits	554	-	-	-	554	Employee benefits
Deferred tax liabilities	64.338	(7)	-	(47.090)	17.241	Deferred tax liabilities
Lease liabilities	3.161	-	-	-	3.161	Lease liabilities
Insurance and other liabilities	51.755	-	-	(5.316)	46.439	Insurance and other payables
Total Liabilities	**2.758.361**	**(7)**	**-**	**130.303**	**2.888.657**	**Total Liabilities**
Total Equity	**617.145**	**(98)**	**-**	**(166.956)**	**450.091**	**Total Equity**

The references in the columns above are explained as follows:

(1) - Unlisted equity securities previously measured at cost and presented as Available for sale financial assets, are remeasured at fair value and presented as financial assets at FVTPL
- Expected credit loss provision has been calculated for the financial assets measured at amortised cost.

(2) Available-for-sale financial assets that do not qualify for measurement at fair value through other comprehensive income are presented as Investments at fair value through profit or loss.

(3) -Deferred acquisition costs, insurance receivables and payables are derecognised and form part of the liability for insurance contracts.
- Contracts previously classified as Insurance Contracts and presented as Technical reserves and other insurance provisions, are reclassified as Investment Contract Liabilities.
- Insurance contracts assets and reinsurance contracts liabilities are presented separately.
- Measurement differences on insurance contract assets and liabilities, reinsurance contract assets and liabilities and investment contract liabilities.

The following table presents the reconciliation between the provision allowances under IAS 39 at the beginning of the period and the ECL allowances under IFRS 9.

(amounts in € thousand)	Loss allowance under IAS 39 at 31 December 2021	Re-measurement	ECLs under IFRS 9 at 1 January 2022
Loss allowance for			
Equity instruments at FVTPL under IFRS 9 From Available-for-sale debt securities per IAS 39	2.521	(2.521)	-
Debt instruments at FVTOCI under IFRS 9 From Available-for-sale debt securities per IAS 39	-	1.839	1.839
Debt instruments at amortised cost under IFRS 9 From loans and receivables under IAS 39	-	31	31
Total	**2.521**	**(651)**	**1.870**

The table below presents the reconciliation between the Company Shareholder's equity as at 31 December 2021, as previously reported according to IAS 39 and IFRS 4 and the Company Shareholder's equity at transition date measured with the new IFRS 9 and IFRS 17 accounting standards.

Impact of IFRS 9 and IFRS 17 on Shareholders' Equity

(amounts in € thousand)	Share capital	Share premium	Financial Assets at FVTOCI revaluation reserve	Other Reserves	Retained earnings	Total
Total equity as reported at 31 December 2021	**29.134**	**79.014**	**228.582**	**222.430**	**57.984**	**617.145**
Impact (net of tax) of IFRS 9:						
Reclassification of debt instruments from AFS to FVTPL	-	-	(25.694)	25.694	-	**-**
Recognition of expected credit losses under IFRS 9 for debt financial assets at FVTOCI or AC	-	-	1.434	(1.458)	-	**(24)**
Remeasurement of equity securities at FVTPL, previously measured at cost according to IAS 39	-	-	-	(74)	-	**(74)**
Total	-	-	**(24.260)**	**24.162**	**-**	**(98)**
Impact (net of tax) of IFRS 17:						
Differences in the valuation of future cash flows due to discounting	-	-	-	(109.888)	-	**(109.888)**
Contractual service margin recognition	-	-	-	(56.268)	-	**(56.268)**
Risk Adjustment recognition	-	-	-	(13.238)	-	**(13.238)**
Other measurement adjustments	-	-	-	12.439	-	**12.439**
Total	-	-	-	**(166.956)**	**-**	**(166.956)**
Restated total equity at 1 January 2022	**29.134**	**79.014**	**204.322**	**79.636**	**57.984**	**450.091**

2.2.1.4 Other Standards

IAS 1, Amendments - Presentation of Financial Statements and IFRS Practice Statement 2 Disclosure of Accounting policies

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

IAS 8, Amendments - Accounting policies, changes in accounting estimates and errors: Definition of Accounting Estimates

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

IAS 12, Amendments - Deferred tax related to Assets and Liabilities arising from a Single Transaction

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

IAS 12, Income Tax, Amendments - International Tax Reform – Pillar Two Model Rules

The amendments introduce a mandatory temporary exception from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development's (OECD) international tax reform. The amendments also introduce targeted disclosure requirements.

The temporary exception applies immediately and retrospectively in accordance with IAS 8, whereas the targeted disclosure requirements will be applicable for annual reporting periods beginning on or after 1 January 2023 The adoption of the amendments did not have an impact on the Company's financial statements.

2.2.2 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 2023, 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. The following standards are related to the Company:

IAS 1, Amendment - Classification of liabilities as current or non-current (effective from 1 January 2024, adopted by the EU)

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

IAS 1, Amendments - Non-current liabilities with covenants (effective from 1 January 2024, adopted by the EU)

The new amendments clarify that if the right to defer settlement is subject to the entity complying with specified conditions (covenants), this amendment will only apply to conditions that exist when compliance is measured on or before the reporting date. Additionally, the amendments aim to improve the information an entity provides when its right to defer settlement of a liability is subject to compliance with covenants within twelve months after the reporting period.

The 2022 amendments changed the effective date of the 2020 amendments. As a result, the 2020 and 2022 amendments are effective for annual reporting periods beginning on or after 1 January 2024 and should be applied retrospectively in accordance with IAS 8. As a result of aligning the effective dates, the 2022 amendments override the 2020 amendments when they both become effective in 2024. The adoption of the amendments is not expected to have an impact on the Company's financial statements.

IFRS 16, Amendment - Lease Liability in a Sale and Leaseback (effective from 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 adoption of the amendment is not expected to have an impact on the Company's financial statements.

IAS 7, Statement of Cash Flows and IFRS 7, Financial Instruments (Amendments) - Disclosures: Supplier Finance Arrangements (effective from 1 January 2024, adopted by the EU)

The amendments require companies to disclose information about their Supplier Finance Arrangements such as terms and conditions, carrying amount of financial liabilities that are part of such arrangements, ranges of payment due dates and liquidity risk information. The adoption of the amendments is not expected to have an impact on the Company's financial statements.

IAS 21, The Effects of Changes in Foreign Exchange Rates (Amendments) - Lack of exchangeability (effective from 1 January 2025, not adopted by the EU)

These amendments require companies to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide. The adoption of the amendments is not expected to have an impact on the Company's financial statements.

2.3 Foreign currency

2.3.1 Functional currency and presentation currency

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

2.3.2 Transactions and balances in foreign currency

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

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

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

2.4 Property, plant and equipment

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

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

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

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

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

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

2.5 Intangible assets

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

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

Software: 4 to 7 years

2.6 Financial assets and liabilities

2.6.1 Financial assets - classification and measurement

The Company classifies financial assets based on the business model for managing those assets and their contractual cash flow characteristics.

Accordingly, financial assets on initial recognition are classified into one of the following measurement categories: amortized cost, fair value through other comprehensive income or fair value through profit or loss.

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

Financial Assets measured at Amortized Cost ('AC')

The Company classifies and measures a financial asset at AC only if both of the following conditions are met and is not designated as at FVTPL:

(a) The financial asset is held within a business model whose objective is to collect contractual cash flows (hold-to-collect business model) and

(b) 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 recognized initially at fair value plus or minus direct and incremental transaction costs and fees received that are attributable to the acquisition of these assets, and are subsequently measured at amortized cost, using the effective interest rate (EIR) method.

Interest income, realized gains and losses on derecognition, and changes in expected credit losses from assets classified at AC, are included in the income statement.

Financial Assets measured at Fair Value through Other Comprehensive Income ('FVTOCI')

The Company classifies and measures a financial asset at FVTOCI only if both of the following conditions are met and is not designated as at FVTPL:

(a) The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (hold-to-collect-and-sell business model) and

(b) The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

Financial assets that meet these criteria are debt instruments and are measured initially at fair value, plus or minus direct and incremental transaction costs that are attributable to the acquisition of these assets.

Subsequent to initial recognition, FVTOCI debt instruments are re-measured at fair value through OCI, except for interest income, related foreign exchange gains or losses and expected credit losses, which are recognized in the income statement. Cumulative gains and losses previously recognized in OCI are transferred from OCI to the income statement when the debt instrument is derecognised.

Financial Assets measured at Fair Value through Profit and Loss ("FVTPL")

The Company classifies and measures all other financial assets that are not classified at AC or FVTOCI, at FVTPL.

Furthermore, a financial asset that meets the above conditions to be classified at AC or FVTOCI, may be irrevocably designated by the Company at FVTPL at initial recognition, if doing so eliminates, or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets measured at FVTPL are initially recorded at fair value and any unrealized gains or losses arising due to changes in fair value are included in the income statement.

Business model and contractual characteristics assessment

The business model assessment determines how the Company manages a group of assets to generate cash flows. That is, whether the Company's objective is solely to collect contractual cash flows from the asset, to realize cash flows from the sale of assets, or both to collect contractual cash flows and cash flows from the sale of assets. In addition, the business model is determined after aggregating the financial assets into groups (business lines) which are managed similarly rather than at an individual instrument's level.

The business model is determined by the Company's key management personnel consistently with the operating model, considering how financial assets are managed in order to generate cash flows, the objectives and how performance of each portfolio is monitored and reported and any available information on past sales and on future sales' strategy, where applicable. Accordingly, in making the above assessment, the Company will consider a number of factors including the risks associated with the performance of the business model and how those risks are evaluated and managed, the related personnel compensation, and the frequency, volume and reasons of past sales, as well as expectations about future sales activity.

Types of business models

The Company's business models fall into three categories, which are indicative of the key strategies used to generate returns.

The hold-to-collect (HTC) business model has the objective to hold the financial assets in order to collect contractual cash flows.

The hold-to-collect-and-sell business model (HTC&S) has the objective both to collect contractual cash flows and sell the assets.

Other business models include financial assets which are managed and evaluated on a fair value basis as well as portfolios that are held for trading.

The Company's business models are reassessed at least annually or earlier, if there is a sales' assessment trigger or if there are any changes in the Company's strategy and main activities.

Solely payments of principal and interest (SPPI test)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Company assesses whether the financial instruments' cash flows represent SPPI (the SPPI test). In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement (i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement). Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVTPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent, and none occurred during the period.

The Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective (i.e. instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets). Examples of equity instruments include basic ordinary shares.

The Company subsequently measures all equity investments at FVTPL. Gains and losses on equity investments at FVTPL are included in the line 'Net gains on FVTPL investments' in the statement of profit or loss.

The Company chooses not to apply the FVTOCI option for equity instruments that are not held for trading.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual cash flows expire, or the rights to receive those cash flows are transferred in an outright sale in which substantially all risks and rewards of ownership have been transferred. In addition, a financial asset is derecognized even if rights to receive cash flows are retained but at the same time the Company assumes an obligation to pay the received cash flows without a material delay (pass through agreement) or when substantially all the risks and rewards are neither transferred nor retained but the Company has transferred control of the asset. Control is transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

On derecognition of a financial asset, the difference between the carrying amount of the asset and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognized in OCI for financial assets at FVTOCI, is recognized in income statement, except for cumulative gains or losses of FVTOCI equity instruments which are not reclassified from OCI to income statement at the date of derecognition.

Modification of financial assets that may result in derecognition

In addition, derecognition of financial asset arises when its contractual cash flows are modified and the modification is considered substantial enough so that the original asset is derecognized and a new one is recognised. The Company records the modified asset as a 'new' financial asset at fair value plus any eligible transaction costs and the difference with the carrying amount of the existing one is recorded in the income statement as derecognition gain or loss.

When assessing whether or not to derecognise an instrument, amongst others, the Company considers the following factors:

- Change in currency of the debt instrument
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss.

2.6.2 Financial Liabilities

Financial liabilities have two subcategories; the financial liabilities held for trading and the financial liabilities designated as at fair value through profit or loss upon initial recognition. The Financial Liabilities of the Company include unit linked products and derivative financial instruments. The accounting policies of the abovementioned financial liabilities are described in notes 2.9 and 2.14 respectively.

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 (see note 4.6).

2.8 Impairment of assets

2.8.1 Impairment of financial assets

2.8.1.1 Impairment of financial instruments

The Company recognizes allowance for expected credit losses (ECL) that reflect changes in credit quality since initial recognition to financial assets that are measured at AC and FVTOCI. ECL are a probability-weighted average estimate of credit losses that reflects the time value of money. Upon initial recognition of the financial instruments in scope of the impairment policy, the Company records a loss allowance equal to 12-month ECL, being the ECL that result from default events that are possible within the next twelve months. Subsequently, for those financial instruments that have experienced a significant increase in credit risk since initial recognition, a loss allowance equal to lifetime ECL is recognized, arising from default events that are possible over the expected life of the instrument. If upon initial recognition, the financial asset meets the definition of purchased or originated credit impaired (POCI), the loss allowance is based on the change in the ECL over the life of the asset.

For all financial assets subject to impairment, the general three-stage approach applies.

Accordingly, ECL are recognized using a three-stage approach based on the extent of credit deterioration since origination:

- Stage 1 – When there is no significant increase in credit risk since initial recognition of a financial instrument, an amount equal to 12-month ECL is recorded. The 12 – month ECL represent a portion of lifetime losses, that result from default events that are possible within the next 12 months after the reporting date and is equal to the expected cash shortfalls over the life of the instrument or group of instruments, due to loss events probable within the next 12 months. Not credit-impaired financial assets that are either newly originated or purchased, as well as assets recognized following a substantial modification accounted for as a derecognition, are classified initially in Stage 1.
- Stage 2 – When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, it is included in Stage 2. Lifetime ECL represent the expected credit losses that result from all possible default events over the expected life of the financial instrument.
- Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

- POCI - Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. They are not subject to stage allocation and are always measured on the basis of lifetime expected credit losses. Accordingly, ECL are only recognized to the extent that there is a subsequent change in the assets' lifetime expected credit losses. Any subsequent favorable change to their expected cash flows is recognized as impairment gain in the income statement even if the resulting expected cash flows exceed the estimated cash flows at initial recognition. Apart from purchased assets directly from the market or through a business combination, POCI assets may also include financial instruments that are considered new assets, following a substantial modification accounted for as a derecognition.

As at December 31, 2023 and December 31, 2022 the Company does not hold financial assets Purchased or originated credit impaired (POCI) or financial assets classified at Stage 3.

Measurement of Expected Credit Losses

The measurement of ECL is an unbiased probability-weighted average estimate of credit losses that reflects the time value of money, determined by evaluating a range of possible outcomes. A credit loss is the difference between the cash flows that are due to the Company in accordance with the contractual terms of the instrument and the cash flows that the Company expects to receive (i.e. cash shortfalls) discounted at the original effective interest rate (EIR) of the same instrument, or the credit-adjusted EIR in case of purchased or originated credit impaired assets (POCI). In measuring ECL, information about past events, current conditions and reasonable and supportable forecasts of future conditions are considered.

The key elements of the ECL calculations are outlined below:

- The Probability of Default (PD) is an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information. Two types of probability of default are used to calculate the expected credit loss:
  - 12-month PD which is the estimated probability of default occurring within the next 12 months. It is used in the calculation of 12-month expected credit losses for Stage 1;
  - Lifetime PD which is the estimated probability of default arising during the remaining life of the financial asset. It is used to calculate expected credit losses of Stage 2, Stage 3 and purchased or initially recognized credit impaired financial assets (POCI);
- The Exposure at Default (EAD) is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, and accrued interest from missed payments.
- The Loss Given Default (LGD) is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Company would expect to receive. It is usually expressed as a percentage of the EAD.

Forward looking information

In its ECL models, the Company relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Central Bank base rates

Write-off of financial assets

Where the Company has no reasonable expectations of recovering a financial asset either in its entirety or a portion of it, the gross carrying amount of that instrument is reduced directly, partially or in full, against the impairment allowance. The amount written-off is considered as derecognized. Subsequent recoveries of amounts previously written off decrease the amount of the impairment losses in the income statement.

2.8.1.2 Impairment of loans to insurance intermediaries

The calculation of ECL follows the same approach as for debt securities subject to impairment. However, the Company calculates lifetime ECLs by setting all loans to stage 2 allocation and does not perform staging assessment (for Stage 1 and Stage 2).

Despite recognition of lifetime ECLs since initial recognition, the Company tracks cases of defaults and update relevant ECLs accordingly (e.g. PD 100%), for cases of all loans that are considered credit-impaired and allocated to Stage 3.

2.8.2 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).

2.9 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 Company did not hold embedded derivatives in other financial instruments during the years 2023 and 2022.

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.

2.10 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.

2.11 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 assets, defined benefit obligations to employees due to retirement, impairment of receivables and the valuation of certain financial assets and liabilities.

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 financial assets recognized at fair value through other comprehensive income, is also recognized in the statement of comprehensive income and subsequently transferred to the income statement together with the deferred gain or loss.

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

2.12 Employee benefits

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

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

ii) Defined post-employment benefit plans

Under labor law in force, an employee remaining in service until normal retirement age is entitled to a lump sum reimbursement calculated based on years of service and salary at the date of retirement. The Company accounts for a provision based on actuarial study for staff leaving indemnities using the projected credit unit method. According to this method, the cost of staff leaving indemnities is recognized in duration of the last 16 years of service of the employees until the date of retirement, based on actuarial valuations carried out every year.

The indemnity liability is calculated as the present value of expected future cash outflows using interest rates of high quality European corporate bonds, with terms to maturity approximating the terms of the relevant liability (see note 20).

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

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

iii) Employee termination benefits

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

iv) Bonus and benefits participation plans

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

2.13 Insurance and Reinsurance Contracts

Insurance and investment contracts classification

The Company issues insurance contracts and investment contracts with DPF in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Company determines that it has significant insurance risk, if, and only if, an insured event could cause the issuer to pay additional amounts that are significant in any single scenario, excluding scenarios that have no commercial substance. Additional amounts of at least 5% paid on insured event indicate that significant insurance risk exists. IFRS 17 requires the assessment of whether a contract transfers significant insurance risk to be made only once (unless the terms of the contract are modified) and specifically at inception.

Contracts that have a legal form of insurance but do not transfer significant insurance risk and expose the Company to financial risk are classified as investment contracts and follow financial instruments accounting under IFRS 9. Some investment contracts without DPF issued by the Company fall under this category. For more details please see Note 2.14.

The Company issues:

- Life Risk contracts which provide protection against risk of death, disability or critical illness. These concern term assurance, whole-life contracts and life insurance policies with attached riders (such as disability, critical illness), credit insurance, individual health, and group health.
- Life Saving products which provide long term insurance with accumulated features through a maturity benefit, such as annuities, endowment and Deposits Administration Fund products (DAF).
- Direct participating contracts, which are savings products that allow policyholders to benefit from participating in the performance of a wide range of underlying items. These contracts are determined as direct participating contracts because at inception:
  - the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
  - the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
  - the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

The Company uses different measurement approaches, depending on the type of contracts, as follows:

Insurance Contracts issued	Product Classification	Measurement model
Individual life term assurance, whole life assurance and life insurance policies with attached rider benefits (the majority of which are health indemnities)	Insurance contracts	GMM
Individual endowment and pure endowment with profit participation features, group pension products in the form of deferred annuities (Deposit admisitration funds)	Invenstment contracts with DPF	GMM
Unit-Linked insurance contracts (Direct participating contracts)	Insurance contracts	VFA
Individual term life contracts, group health insurance contracts covering death, illness or disability risk, credit life contracts	Insurance contracts	PAA
Unit linked investment contracts, pure endowment premium products with premium refund in the event of death, group pension products without profit participation features	Investment contracts without DPF	Financial Liabiliies measured at FVTPL under IFRS 9

Reinsurance Contracts held	Product Classification	Measurement model
Individual Life reinsurance treaty that provides coverage to certain individual life policies and individual personal accident insurance contracts	Reinsurance contracts held	GMM
All the remaining reinsurance contracts held	Reinsurance contracts held	PAA

Insurance and reinsurance contracts accounting treatment

2.13.1 Separating components from insurance and reinsurance contracts

The Company assesses its insurance and reinsurance contracts to determine whether they contain distinct components which must be accounted for under IFRS 9 or IFRS 15. After separating any distinct components, an entity must apply IFRS 17 to all remaining components of the (host) insurance contract.

IFRS 17 distinguishes three categories of components that have to be accounted for separately:

- *Distinct embedded derivatives:* Derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument;
- *Distinct investment components:* The amounts that an insurance contract requires the Company to repay to a policyholder in all circumstances, regardless of whether an insured event occurs (i.e. investment components) that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.
- *Distinct goods or services components:* promises to transfer to policyholders' distinct goods or services other than insurance coverage and investment services. A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder.

No distinct service components, embedded derivatives and investment components were identified in Company's portfolio that need to be accounted separately under another IFRS rather than IFRS 17.

Non-distinct embedded derivatives were recognized in some unit-linked and life insurance traditional contracts. Non-distinct investment components were recognized in Company's portfolio related to the following:

- Surrender value in life saving contracts
- Low claim bonus in health contracts
- Ceding profit commission arrangements in reinsurance contracts held that offer minimum guaranteed amounts

Some contracts meet the definition of an insurance contract but have as their primary purpose the provision of services for a fixed fee. Such contracts (or components) can meet the definition of an insurance contract because it is uncertain whether, or when, assistance or service will be needed. IFRS 17 provides an accounting option to either apply IFRS 17 or IFRS 15 on these contracts.

Company's portfolio does not contain fixed-fee service contracts. However, distinct fixed fee service components are identified in Health contracts. The Company has elected to apply IFRS 17 on these distinct components.

2.13.2 Level of aggregation

2.13.2.1. Level of aggregation - Insurance contracts

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Company is determined firstly by dividing the business written into portfolios. Portfolios comprise groups of contracts with similar risks which are managed together.

The contract is the lowest unit of account, so portfolios can group contracts with multiple risks.

The Company's interpretation of the "similar risk" criterion, was based on the type of insurance risk, the exposure to insurance loss and the similarity in the movement of key assumptions, such as mortality/longevity, morbidity and policyholder behaviour, loss ratios meaning that contracts with similar risks will have future cash flows that respond similarly in amount and timing to changes in key assumptions.

Regarding the "managed together" criterion, the Company considered the management and internal reporting for business monitoring, the distribution channels, the private or commercial lines, the operating segments and the duration of the groups of insurance contracts.

Portfolios are further divided based on expected profitability at inception into three categories: onerous contracts, contracts with no significant risk of becoming onerous, and the remainder. The profitability of groups of contracts is assessed by actuarial valuation models that take into consideration existing and new business. The main factors that the Company expects to consider regarding expected profitability are the product pricing, results of similar contracts it has recognised, age bands and environmental factors, such as changes in market experience or regulations.

The portfolios are subdivided into group of contracts on the basis of annual cohorts (contracts issued within a calendar year).

2.13.2.2. Level of aggregation - Reinsurance contracts

The Company divides portfolios of reinsurance contracts held applying the same principles set out above, with the exception that the references to onerous contracts refer to contracts on which there is a net gain on initial recognition.

For some groups of reinsurance contracts held, a group can comprise a single contract.

Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Company concludes that the reinsurance contract's legal form reflects the substance of the Company's contractual rights and obligations, taking into consideration that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

2.13.3 Recognition

2.13.3.1. Recognition - Insurance contracts

The Company recognises groups of insurance contracts from the earliest of the following:

- The beginning of the coverage period of the group of contracts
- The date when the first payment from a policyholder is due, or actually received if there is no due date
- For a group of onerous contracts, as soon as facts and circumstances indicate that the group is onerous

An insurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

2.13.3.2. Recognition - Reinsurance contracts

The Company recognises a group of reinsurance contracts held from the earlier of the following:

- The beginning of the coverage period of the group of reinsurance contracts held. However, the Company delays the recognition of a group of reinsurance contracts held that provide proportionate coverage until the date any underlying insurance contract is initially recognised, if that date is later than the beginning of the coverage period of the group of reinsurance contracts held, and
- The date the Company recognises an onerous group of underlying insurance contracts if the Company entered into the related reinsurance contract held in the group of reinsurance contracts held at or before that date.

The Company adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above. For reinsurance contracts acquired by the Company, initial recognition date coincides with the date of acquisition.

2.13.4 Modification and Derecognition

The Company derecognises insurance contracts when:

- The rights and obligations relating to the contract are extinguished (i.e., discharged, cancelled or expired) or
- The contract is modified such that the modification results in a change in the measurement model or the applicable standard for measuring a component of the contract, substantially changes the contract boundary, or requires the modified contract to be included in a different group. In such cases, the Company derecognises the initial contract and recognises the modified contract as a new contract.

On derecognition of a contract from a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the Contractual Service Margin (CSM) of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component; and
- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous , in such case the loss component is adjusted.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Company entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Company received the premium that it would have charged less any additional premium charged for the modification.

If a contract modification does not lead to derecognition, the Company shall treat changes in cash flows caused by the modification as changes in the estimates of fulfilment cash flows.

The exercise of a right included in the terms of a contract, however, is not a modification. The exercise of a contractual right available either to the policyholder or the entity, within the contract boundary, that does not require the agreement of the entity or the policyholder, respectively, does not constitute a contract modification that leads to derecognition under IFRS 17. Instead, the changes coming from the exercise of contractual rights that do not require the agreement of the either party (either the entity or the policyholder) will be treated as changes in the estimates of fulfilment cash flows.

2.13.5 Insurance Acquisition Cash flows

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued). These costs are directly attributable to the groups of insurance contracts and the Company uses a systematic and rational method to allocate these costs to: (i) individual contracts and groups of contracts; and (ii) to the portfolio of insurance contracts to which the group belongs.

Where insurance acquisition cash flows have been paid or incurred before the related group of insurance contracts is recognised in the statement of financial position, a separate asset for insurance acquisition cash flows is recognised for each related group.

For Life insurance contracts measured under PAA yearly renewable contracts distributed under specific channels, the Company expects to recover part of the related insurance acquisition cash flows through renewals of these contracts. The allocation to renewals is based on the manner in which the Company expects to recover those cash flows.

The asset for insurance acquisition cash flow is derecognised from the statement of financial position when the insurance acquisition cash flows are included in the initial measurement of the related group of insurance contracts. The time bands when the Company expects to derecognise the above asset for insurance acquisition cash flows are disclosed in Note 3.1.6.

At the end of each reporting period, the Company revises amounts of insurance acquisition cash flows allocated to groups of insurance contracts not yet recognised, to reflect changes in assumptions related to the method of allocation used.

Recoverability assessment

At each reporting date, if facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Company:

- recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
- if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

The Company reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

2.13.6 Contract Boundary

The Company includes in the measurement of a group of contracts all the future cash flows within the boundary of each contract in the group.

2.13.6.1. Contract Boundary - Insurance contracts

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts. Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with services. A substantive obligation to provide insurance contract services ends when:

- The Company has the practical ability to reassess the risks of the particular policyholder and, as a result, can set a price or level of benefits that fully reflects those risks or
- Both of the following criteria are satisfied:
    - i) The Company has the practical ability to reassess the risks of the portfolio of insurance contracts that contain the contract and, as a result, can set a price or level of benefits that fully reflects the risk of that portfolio
    - ii) The pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date

For life contracts with renewal periods, the Company assesses whether premiums and related cash flows that arise from the renewed contract are within the contract boundary. The pricing of the renewals is established by considering all the risks covered for the policyholder by the Company, which considers when underwriting equivalent contracts on the renewal dates for the remaining coverage. These risks may include both insurance and financial risks but exclude lapse and expense risks.

For insurance contracts with coverage period equal to one year or less, the contract boundary is at least the term of the contract.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

2.13.6.2. Contract Boundary - Reinsurance contracts

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage

2.13.7 Measurement

According to the specific features of each contract, one of the following approaches should be used:

- **General measurement model (GMM)**: it should be applied to all insurance contracts, unless they have direct participation features and are in the scope of the VFA or the contracts are eligible for the premium allocation approach;
- **Premium allocation approach (PAA):** it is an optional simplification for the measurement of the liability for remaining coverage for insurance contract with short-term coverage;
- **Variable fee approach (VFA):** it should be applied to insurance contract with direct participation features, i.e. contracts under which the entity provides investment-related services and is compensated for the services by a fee that is determined by reference to the underlying items.;

Life insurance contracts and life investment contracts with DPF are measured under general measurement model, except for yearly renewable contracts for which premium allocation approach is applied and unit-linked insurance contracts measured under variable fee approach.

Reinsurance contracts held are mainly measured under premium allocation approach, except for risk attaching reinsurance with long-term life underlying contracts for which general model applies.

2.13.7.1 Insurance Contracts - Group of contracts not measured under PAA

2.13.7.1.1 Initial measurement

The Company measures a group of insurance contracts on initial recognition as the sum of: (i) the fulfilment cash flows (FCF) within contract boundary, comprising estimates of future cash flows and risk adjustment for non-financial risk and (ii) the Contractual Service Margin (CSM) representing the unearned profit in the contracts relating to services that will be provided under the contracts.

<u>Fulfilment cash flows within contract boundary</u>

The fulfilment cash flows are the current unbiased and probability-weighted estimates of the present value of the future cash flows, including a risk adjustment for non-financial risk. In arriving at a probability-weighted mean, the Company considers a range of scenarios to establish a full range of possible outcomes incorporating all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of expected future cash flows. The estimates of future cash flows reflect conditions existing at the measurement date including assumptions at that date about the future.

When estimating future cash flows, the Company includes all cash flows within the contract boundary including: premiums and any related cash flows, claims, benefits and other payments to the policyholders, an allocation of insurance acquisition cash flows, claims handling costs, policy administration and maintenance costs, including recurring commissions, an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts, transaction-based taxes etc.

The measurement of fulfilment cash flows-includes insurance acquisition cash flows. The Company determines insurance revenue related to insurance acquisition cash flows by allocating the portion of the premiums that relate to recovering those cash flows to each reporting period in a systematic way on the basis of the passage of time. The same amount is also recognized as insurance service expenses.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

Methods and assumptions used to determine the risk adjustment for non-financial risk are discussed in note 3.1.4.

The estimates of future cash flows are adjusted using the current discount rates to reflect the time value of money and the financial risks related to those cash flows, to the extent not included in the estimates of cash flows. The discount rates reflect the characteristics of the cash flows arising from the groups of insurance contracts, including timing, currency and liquidity of cash flows. The determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. Refer to note 3.1.3.

For groups of contracts acquired in a transfer of contracts or a business combination, the consideration received for the contracts is included in the fulfilment cash flows as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts at that date.

The Liability for Remaining Coverage (LRC) is the Company's obligation to (a) investigate and pay valid claims under existing insurance contracts for insured events that have not yet occurred (ie the obligation that relates to the unexpired portion of the insurance coverage) and (b) pay amounts under existing insurance contracts that are not included in (a) and that relate to (i) insurance contract services not yet provided (ie the obligations that relate to future provision of insurance contract services), or (ii) any investment components or other amounts that are not related to the provision of insurance contract services and that have not been transferred to the liability for incurred claims.

The Liability for Incurred Claims (LIC) is the Company's obligation to (a) investigate and pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported, and other incurred insurance expenses, and (b) pay amounts that are not included in (a) and that relate to (i) insurance contract services that have already been provided, or (b) any investment components or other amounts that are not related to the provision of insurance contract services and that are not in the liability for remaining coverage.

<u>Contractual service margin (CSM)</u>

The CSM is a component representing the unearned profit that the Company will recognise as it provides coverage in the future. At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous) arising from:

- the initial recognition of the FCF;
- the derecognition at the date of initial recognition of any asset or liability recognised for insurance acquisition cash flows;
- cash flows arising from the contracts in the group at that date.

A negative CSM at the date of inception means the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately with no CSM recognised on the balance sheet on initial recognition.

For insurance contracts acquired, at initial recognition, the CSM is an amount that results in no income or expenses arising from: (i) the initial recognition of the FCF; and (ii) cash flows arising from the contracts in the group at that date, including the fair value of the groups of contracts acquired as at the acquisition date as a proxy of the premiums received.

2.13.7.1.2 Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the LRC and the LIC.

The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date.

The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

<u>Changes in fulfilment cash flows</u>

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.

- Changes relating to future services: Adjusted against the CSM or recognised in the insurance service result in profit or loss if the group is onerous;
- Changes relating to current or past services: Recognised in the insurance service result in profit or loss;
- Effects of the time value of money, financial risk and changes therein on estimated future cash flows: Recognised as insurance finance income or expenses

The following adjustments relate to future service and thus adjust the CSM:

- Experience adjustments that arise from the difference between the premium receipts (and any related cash flows such as insurance acquisition cash flows and insurance premium taxes) and the expected amounts at the beginning of the period. Differences related to premiums received related to current or past services are recognised immediately in profit or loss while differences related to premiums received for future services are adjusted against the CSM;
- Changes in estimates of the present value of future cash flows in the liability for remaining coverage including also changes in discretionary cash flows, except those relating to the time value of money and changes in financial risk;
- Differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period; and
- Changes in the risk adjustment for non-financial risk that relate to future service

The following adjustments do not relate to future service and thus do not adjust the CSM:

- changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- changes in the FCF relating to the LIC; and
- experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

If a loss component exists, when there are changes to the fulfillment cash flows within the LRC, they are allocated between the loss component and the LRC excluding the loss component on a systematic basis.

Decreases in future fulfillment cash flows reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero, and conversely, increases in future fulfillment cash flows increase the loss component with changes in the loss component recognized within insurance service expense in the income statement.

2.13.7.1.2 (A) Insurance contracts without direct participation features (group of contracts measured under GMM)

For a group of insurance contracts, the carrying amount of the CSM at the end of the reporting period equals the carrying amount at the beginning of the reporting period adjusted, as follows:

- the CSM of any new contracts that are added to the group in the year
- Interest accreted on the carrying amount of the CSM during the reporting period, measured at the discount rates at initial recognition;

- the changes in fulfilment cash flows relating to future service, except to the extent that: (i) Such increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component or (ii) Such decreases in the fulfilment cash flows are allocated to the loss component of the liability for remaining coverage, reversing losses previously recognised in profit or loss;
- the effect of any currency exchange differences on the CSM;
- the amount recognised as insurance revenue because of the services provided in the period.

The locked-in discount rate is the weighted average of the rates applicable at the date of initial recognition of contracts that joined a group over a 12-month period.

Adjustments to the CSM noted above are measured at discount rates that reflect the characteristics of the cash flows of the group of insurance contracts at initial recognition.

The Company disaggregates changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses, and hence it adjusts the CSM for the change related to non-financial risk, measured at the discount rates determined on initial recognition, and recognises the effect of the time value of money and changes therein as insurance finance income or expenses.

2.13.7.1.2 (B) Insurance contracts with direct participation features (group of contracts measured under VFA)

The Company issues insurance contracts with substantial investment-related services. Under these contracts, the Company offers investment services by promising an investment return based on underlying items, in addition to insurance coverage. When assessing whether a contract meets the definition of a direct participating contract, the Company applies the definition of IFRS 17. In applying the definition of a direct participating contract, the Company considers the legal enforceability of the contractual link with the participating policyholder to a share of returns from a clearly defined pool of underlying items.

Direct participating contracts are contracts under which the Company's obligation to the policyholder consists of the obligation to pay policyholders the fair value of the underlying items less a variable fee for future service provided under the insurance contract.

When measuring a group of direct participating contracts, the Company adjusts the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss. The Company then adjusts any CSM for changes in the amount of the Company's share of the fair value of the underlying items, which relate to future services, as explained below.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- the change in the amount of the Company's share of the fair value of the underlying items except for:
  - the amount of CSM the Company chooses to present in profit or loss to offset the impact from its risk mitigation instruments
  - the decrease in the amount of the Company's share of the fair value of the underlying items that exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss that makes the associated group of contracts onerous, or that results in a loss for an existing onerous group becoming more onerous
  - the increase in the amount of the Company's share of the fair value of the underlying items that reverses a previously recognised loss on an onerous group of contracts
- the changes in fulfilment cash flows relating to future service, except:
  - the amount of the CSM the Company chooses to present in profit or loss to offset the impact from its risk mitigation instruments
  - such increases in the fulfilment cash flows that exceed the carrying amount of CSM and the group of contracts becomes onerous or more onerous
  - such decreases in the fulfilment cash flows that reverse a previously recognised loss on an onerous group of contracts
- the effect of any currency exchange differences on the CSM
- the amount recognised as insurance revenue because of the services provided in the year.

The changes in fulfilment cash flows that relate to future services include the changes relating to future services specified above (measured at current discount rates) and changes in the effect of the time value of money and financial risks that do not arise from underlying items such as the effect of financial guarantees.

2.13.7.2 Insurance Contracts - Group of contracts measured under PAA

2.13.7.2.1 Initial measurement

The Company uses the PAA for measuring contracts with a coverage period of one year or less. In addition to the contracts with coverage of less than one year, the PAA can be used for measurement of groups of contracts where the Company reasonably expects that such a simplification would produce a measurement of the LRC that would not differ materially from the one that would be produced by applying the GMM.

On initial recognition of each group of insurance contracts, the carrying amount of the LRC is measured as the premiums received on initial recognition minus any insurance acquisition cash flows paid and any amounts arising from the derecognition of the prepaid acquisition cash flows asset. The Company defers and amortizes insurance acquisition cash flows for all groups of contracts.

For contracts measured under the PAA, the LIC is measured similarly to the LIC's measurement under the Non PAA. Future cash flows are adjusted for the time value of money since these contracts typically have a settlement period of over one year. However, for those claims (mainly in the life insurance contracts) that the Company expects to be paid within one year or less from the date of incurrence, the Company does not adjust future cash flows for the time value of money and the effects of financial risks. For the measurement of the LIC, risk adjustment for non-financial risk is also estimated.

If there are indications that a group of insurance contracts is onerous at initial recognition, then the Company recognizes a loss in insurance service expense in the income statement and increases the LRC if the current estimates of the fulfillment cash flows that relate to remaining coverage exceed the carrying amount of the LRC. This excess is recognized as a loss component within the LRC, which is reported in insurance contract liabilities on the balance sheet. For additional disclosures on the loss component, please refer to Note 2.13.8.

2.13.7.2.2 Subsequent measurement

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of: (i) the LRC; and (ii) the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- increased for premiums received in the period;
- decreased for insurance acquisition cash flows paid in the period;
- decreased for the amounts of premiums recognised as insurance revenue for the services provided in the period; and
- increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

The Company does not adjust the LRC for insurance contracts issued for the effect of the time value of money as insurance premiums are due within the coverage of contracts, which is one year or less.

The LIC includes the fulfillment cash flows for losses on claims and expenses that have not yet been paid, including claims that have been incurred but not reported ("IBNR"). It also includes a risk adjustment for non-financial risk and the time value of money for the insurance contracts issued with expected settlement period over one year. For the claims of the life insurance contracts that the Company expects to be settled within one year or less, no adjustment for the time value of money in the future cash flows related to claims is made.

If facts and circumstances indicate that a group of insurance contracts becomes onerous during the coverage period, the Company recognises a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows. A loss component is established by the Company for the liability for remaining coverage for such onerous group depicting the losses recognised. For additional disclosures on the loss component, please refer to Note 2.13.8.

2.13.7.3 Reinsurance Contracts - Group of contracts measured under GMM

2.13.7.3.1 Initial measurement

On initial recognition, the CSM of a group of reinsurance contract assets held represents the net cost or net gain on purchasing reinsurance, i.e. the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives reinsurance coverage in the future. The CSM is measured as the equal and opposite amount of: (i) the total of the fulfillment cash flows, (ii) any amounts arising from the derecognition of any assets or liabilities previously recognized for cash flows related to the group, (iii) any cash flows arising at that date and (iv) any income recognized in the income statement because of onerous underlying contracts recognized at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the initial recognition of the group, then the Company recognizes the cost immediately in the income statement as an expense in net reinsurance result.

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer which represents losses from disputes or credit risk. The Company does not recognize any insurance acquisition cash flows for reinsurance contract assets held.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Company to the reinsurer and is calculated by determining these amounts on a gross and net of reinsurance basis, with the difference representing the amounts transferred. The significant judgments used in determining the risk adjustment are further described in note 3.1.4.

The Company adjusts the CSM of the group of reinsurance contracts and recognizes a loss-recovery component on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognized. The adjustment to the CSM is determined by multiplying the amount of the loss that relates to the underlying contracts and the expected percentage of claims recovery on the underlying contracts.

For more detailed information about the loss recovery component, please refer to note 2.13.8.2.

For reinsurance contract assets held acquired in a transfer of contracts or a business combination covering onerous underlying contracts, the adjustment to the CSM is determined using the same calculation, except it is calculated at the date of acquisition. For reinsurance contract assets held acquired in a business combination, the adjustment to the CSM reduces goodwill or increases a gain on a bargain purchase.

2.13.7.3.2 Subsequent measurement

The carrying amount of a group of reinsurance contract assets held at each reporting date is the sum of the Asset for Remaining Coverage (ARC) and the Asset for Incurred Claims (AIC). The ARC comprises (i) the fulfillment cash flows that relate to services that will be received under the contracts in future periods and (ii) any remaining CSM at that date. The AIC includes the fulfillment cash flows for recovery of losses on claims and expenses that have not yet been received, including for recovery of claims that have been incurred but not yet reported.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on initial recognition;
- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss because of the services received in the year.

If a loss-recovery component exists, it is adjusted on subsequent measurement to reflect changes in the loss component of the onerous group of underlying contracts to the extent that it impacts reinsured cash flows, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contract assets held. For more detailed information about the loss recovery component, please refer to note 2.13.8.2

2.13.7.4 Reinsurance Contracts - Group of contracts measured under PAA

2.13.7.4.1 Initial measurement

On initial recognition of each group of reinsurance contracts, the carrying amount of the Asset for Remaining Coverage ("ARC") is measured as the premiums paid (i.e. premiums ceded) on initial recognition, adjusted for ceding commissions that are not contingent on claims and any amounts previously recognized for cash flows related to the group. The Company does not recognize any insurance acquisition cash flows for reinsurance contract assets held. For contracts measured under the PAA, the explicit risk adjustment for non-financial risk is only estimated for the measurement of the Asset for Incurred Claims ("AIC").

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses. The loss-recovery component adjusts the carrying amount of the asset for remaining coverage. Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held.

For more detailed information about the loss recovery component, please refer to note 2.13.8.2

2.13.7.4.2 Subsequent measurement

The carrying amount of a group of reinsurance contract assets held at each reporting date is the sum of the ARC and the AIC. On subsequent measurement, the carrying amount of the ARC is increased by any premiums paid, and reduced by the amount recognized as cost of reinsurance for services received.

For contracts measured under the PAA, the asset for incurred claims is measured consistent with the asset for incurred claims under the GMM.

If a loss-recovery component exists, it is adjusted on subsequent measurement to reflect changes in the loss component of the onerous group of underlying contracts to the extent that it impacts reinsured cash flows, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contract assets held.

2.13.8 Onerous contracts

2.13.8.1 Loss Components

An insurance contract is onerous at the date of initial recognition if the fulfilment cash flows allocated to the contract, any previously recognised insurance acquisition cash flows and any cash flows arising from the contract at the date of initial recognition in total are a net outflow.

The Company has established a loss component of the liability for remaining coverage for any group of onerous insurance contracts depicting the losses recognized that relate to future services (either these contracts are onerous at inception or become onerous after the inception).

On initial recognition, the CSM of the group of onerous contracts is nil and the group's measurement consists entirely of fulfilment cash flows. A net outflow expected from a group of contracts determined to be onerous is considered to be the group's 'loss component'. It is initially calculated when the group is first considered to be onerous and is recognised at that date in profit or loss. The amount of the group's loss component is tracked for the purposes of presentation and subsequent measurement.

Groups that were not onerous at initial recognition can also subsequently become onerous if the following amounts exceed the CSM when:

- unfavourable changes relating to future service in the fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk; and
- for a group of insurance contracts with direct participation features, the decrease in the amount of the Company's share of the fair value of the underlying items.

After the recognition of the loss component, the Company allocates the subsequent changes in fulfilment cash flows of the liability for remaining coverage on a systematic basis between the loss component of the LRC and the LRC excluding the loss component.

The subsequent changes in the fulfilment cash flows of the LRC to be allocated are (for groups not measured under PAA):

- Insurance finance income or expense
- Changes in risk adjustment for non-financial risk recognised in profit or loss representing release from risk in the period
- Estimates of the present value of future cash flows for claims and expenses released from the LRC because of incurred insurance service expenses in the period

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the insurance future cash outflows plus the risk adjustment for non-financial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Any subsequent decrease relating to future service in fulfilment cash flows allocated to the group arising from changes in estimates of future cash flows and the risk adjustment for non-financial risk and any subsequent increases in the amount of the group's share of the fair value of the underlying items, need to be allocated solely to the loss component until that component is reduced to zero. These changes should be discounted at locked-in discount rates for insurance contracts without direct participation features, while for insurance contracts with direct participation features, current discount rates should be used.

2.13.8.2 Loss recovery component

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
- for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts

The Company calculates the loss-recovery component by multiplying the loss recognised on the underlying insurance contracts and the percentage of claims on the underlying insurance contracts the Company expects to recover from the group of reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognised on the group to insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contracts.

2.13.9 Presentation

The Company has presented separately, in the statement of financial position, the carrying amount of portfolios of insurance contracts issued that are assets, portfolios of insurance contracts issued that are liabilities, portfolios of reinsurance contracts held that are assets and portfolios of reinsurance contracts held that are liabilities.

Any assets for insurance acquisition cash flows recognised before the corresponding insurance contracts are included in the carrying amount of the related groups of insurance contracts are allocated to the carrying amount of the portfolios of insurance contracts that they relate to.

The Company disaggregates the amounts recognised in the statement of profit or loss and other comprehensive income into an insurance service result, comprising insurance revenue and insurance service expense, and insurance finance income or expenses.

The Company, according to the Standard, is not required to disaggregate the change in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. The Company has decided to make such a disaggregation for the risk adjustment.

The Company separately presents income or expenses from reinsurance contracts held from the expenses or income from insurance contracts issued.

2.13.10 Insurance Revenue

As the Company provides insurance services under a group of insurance contracts issued, it reduces its LRC and recognises insurance revenue, which is measured at the amount of consideration the Company expects to be entitled ton in exchange for those services.

For groups of insurance contracts measured under the General Model and VFA, insurance revenue consists of the sum of the changes in the LRC due to:

- the insurance service expenses incurred in the period measured at the amounts expected at the beginning of the period, excluding: (i) amounts allocated to the loss component, (ii) repayments of investment components, (iii) amounts of transaction-based taxes collected on behalf of third parties and (iv) insurance acquisition expenses;
- the change in the risk adjustment for non-financial risk, excluding: (i) changes that relate to future service that adjust the CSM and (ii) amounts allocated to the loss component
- the amount of CSM for the services provided in the period
- experience adjustments for premium receipts that relate to current or past service, if any.

Insurance revenue also includes the portion of premiums that relate to recovering those insurance acquisition cash flows included in the insurance service expenses in each period. Both amounts are measured in a systematic way on the basis of the passage of time.

For groups of insurance contracts measured under the PAA, the Company recognises insurance revenue based on the passage of time over the coverage period of a group of contracts.

2.13.10.1 Release of CSM

An amount of the contractual service margin for a group of insurance contracts is recognised in profit or loss in each period to reflect the insurance contract services provided under the group of insurance contracts in that period.

In determining the amount of the CSM to be released in each period, the Company follows three steps:

- Determine the total number of coverage units in the group. The amount of coverage units in the group is determined by considering the quantity of benefits provided under the contract and the expected coverage period for each contract;

- Allocate the CSM at the end of the period (before recognizing any amounts in profit or loss to reflect the insurance contract services provided in the period) equally to each of the coverage units provided in the current period and expected to be provided in the future;
- Recognise in profit or loss the amount of CSM allocated to the coverage units provided during the period

The release of CSM into profit or loss is the last step in the analysis of movement of the CSM and is done as per the end of the reporting period. Allocating the amount of the contractual service margin adjusted for the most up-to-date assumptions (and not before any adjustments made because of changes in fulfilment cash flows that relate to future service), provides the most relevant information about the profit earned from service provided in the period and the profit to be earned in the future from future service. The amount of release is determined by identifying the coverage units in the group. Judgement will be required to determine appropriate coverage units for different types of products. For management judgement applied to the amortisation of CSM, please refer to Note 3.1.5.

2.13.11 Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items:

- incurred claims and benefits excluding investment components
- other incurred directly attributable insurance service expenses
- amortisation of insurance acquisition cash flows
- changes in the fulfilment cash flows of the liabilities for incurred claims that relate to past service (i.e. changes in the FCF relating to the LIC)
- losses on onerous contracts and reversals of losses
- impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

For contracts not measured under the PAA, amortisation of insurance acquisition cash flows is reflected in insurance service expenses in the same amount as insurance acquisition cash flows recovery reflected within insurance revenue.
For contracts measured under the PAA, amortisation of insurance acquisition cash flows is based on the passage of time.

2.13.12 Net income or expense from reinsurance contracts held

The Company presents income or expenses from a group of reinsurance contracts held and reinsurance finance income or expenses in profit or loss for the period separately. Income or expenses from reinsurance contracts held are split into the following amounts:

- Amount recovered from reinsurers
- An allocation of the premiums paid

The Company treats reinsurance cash flows that are contingent on claims on the underlying contracts as part of the amount recovered from reinsurers. Ceding commissions that are not contingent on claims of the underlying contracts are presented as a deduction in the premiums to be paid to the reinsurer which is then allocated to profit or loss.

The allocation of the reinsurance premiums (reinsurance expenses) is recognised similarly to insurance revenue. The amount of reinsurance expenses recognized in the reporting period depicts the transfer of received services at an amount that reflects the portion of ceding premiums the Company expects to pay in exchange for those services.

For contracts not measured under the PAA, reinsurance expenses comprise the following amounts relating to changes in the remaining coverage:

- insurance claims and other expenses recovery in the period measured at the amounts expected to be incurred at the beginning of the period, excluding repayments of investment components;
- changes in the risk adjustment for non-financial risk, excluding: changes included in finance income (expenses) from reinsurance contracts held; and changes that relate to future coverage (which adjust the CSM);
- amounts of the CSM recognised in profit or loss for the services received in the period; and
- ceded premium experience adjustments relating to past and current service.

For groups of reinsurance contracts held measured under the PAA, the Company recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

2.13.13 Insurance finance income and expense

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance and reinsurance contracts arising from: the effect of the time value of money and changes in the time value of money, together with the effect of financial risk and changes in financial risk.

The Company has an accounting policy choice to present all of the period's insurance finance income or expenses in profit or loss or to split the amount between profit or loss and other comprehensive income (OCI). The accounting policy choice to disaggregate insurance finance income or expenses between profit or loss and OCI is applied on a portfolio-by-portfolio basis.

Group of contracts measured under GMM

The main amounts within insurance finance income or expenses are: (i) interest accreted on the FCF and the CSM, (ii) the effect of changes in interest rates and other financial assumptions and (iii) foreign exchange differences arising from contracts denominated in a foreign currency.

The Company has chosen to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income (OCI) for the life group of contracts measured under General Model. The impact of changes in market interest rates on the value of the insurance and related reinsurance assets and liabilities are reflected in OCI in order to minimize accounting mismatches between the accounting for financial assets and insurance assets and liabilities.

The interest accretion on the CSM and the fulfillment cash flows is made by using discount rates determined at initial recognition (locked-in discount rates).

Group of contracts measured under the VFA

The insurance finance income or expenses of the group of contracts measured under VFA mainly include changes in the fair value of underlying items. The Company has elected to present all insurance finance income or expenses of the groups of contracts measured under VFA in profit or loss.

Group of contracts measured under the PAA

The main amounts within insurance finance income or expenses are: (i) interest accreted on the LIC and (ii) the effect of changes in interest rates and other financial assumptions.

When applying the PAA, the Company does not discount the liability for remaining coverage to reflect the time value of money and financial risk. For those claims that the Company expects to be paid within one year or less from the date of incurrence, the Company does not adjust future cash flows for the time value of money and the effects of financial risks. However, claims expected to take more than one year to settle are discounted applying the discount rate at the time the incurred claim is initially recognised. The Company has elected to present all insurance finance income or expenses of the groups of contracts measured under PAA in profit or loss.

The interest accretion on the fulfilment cash flows is made by using current discount rates.

2.13.14. Asset management services revenue

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

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

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

2.14 Investment contract liabilities

Investment contracts are those contracts that do not transfer significant insurance risk and do not include discretionary participation features. The Company issues investment contracts without discretionary participation features either with the form of unit-linked investment contracts or non-unit liked investment contracts with fixed and guaranteed terms (i.e. fixed interest rates). The Company measures the investment contract liabilities at fair value through profit or loss.

Unit Linked investment contracts without discretionary participation features

The unit-linked investment contracts are financial liabilities that transfer the financial risks to the policyholders and are associated with certain underlying financial assets. The unit-linked investment contracts are carried out at fair value which is determined by reference to the underlying financial assets. There are contracts that are associated with internal variable funds and contracts that are linked to market mutual funds. The related financial assets for unit-linked investment contracts are also measured at fair value through profit or loss in order to reduce measurement inconsistencies.

Non unit linked investment contracts without discretionary direct participation features

The non-unit linked investment contracts issued by the Company include predominantly individual pure endowment contracts with no profit participation features. These contracts offer to the policyholders a guaranteed interest rate over the duration of the contract and do not provide profit participation features. The non-unit linked investment contracts can be sold either as single or regular premium products, offer premium refund in case of death of the policyholder and do not include any riders. The Company also issues group pension contracts with no profit participation features (Deposit Administration Funds - DAF) that are classified as investment contracts.

The Company measures the non unit-linked investment contract liabilities at fair value through profit or loss. When measuring the fair value of these contracts, the Company estimates the present value of the future cash flows by applying a discount rate that is composed by the risk free yield curves adjusted with a credit spread.

For more information about the discount rates, please refer to note 3.1.3.

2.15 Leases

The Company participates as lessee and lessor in operating leases.

The Company as a Lessor:

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

The Company as a Lessee:

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

i) Right of use asset

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

ii) Lease liabilities

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

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

iii) Short term leases

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

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

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

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

2.16 Related parties transactions

Related parties of the Company include:

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

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

(c) associates and joint ventures; and

(d) related entities.

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

2.17 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.

2.18 Dividends

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

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

2.19 Provisions – Pending litigations

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

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

2.20 Cash and cash equivalents

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

2.21 Revenue recognition

Revenue is recognized when it is probable that future economic benefits will flow to the Company and the amount can be measured reliably. Recognition of revenue from insurance contracts is described in Note 2.13. The Company's other income streams are recognized as follows:

Interest income

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

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

Dividend income

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

2.22 Investments in subsidiaries, associates and joint ventures

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

NOTE 3: CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

3.1 Insurance and reinsurance contracts

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. The Company disaggregates information to disclose insurance contracts issued and reinsurance contracts issued separately. This disaggregation has been determined based on how the Company is managed.

3.1.1 Classification of insurance and investment contracts

The Company applies its judgement in the assessment of the significance of insurance risk transferred to the Company and the discretionary participation features in determining whether a contract should be accounted for as an insurance or investment contract. Insurance contracts are defined as those containing significant insurance risk. Contracts that transfer financial risks, but not significant insurance risk are classified as investment contracts. Judgement is required to assess whether insurance risk is significant at inception of the contract. Some insurance and investment contracts contain a discretionary participation feature which is a supplement to guaranteed benefits. Judgement is required to determine whether discretionary additional benefits are likely to be a significant portion of the total contractual payments. For more detail, refer to note 4.2, note 2.13 and note 2.14.

3.1.2 Methods used to measure life insurance contracts

The Company primarily uses deterministic projections to estimate the present value of future cash flows based on best estimate assumptions. In respect of specific products with profit-participation features, stochastic valuation techniques are considered. The time value of these financial options and guarantees is calculated stochastically considering 1000 different sets of economic scenarios.

The following assumptions were used when estimating future cash flows:

- **Mortality, morbidity and longevity rates**

Estimates are made for the expected number of deaths for each of the years in which the Company is exposed to insurance risk. The Company bases these estimates on the mortality tables determined by the national insurance legislation. In addition, the Company uses 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 Company has significant exposure to mortality and morbidity risk.

The Company 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).

Mortality, morbidity and longevity assumptions are age, gender and product specific.

An increase in expected mortality and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Company. An increase in expected longevity rates will lead to an increase in expected cost of immediate annuity payments which will reduce future expected profits of the Company.

- **Expenses**

Estimates are also made for future costs of maintaining and servicing in–force policies and associated overhead expenses, which have been derived by analysing the Company's actual attributable expenses as at the valuation date. For the projection of attributable expense to the future, expense inflation assumption is applied. This is derived taking into account CPI projections published by IMF for Greece and expected increases in personnel expenses for the following years. The cash flows within the contract boundary include an allocation of fixed and variable overheads directly attributable to fulfilling insurance contracts. Such overheads are allocated to groups of contracts using methods that are systematic and rational, and are consistently applied to all costs that have similar characteristics.

An increase in the expected level of expenses will reduce future expected profits of the Company.

- **Lapse and surrender rates**

Lapse, cancellation and surrender assumptions reflect the expected policyholder behaviour. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product category.

The impact of increases or decreases of lapse rates on the Company's profitability would depend on the specific product characteristics and the discount rates.

3.1.3 Discount rates

The Company has determined discount rates using the bottom-up approach.

The insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, as published by EIOPA, plus an illiquidity premium derived according to the liquidity characteristics of each type of insurance portfolio. The illiquidity premium is derived from an asset-based approach, taking into account either the actual assets or reference portfolios, depending on the product type. Additionally, an adjustment factor is applied to the calculation of illiquidity premium to address any duration mismatches.

The table below sets out the yield curves used to discount the cash flows of insurance contracts for the Company as at 31 December 2023 and 31 December 2022.

	2023					2022				
EURO currency	1 year	3 years	5 years	10 years	20 years	1 year	3 years	5 years	10 years	20 years
General model										
Individual investment contracts with DPF*	3,70%	2,78%	2,66%	2,73%	2,75%	3,88%	3,90%	3,83%	3,79%	3,47%
Individual insurance contracts	3,56%	2,64%	2,52%	2,59%	2,61%	3,52%	3,54%	3,47%	3,43%	3,11%
Group investment contracts with DPF* (DAF)	3,72%	2,80%	2,68%	2,75%	2,77%	3,63%	3,65%	3,58%	3,54%	3,22%
Variable fee approach										
Life participating contracts (Unit Linked)	3,36%	2,44%	2,32%	2,39%	2,41%	3,18%	3,20%	3,13%	3,09%	2,77%
Premium Allocation Approach										
Property and Casualty	3,38%	2,70%	2,64%	2,86%	3,24%	3,48%	3,38%	3,35%	3,13%	2,64%
Investment Contracts	3,70%	2,79%	2,67%	2,74%	2,75%	3,78%	3,81%	3,74%	3,70%	3,37%

* DPF: Discretionary participation features

3.1.4 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The calculation of the Risk Adjustment leverages on the Solvency II view of non-financial risks, taking also into account the diversification benefits between risks. The Risk Adjustment is calculated according to the Value at Risk methodology, assuming a confidence level of 75% and normal distribution of future cashflows.

3.1.5 Amortisation of the Contractual Service Margin

The contractual service margin is a component of the liability for the group of insurance contracts that represents the unearned profit the Company will recognise as it provides services in the future. An amount of the contractual service margin for a group of insurance contracts is recognised in profit or loss as insurance revenue in each period to reflect the insurance contract services provided under the group of insurance contracts in that period. The amount is determined by:

- Identifying the coverage units in the group
- Allocating the CSM at the end of the period (before recognising any amounts in profit or loss to reflect the insurance contract services provided in the period) according to the coverage unit provided in the current period and those expected to be provided in the future
- Recognising in profit or loss the amount allocated to coverage units provided in the period

The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, which is determined by considering the quantity of the benefits provided and the expected coverage period. The quantity of benefits considered depends on the product type. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period.

For reinsurance contracts held, the principles for release of the contractual service margin for reinsurance contracts held follows the same principles as for insurance contracts issued. The expected coverage of reinsurance contracts is the period during which the cedant has a substantive right to receive services from the reinsurer.

3.1.6 Assets for insurance acquisition cash flows

The Company applies judgement in determining the inputs used in the methodology to systematically and rationally allocate insurance acquisition cash flows to groups of insurance contracts. This includes judgements about the amounts allocated to insurance contracts expected to arise from renewals of existing insurance contracts in a group and the volume of expected renewals from new contracts issued in the period.

At the end of each reporting period, the Company revisits the assumptions made to allocate insurance acquisition cash flows to groups and where necessary revises the amounts of assets for insurance acquisition cash flows accordingly.

At each reporting year, the Company should take into account any facts and circumstances (e.g. change in lapse rates, termination rates) that may result in an impairment loss. Applying the group level impairment test the Company compares the asset for insurance acquisition cash flows for each future group to the expected net cash inflows for that group. The Company may reverse any impairment loss in profit or loss and increase the carrying amount of the asset to the extent that the impairment conditions have improved.

In the current and prior year, the Company did not identify any facts and circumstances indicating that the assets may be impaired.

3.1.7 Methods used to measure liability for incurred claims

The Company is required to establish a liability for incurred claims (LIC) for the payment of losses and loss adjustment expenses that arise from the Company's life and property and casualty products. These liabilities represent the expected ultimate cost to settle claims occurring prior to, but still outstanding as of, balance sheet date. The Company establishes its liabilities by product line, type and extent of coverage and accident year. There are two categories of the LIC: liability for reported losses; and liability for incurred but not reported (IBNR) losses. Additionally, the LIC is held for loss adjustment expenses, which contain the estimated legal and other expenses expected to be incurred to finalize the settlement of the losses.

The Company's liability for reported losses and loss adjustment expenses is based on estimates of future payments to settle reported claims. The Company bases such estimates on the facts available at the time the liability is established considering the estimated costs of bringing pending claims to final settlement. The liability takes into account inflation, as well as other factors that can influence the amount required to fulfil the Company's obligations. In determining the level of the liability, the Company considers historical trends and patterns of loss payments, pending levels of unpaid claims and types of coverage. In addition, court decisions, economic conditions and public attitudes may affect the ultimate cost of settlement, and as a result, the Company's estimation of the liability.

The Company establishes the liability for IBNR losses to recognize the estimated cost of losses for events which have already occurred, but for which the Company has not yet been notified. This liability is established to recognize the estimated costs required to bring such claims to final settlement. As these losses have not yet been reported, the Company relies upon historical information and statistical models, based on product line, type and extent of coverage, to estimate its IBNR liability. The Company uses reported claims trends, claims severities, exposure growth and other factors in estimating IBNR liability.

The Company uses a number of accepted actuarial methods to estimate and evaluate the amount of LIC. The most common methods used to estimate claims incurred are the chain-ladder and the Bornhuetter-Ferguson methods.

3.2 Fair value of financial instruments

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

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

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

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

(a) the likelihood and expected timing of future cash flows,
(b) the selection of the appropriate discount rate based on the estimate of a market participant for the appropriate spread of the rate over the risk free rate,
(c) judgment in determining the model that will be used to calculate the fair value.

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

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

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

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

NOTE 4: INSURANCE AND FINANCIAL RISK MANAGEMENT

4.1 Framework for Risk Management

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

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

Within this framework, a Risk, Asset-Liability and Investment Management Committee and a Risk Management Function has been established in order to support the Risk Management Function.

4.1.1 Risk, Asset - Liability and Investment Management Committee

The Risk, Asset - Liability and Investment Management Committee is committee of the Board of Directors.

The main responsibilities of the Committee 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 Company 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;
- to establish an adequate system of internal controls allowing risk understanding and the integration of proper risk management policies in the decision making processes of the Company;
- to monitor, overview and validate the compliance with the procedures for calculating the Solvency Capital Requirements and the Assessment of Own Risks and Solvency;
- to assist the BoD in adopting a rational and prudent investment strategy and investment policy;
- to monitor the Company's compliance with the legal and regulatory framework that governs all of its operations regarding risk management, Asset-Liability and Investments;
- to establish appropriate communication channels with the respective committees.
- to evaluate investment proposals, following the recommendation of either management or external investment advisors, taking into account legal and regulatory requirements and ensuring the adequacy of the Solvency Coverage Ratio, as dictated by the risk appetite determined by the Board of Directors;
- to integrate the sustainability risk criteria into the investment decision-making process
- to guide the Investment Department and other departments of the Company related to investment management and ensuring the adequacy of human resources for the implementation of the Commission's decisions.

4.1.2 Risk Management Function

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

- raise awareness of risks within the Company; develop and adopt the appropriate methodology for management of all major risks to which the Company is exposed or might be exposed to. This methodology concerns the identification, assessment, measurement, monitoring, mitigation and reporting of risks;
- valuate periodically the adequacy of the aforementioned methodology;
- issue and annually review the policies per risk category, and oversee their implementation;
- depict the Company's risk profile and determine and monitor indicators for the early identification and management of risks;
- periodically perform stress testing and scenario analysis assessments for the major risk exposures;
- perform the ORSA process at least once a year and whenever necessary;
- calculation and validation of SCR and SCR coverage ratio;
- assess of risks related to new services, products or/and 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 Company's risk appetite;
- notify the Risk, Asset-Liability and Investment Management Committee of any potential deviations of risk exposures out of the approved limits, propose mitigation techniques depending on the nature of risk and monitor the implementation progress of the relevant action plans;
- aggregate data and submit reports (on regular and ad – hoc basis) so as to appropriately inform the BoD, the Risk, Asset-Liability and Investment Management 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, risk assessment for outsourcing arrangements, Conduct Risk Assessment (CRA), Business Environment Assessment, monitoring of early warning indicators (KRIs) and management operational risk events (identification, causal analysis and recording of operating losses) in accordance with what is provided in the approved operational risk management framework (methodologies, policies and / or procedures);

- establish (and annually revise) the Whistleblowing Policy;
- establish (and annually revise) the framework for outsourcing and perform a holistic risk management program for managing operational risks related to outsourced activities which includes; assessment of the criticality of activities before outsourcing, risk assessment of cloud computing services, Operational Risk Assessments (ORA) etc.
- participate in Reinsurance Committee aiming to contribute in the development of reinsurance program which is appropriate for the management of the risks inherent in the portfolio.

4.2 Insurance Risk

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

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

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

Factors that aggravate insurance risk include lack of risk diversification in terms of type and amount of risk covered.

4.2.1 Life Insurance

The Company issues a mix of traditional life insurance contracts, unit-linked contracts, Deposit Administration Fund (DAF) contracts, life and health riders including hospitalization riders and credit life contracts. The main distribution channel for the life insurance business is through the bancassurance network amounting to 76,4% of the total business (31 December 2022: 85,3%). The Company also issues life insurance contracts through independent intermediary channels such as insurance agents and brokers.

The carrying amount of the life insurance contracts, investment contracts with DPF issued and life reinsurance contracts held is shown below. The disclosure is based on the carrying amounts of the insurance and investment with DPF contract liabilities and reinsurance contracts held disaggregated per measurement model.

(amounts in € thousand)	**31/12/2023**	**31/12/2022**
Insurance and investment contracts		
Life insurance contracts and investment contracts with DPF under GMM	1.150.578	1.223.035
Life insurance contracts under VFA (Unit Linked)	961.929	628.194
Life insurance contracts under PAA	42.668	37.041
Total insurance and investment contract balances	**2.155.175**	**1.888.270**
Reinsurance contracts held		
Reinsurance Contracts held under GMM	977	972
Reinsurance Contracts held under PAA	3.110	2.800
Total reinsurance contract balances	**4.087**	**3.772**

The life contracts that are measured under the general model include both life insurance contracts and investment contracts with discretionary participation features (DPF) that are measured under IFRS 17. The life insurance contracts consist of individual life term assurance, whole life assurance and life insurance policies with attached rider benefits (the majority of which are health indemnities covering hospitalization and surgery). The investment contracts with DPF measured under General Model mainly include individual endowment and pure endowment with profit participation features as well as group pension products in the form of deferred annuities.

The life insurance contracts that are measured under the Variable Fee Approach include the unit- linked business where the premiums are invested in a variety of mutual funds or other internal funds. The Company sells both single premium and periodic premium term assurances as unit-linked products. The Unit-Linked insurance contracts transfer the financial risk to the policyholder.

The life insurance contracts that are measured under the premium allocation approach include individual term life contracts and group health insurance business covering death, illness or disability risk. The credit life business that consists of term life cover linked to small business loans, mortgages, credit cards, and consumer loans is also measured under the premium allocation approach.

The reinsurance contracts under General Model relate to the Individual Life reinsurance treaty that provides coverage to (a) individual life policies issued by Company for risks that include Accidental Death, Permanent and Total Disability due to accident and sickness, Dread Disease and Waiver of Premium due to death and (b) individual Personal Accident insurance contracts including the risks of Accidental Death, Permanent Total/ Partial Disability, Hospital Daily allowance due to accident and Medical Expenses due to accident.

All the remaining reinsurance contracts are measured according to the Premium Allocation Approach. These include (a) surplus treaties for credit life and group policies (b) quota share treaties for surgical cover and personal accident covers (c) excess of loss treaty for health policies and (d) Life CAT and Health excess of loss treaties.

4.2.1.1 Life insurance contracts

a) Frequency and severity of claims

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

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

- **Mortality risk**

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

- **Longevity risk**

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

The tables below present 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 and include life insurance contracts and investment contracts with DPF. The tables do not include annuity contracts, for which a separate analysis is reported further below.

Insured funds per insured life as at 31 December 2023	**Gross of reinsurance**		**Net of reinsurance**	
	(amounts in € mil.)	**%**	*(amounts in € mil.)*	**%**
0-6.000	204,9	8,6%	204,9	12,7%
6.000-15.000	193,8	8,1%	156,8	9,7%
15.000-20.000	79,5	3,3%	70,9	4,4%
>20.000	1.909,5	80,0%	1.180,3	73,2%
Total	**2.387,7**	**100,0%**	**1.612,9**	**100,0%**

Insured funds per insured life as at 31 December 2022	**Gross of reinsurance**		**Net of reinsurance**	
	(amounts in € mil.)	**%**	*(amounts in € mil.)*	**%**
0-6.000	181,5	7,7%	181,5	11,3%
6.000-15.000	191,3	8,1%	154,7	9,7%
15.000-20.000	81,3	3,4%	73,1	4,6%
>20.000	1.904,8	80,8%	1.190,6	74,4%
Total	**2.358,9**	**100,0%**	**1.599,9**	**100,0%**

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

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

Annuity payable per contract as of 31 December	**Total annuities payable**			
	31/12/2023		**31/12/2022**	
	(amounts in € mil.)	%	(amounts in € mil.)	%
0-500	3,2	8	3,9	8
500-1.000	8,1	19	9,3	20
1.000-2.000	10,0	24	11,0	24
2.000-3.000	5,8	14	6,2	13
3.000-4.000	3,9	9	4,2	9
4.000-5.000	3,5	8	3,7	8
5.000-6.000	1,6	4	1,7	4
6.000-8.000	2,2	5	2,4	5
8.000-10.000	1,4	3	1,6	3
>10.000	2,7	6	2,9	6
Total	**42,3**	**100**	**46,8**	**100**

- **Morbidity Risk**

Morbidity risk is the risk of increase in the frequency and severity of the claims due to disability, sickness or medical inflation. The Company issues riders for individual and group policies and relate to indemnities covering medical expenses, hospital allowance, surgery allowance, death by accident, and disability. Riders are issued for long and short term contracts.

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

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

For the individual health contracts the risk differentiates depending on the age and the gender of the insured and it is influenced by a number of independent factors affecting the health of the insured such as changes in the lifestyle (smoking), environmental pollution etc. Especially for hospitalization covers, the level of the claim's paid amount is also influenced by the medical inflation. In order to mitigate the morbidity risk for the individual riders' portfolio covering inpatient medical expenses (hospitalization covers), the Company has established exemptions for the claim amounting to € 500, € 750 €1.000, €1.500, €2.000, €3.000, €6.000 or €10.000 as well as the percentage of participation of the policyholder to the claim.

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

- **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 expenses and inflation and to integrate them into the Company's product pricing estimations of expenses and liabilities could have a material adverse effect on the Company'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 Company uses appropriate base tables of standard mortality according to the type of contract being written. A study of the historical data available to the Company 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.

For hospitalization programs the main uncertainty in estimating future payments 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 liability for reported losses, the liability for incurred but not reported losses, and the liability held for the loss adjustment expenses.

The Company monitors the loss ratios and regularly analyzes its experience of the severity and frequency of losses. For certain rider benefits, the Company uses the expertise of the reinsurers due to the absence of sufficient statistical data.

c) Methods used to decide on assumptions

The main parameters taken into account for the estimation of the future cash flows are as follows:

- **Mortality:** The estimation of parameters applied is based on percentages provided by mortality tables as defined by the Greek legislation taking also into account the Company's experience of insured policyholders.
- **Lapse and surrender rates:** In the long-term life insurances, the contract is cancelled in case of non-payment of the premium. However, if the insurance has acquired the right for surrender and the contract is not canceled, the insurance may become upon request from the policyholder free of further premium payments under the same terms and conditions as the original life insurance, but with reduced benefits. 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 Company's actual historical experience. The study for lapses and surrenders is updated on an annual basis, so that models reflect reality. From time to time, the Company may need to update its assumptions and actuarial and risk models to reflect actual experience and other new information. Changes to assumptions and these models could result in a review of, and subsequent changes to, the insurance product pricing, which could have a material adverse effect on the Company's business, results of operations, financial position and prospects. The impact of changes in assumptions for the Company would be reflected over the remaining life of the policies through the earnings.
- **Morbidity**: The Company assesses the profitability for hospitalization riders on an annual basis through the use of various technical parameters such as mortality, morbidity, loss ratio, medical claims inflation, lapse in coverage, annual increase in premiums and administrative expenses. Based on this assessment performed, the Company retains the right of re-pricing risks upon renewal. The Company assesses the adequacy of the premium based on the prior year experience. Parameter measures of the experience are the claim loss ratios (gross & 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 Company holds the right to re-price the risks upon renewal.
- **Expenses:** The future estimates are based on the current (at the reporting date) attributable expenses of the Company for the maintenance and management of the insurance portfolio and they are readjusted for every future year, with the estimated expense inflation. The Company has adopted an expense model through which the expenses are characterized as recurring and non-recurring, acquisition and management, and then they are allocated into groups of products. The output of this model is used to determine the assumptions made in the estimation of future expenses.
- **Percentage of pension surrenders at retirement:** This right is granted only to pension plans. Based on the actual historical experience, the Company estimates the percentage of insured people who will select to receive a lump sum at the beginning of their retirement instead of an annuity.
- **Discount Rates:** The estimation of liabilities' adequacy is based on future cash flows of revenues and expenses of the Company, including the reinsurance share. Future cash flows are discounted at the end of each reporting period using interest rates curves, which are based on the risk-free rates curve published by the European supervisory authority for occupational pensions and insurance ("EIOPA"), and take into consideration the current allocation and expected yields of the investment portfolio.

d) Sensitivity analysis

The following tables present information on how reasonably possible changes in assumptions made by the Company with regard to the material insurance risk variables impact insurance liabilities, and profit or loss and equity before risk mitigation by reinsurance contracts held. The analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated.

31 December 2023 *(amounts in € thousand)*	**Change**	Impact on:				
		FCF	CSM	Insurance contract liabilities	Profit before tax	Equity
Lapse and surrenders rate	+10%	2.814	(3.279)	(465)	465	363
Lapse and surrenders rate	-10%	(3.549)	3.973	424	(424)	(331)
Expenses	+10%	4.780	(1.880)	2.900	(2.900)	(2.262)
Expenses	-10%	(4.776)	2.106	(2.670)	2.670	2.083

31 December 2022 *(amounts in € thousand)*	**Change**	Impact on:				
		FCF	CSM	Insurance contract liabilities	Profit before tax	Equity
Lapse and surrenders rate	+10%	2.144	(2.125)	18	(18)	(14)
Lapse and surrenders rate	-10%	(2.496)	2.532	36	(36)	(28)
Expenses	+10%	3.576	(1.531)	2.045	(2.045)	(1.595)
Expenses	-10%	(3.428)	1.537	(1.890)	1.890	1.474

The following table presents analysis of how a possible shift in market interest rates might impact the balances of contracts within the scope of IFRS 17, the investment contracts and the investment assets, as well as the net impact on profit or loss and equity. The Company's other financial assets and liabilities are not significantly sensitive to interest rates.

(amounts in € thousand)	Change in Interest rate	**2023**		**2022**	
		Impact on Total Income before tax	Impact on equity	Impact on Total Income before tax	Impact on equity
Insurance contracts under IFRS 17	+100 bps	45.168	35.231	37.679	29.390
Investment contract liabilities	+100 bps	26.697	20.824	29.498	23.008
Investment assets	+100 bps	(57.037)	(44.489)	(59.549)	(46.448)
Insurance contracts under IFRS 17	- 100 bps	(66.676)	(52.007)	(52.813)	(41.194)
Investment contract liabilities	-100 bps	(28.985)	(22.608)	(32.001)	(24.961)
Investment assets	-100 bps	61.798	48.202	66.462	51.840

4.3 Financial risks

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

The Company systematically monitors the following risks resulting from structure of its asset portfolio: credit risk, market risk and liquidity risk.

4.3.1 Credit risk

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

Credit risk concentration

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

There was no exposure in excess of the Company's limits for counterparties as of 31 December 2023 and 2022.

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 Company from the underlying credit exposures mainly related to other receivables.

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

Maximum exposure	**31/12/2023**	**31/12/2022**
(amounts in € thousand)		
Financial assets at FVTOCI	1.208.197	854.710
Financial assets at amortised cost	38.584	38.735
Financial assets at FVTPL:		
Financial assets held for trading	750.676	1.161.147
Financial assets for unit-linked insurance contracts	940.946	615.628
Financial assets for unit-linked investment contracts	17.408	14.888
Insurance contract assets	420	1.180
Reinsurance contract assets	4.087	3.772
Other receivables	22.264	4.775
Cash and cash equivalents	135.743	214.130
Total assets bearing credit risk	**3.118.325**	**2.908.964**

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

As at 31 December 2023, the Company has no significant exposure to credit risk arising from derivative financial instruments.

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

Credit risk related to debt securities :

Credit risk arising from debt securities relates to the inability of the issuer to meet its obligation to repay the face value of a bond at its maturity and settlement. In the context of the Company's Financial Risk Management Framework, credit ratings assigned by independent certified external rating agencies are used as a primary criterion for the evaluation of the credit risk entailed in investments in debt securities. The applicable limits regarding the government debt securities as well as the corporate securities, which the Company has in its portfolio, are described in the current Risk Management Policy.

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

Government Bonds *(amounts in € thousand)*	**Rating Fitch**	**31/12/2023**	**Rating Fitch**	**31/12/2022**
Greece	BBB-	1.083.306	BB	1.399.595
Italy	BBB	3.564	BBB	3.231
Ireland	AA-	9.218	AA-	9.453
South Africa	BB-	-	BB-	72.074
Brazil	BB	113.131	BB-	102.647
Total		**1.209.218**		**1.587.000**

Corporate Bonds *(amounts in € thousand)*	**Rating Fitch**	**31/12/2023**	**Rating Fitch**	**31/12/2022**
Financial institutions (Banks)	B+	-	B+	98.699
	BB	101.451	BB	-
	NR	11.177	NR	11.615
Non-financial institutions (Other commercial companies)	A	-	A	994
	A-	-	A-	5.025
	BB	-	BB	10.651
	BB+	10.935	BB+	-
	BBB	-	BBB	4.515
	BBB-	-	BBB-	1.999
	NR	174	NR	170
Total		**123.737**		**133.666**

As at 31 December 2023 and 2022, the largest concentration in the Company's debt securities portfolio is in European sovereign debt which constitute a 82,23% and 82,1% respectively of the total debt securities portfolio and 35,45% and 48,7% respectively of the total investments (including cash and cash equivalents).

Especially for the sovereign exposure to Greece, the Company had an exposure of €1.083.306 thousand (35,04% of total investments) and € 1.399.595 thousand (48,3% of total investments) as of 31 December 2023 and 2022, respectively.

Credit risk related to reinsurance assets:

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

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

The Company applies the minimum acceptable rating levels of reinsurers that support its reinsurance contracts, and therefore reinsurers should have a rating greater than A- from Standard & Poor's or an equivalent rating from another recognized rating agency (AM Best, Fitch). A temporary exception to this rule can be made for reinsurers with whom the Company has a long successful relationship and who, although they had an A- rating or higher at the time of entering into the reinsurance contract, their rating decreased during the contract.

Based on the Company's reinsurance business strategy, an appropriate mixture of reinsurers has been selected in order to ensure adequate level of reinsurance coverage. The Company's credit risk exposure on the reinsurance receivables due from the largest reinsurance company as at 31 December 2023 amounts to 86,47% (2022: 84,9%). However due to the high credit rating and the recognized solvency of this reinsurance company the Company's management does not expect any losses from credit defaults.

Credit risk related to insurance receivables:

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

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

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

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

Credit risk related to cash and cash equivalents:

As at 31 December 2023 and 31 December 2022, the cash placements to Eurobank group amounted to € 39.308 thousand and € 42.960 thousand respectively.

The following table presents the financial assets by credit rating category as at 31 December 2023 and 2022:

	31 December 2023							
Rating	**FVTPL Portfolio**	**FVTOCI Portfolio**	**Financial assets at amortized cost**	**Insurance contract assets**	**Reinsurance contract assets**	**Other receivables**	**Cash & cash Equivalent**	**Total**
(amounts in € thousand)								
AA	-	-	-	-	-	-	1.423	1.423
AA+	-	-	-	-	535	-	-	535
AA-	-	9.218	-	-	3.451	-	-	12.669
BBB	-	3.564	-	-	-	-	-	3.564
BBB-	23.307	1.059.999	-	-	-	-	-	1.083.306
BB+	-	10.935	-	-	-	-	-	10.935
BB	101.454	113.131	-	-	-	-	79.306	293.892
BB-	-	-	-	-	-	-	55.012	55.012
Non Rated	1.584.268	11.351	38.584	420	102	22.264	2	1.656.991
Total	**1.709.029**	**1.208.197**	**38.584**	**420**	**4.087**	**22.264**	**135.743**	**3.118.325**

	31 December 2022							
Rating	**FVTPL Portfolio**	**FVTOCI Portfolio**	**Financial assets at amortized cost**	**Insurance contract assets**	**Reinsurance contract assets**	**Other receivables**	**Cash & cash Equivalent**	**Total**
(amounts in € thousand)								
AA	-	-	-	-	-	-	151.513	151.513
AA+	-	-	-	-	440	-	-	440
AA-	-	9.453	-	-	3.208	-	-	12.661
A	994	-	-	-	-	-	-	994
A-	5.025	-	-	-	-	-	-	5.025
BBB	4.515	3.231	-	-	-	-	-	7.746
BBB-	1.999	-	-	-	-	-	-	1.999
BB	797.272	655.521	-	-	-	-	-	1.452.793
B+	161.510	-	-	-	-	-	52.595	214.104
B	-	-	-	-	-	-	10	10
B-	-	-	-	-	-	-	10.012	10.012
BB-	5.571	174.721	-	-	-	-	-	180.292
Non Rated	814.778	11.784	38.735	1.180	124	4.775	-	871.377
Total	**1.791.662**	**854.710**	**38.735**	**1.180**	**3.772**	**4.775**	**214.130**	**2.908.964**

Expected Credit Losses (ECL)

The tables below set out the Company's portfolio of financial investments subject to impairment, namely debt instruments measured at fair value through OCI ("FVTOCI") and debt instruments, loans and cash and cash equivalent measured at amortized cost, broken down by class of financial investments.

31 December 2023	Stage 1		Stage 2		Total	
(amounts in € thousand)	Gross carrying amount	12-month ECLs	Gross carrying amount	Lifetime ECLs	Gross carrying Amount	ECLs allowance
Financial assets at FVTOCI						
Greek government bonds	967.000	(1.142)	-	-	967.000	(1.142)
Other government bonds	122.353	(228)	-	-	122.353	(228)
Corporate bonds	23.741	(363)	-	-	23.741	(363)
Total	**1.113.094**	**(1.734)**	**-**	**-**	**1.113.094**	**(1.734)**
Financial assets at amortised cost						
Commerical mortgage loans	38.653	(70)	-	-	38.653	(70)
Total	**38.653**	**(70)**	**-**	**-**	**38.653**	**(70)**
Cash and cash equivalents	**135.743**	**-**	**-**	**-**	**135.743**	**-**

31 December 2022	Stage 1		Stage 2		Total	
(amounts in € thousand)	Gross carrying amount	12-month ECLs	Gross carrying amount	Lifetime ECLs	Gross carrying Amount	ECLs allowance
Financial assets at FVTOCI						
Greek government bonds	594.838	(1.581)	-	-	594.838	(1.581)
Other government bonds	197.535	(383)	-	-	197.535	(383)
Corporate bonds	24.185	(370)	-	-	24.185	(370)
Total	**816.557**	**(2.334)**	**-**	**-**	**816.557**	**(2.334)**
Financial assets at amortised cost						
Commerical mortgage loans	38.790	(54)	-	-	38.790	(54)
Total	**38.790**	**(54)**	**-**	**-**	**38.790**	**(54)**
Cash and cash equivalents	**214.130**	**-**	**-**	**-**	**214.130**	**-**

31 December 2023	Stage 1		Stage 2		Total	
(amounts in € thousand)	Gross Carrying amount	12-month ECLs	Gross Carrying amount	Lifetime ECLs	Gross Carrying Amount	ECLs Allowance
Financial assets at FVTOCI						
Balance at 1 January	816.557	(2.334)	-	-	816.557	(2.334)
Originated purchased	550.226	(455)	-	-	550.226	(455)
Matured or sold	(257.208)	635	-	-	(257.208)	635
Remeasurements	3.519	421	-	-	3.519	421
Total impairment charge for the period	**-**	**601**	-	-	**-**	**601**
Balance at 31 December	**1.113.094**	**(1.734)**	-	-	**1.113.094**	**(1.734)**
Financial assets at amortised cost						
Balance at 1 January	38.790	(54)	-	-	38.790	(54)
Remeasurements	(137)	(15)	-	-	(137)	(15)
Total impairment charge for the period	**-**	**(15)**	-	-	**-**	**(15)**
Balance at 31 December	**38.653**	**(70)**	-	-	**38.653**	**(70)**

31 December 2022	Stage 1		Stage 2		Total	
(amounts in € thousand)	Gross Carrying amount	12-month ECLs	Gross Carrying amount	Lifetime ECLs	Gross Carrying Amount	ECLs Allowance
Financial assets at FVTOCI						
Balance at 1 January	772.910	(1.839)	-	-	772.910	(1.839)
Originated purchased	272.347	(663)	-	-	272.347	(663)
Matured or sold	(226.875)	163	-	-	(226.875)	163
Remeasurements	(1.824)	4	-	-	(1.824)	4
Total impairment charge for the period	**-**	**(496)**	-	-	**-**	**(496)**
Balance at 31 December	**816.557**	**(2.334)**	-	-	**816.557**	**(2.334)**
Financial assets at amortised cost						
Balance at 1 January	38.982	(31)	-	-	38.982	(31)
Remeasurements	(193)	(23)	-	-	(193)	(23)
Total impairment charge for the period	**-**	**(23)**	-	-	**-**	**(23)**
Balance at 31 December	**38.790**	**(54)**	-	-	**38.790**	**(54)**

Furthermore, as at 31 December 2023 the Company has calculated Expected Credit Losses (ECL) amounting to € 753 thousand (31 December 2022: € 713 thousand) regarding Loans and Advances to agents and brokers amounting to € 1.845 thousand (31 December 2022: € 944 thousand), which are classified as Stage 2.

4.3.2 Market risk

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

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

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

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

(a) Interest rate risk

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

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

Interest analysis

31 December 2023	0 - 3 %	3 - 6 %	6 - 10 %	Total
(amounts in € thousand)				
Financial assets at FVTPL:				
- Financial assets for unit-linked contracts	3	-	-	3
- Financial assets excluding unit-linked contracts	23.307	101.451	-	124.758
Financial assets at FVTOCI	618.929	476.137	113.131	1.208.197
Financial assets at amortised cost	-	38.584	-	38.584
Cash and cash equivalents	135.743	-	-	135.743
Total	**777.982**	**616.172**	**113.131**	**1.507.285**

31 December 2022 *(amounts in € thousand)*	**0 - 3 %**	**3 - 6 %**	**6 - 10 %**	**Total**
Financial assets at FVTPL:				
- Financial assets for unit-linked contracts	5.571	-	-	5.571
- Financial assets excluding unit-linked contracts	763.748	102.208	-	865.956
Financial assets at FVTOCI	302.676	377.314	174.721	854.710
Financial assets at amortised cost	-	38.735	-	38.735
Cash and cash equivalents	210.856	-	3.274	214.130
Total	**1.282.851**	**518.257**	**177.994**	**1.979.102**

Analysis of interest bearing financial assets by type of rate:

31 December 2023 *(amounts in € thousand)*	**Fixed rate**	**Floating Rate**	**Total**
Financial assets at FVTPL:			
- Financial assets for unit-linked contracts	3	-	3
- Financial assets excluding unit-linked contracts	23.307	101.451	124.758
Financial assets at FVTOCI	1.208.197	-	1.208.197
Financial assets at amortised cost	38.584	-	38.584
Cash and cash equivalents	135.743	-	135.743
Total	**1.405.834**	**101.451**	**1.507.285**

31 December 2022 *(amounts in € thousand)*	**Fixed rate**	**Floating Rate**	**Total**
Financial assets at FVTPL:			
- Financial assets for unit-linked contracts	5.571	-	5.571
- Financial assets excluding unit-linked contracts	767.257	98.699	865.956
Financial assets at FVTOCI	854.710	-	854.710
Financial assets at amortised cost	-	38.735	38.735
Cash and cash equivalents	214.130	-	214.130
Total	**1.841.668**	**137.434**	**1.979.102**

(b) Equity risk

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

As part of its overall risk management process, the Company manages and monitors its equity risks and applies limits as expressed in established policies.

The Company's overall exposure to equity risk expressed as a percentage of total investments amounted to 25,1% at 31 December 2023 (2022: 14,8%), and is summarized below:

% of Investment portfolio under management	**31 December 2023**	**31 December 2022**
Exposure to listed equity markets	14,0%	8,8%
Exposure to REITS (Real estate investment trusts)	11,1%	6,0%
Total Equities & MF's Exposure	**25,1%**	**14,8%**

(c) Currency risk

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

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

The Company's overall exposure to foreign currency risk at 31 December 2023 amounted to 4,4% (2022: 6,4%) and is not considered significant.

The table below presents the Company's exposure to foreign currency exchange rate risk as at 31 December 2023 and 2022 respectively. The table includes the Company's assets and liabilities at carrying amounts categorized by currency.

31 December 2023 *(amounts in € thousand)*	**EUR**	**USD**	**RON**	**GBP**	**ZAR**	**BRL**	**Total**
Assets							
Investments in financial assets:							
Financial assets at FVTOCI	1.083.888	11.177	-	-	-	113.131	1.208.197
Financial assets at amortised cost	38.584	-	-	-	-	-	38.584
Financial assets at FVTPL	1.689.797	19.022	210	-	-	-	1.709.029
Investment in subsidiaries, associates and joint ventures	303.405	-	5.992	-	-	-	309.398
Insurance contract assets	420	-	-	-	-	-	420
Reinsurance contract assets	4.087	-	-	-	-	-	4.087
Cash and cash equivalents	135.357	385	-	1	0	-	135.743
Other assets	30.103	-	-	-	-	-	30.103
Total Assets	**3.285.642**	**30.584**	**6.202**	**1**	**0**	**113.131**	**3.435.562**
Liabilities							
Insurance contract liabilities	2.155.595	-	-	-	-	-	2.155.595
Investment contract liabilities	584.636	-	-	-	-	-	584.636
Other Liabilities	114.518	-	-	-	-	-	114.518
Total liabilities	**2.854.749**	**-**	**-**	**-**	**-**	**-**	**2.854.749**
Total equity	**430.893**	**30.584**	**6.202**	**1**	**-**	**113.131**	**580.813**

31 December 2022 *(amounts in € thousand)*	**EUR**	**USD**	**RON**	**GBP**	**ZAR**	**BRL**	**Total**
Assets							
Investments in financial assets:							
Financial assets at FVTOCI	668.374	11.615	-	-	72.074	102.647	854.710
Financial assets at amortised cost	38.735	-	-	-	-	-	38.735
Financial assets at FVTPL	1.791.400	11	250	-	-	-	1.791.662
Investment in subsidiaries, associates and joint ventures	160.884	-	5.992	-	-	-	166.876
Insurance contract assets	1.180	-	-	-	-	-	1.180
Reinsurance contract assets	3.772	-	-	-	-	-	3.772
Cash and cash equivalents	210.558	297	-	1	3.274	-	214.130
Other assets	12.414	-	-	-	-	-	12.414
Total Assets	**2.887.318**	**11.923**	**6.243**	**1**	**75.348**	**102.647**	**3.083.479**
Liabilities							
Insurance contract liabilities	1.889.450	-	-	-	-	-	1.889.450
Investment contract liabilities	573.193	-	-	-	-	-	573.193
Other Liabilities	107.096	-	-	-	-	-	107.096
Total liabilities	**2.569.739**	**-**	**-**	**-**	**-**	**-**	**2.569.739**
Total equity	**317.579**	**11.923**	**6.243**	**1**	**75.348**	**102.647**	**513.740**

(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. For 2023, the VaR calculation was adjusted, by modeling additional positions of the investment portfolio. Accordingly, the Company's VaR for 2022 has been recalculated. The VaR calculated by the Company and used for internal risk measurement and control purposes, is based on a confidence level of 99,0% and a 10 days holding period, using the Monte Carlo (full repricing) simulation method.

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

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

VaR of assets

(amounts in € milion)	31 December 2023	31 December 2022
Total VaR	**112,4**	**85,5**

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

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

4.3.3 Liquidity risk

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

The Company in order to effectively manage liquidity risk, it has established, recorded and followed a set of documents, among which is the Liquidity Risk 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 are easy to liquidate to meet operational needs. In addition, the time match of cash inflows and outflows is monitored, both in terms of assets and liabilities.

The monitoring includes cash flow measurement and projections for the next day, week and month respectively, as these are key periods for liquidity management. The starting point for those projections is an analysis of the contractual maturity of the financial liabilities and the expected collection date of the financial assets.

a) Non derivative cash flows

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

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

31 December 2023	Carrying Value	0-1 months	1-3 months	3-12 months	> 1 year	Total
Financial Liabilities						
(amounts in € thousand)						
Agents and Insurance Brokers	6.860	1.081	5.738	41	-	6.860
Other creditors	2.325	190	2.135	-	-	2.325
Payable surrenders and claims settlement	27.794	73	-	27.709	12	27.794
Lease liabilities	2.562	62	125	553	2.073	2.813
Other liabilities	9.975	-	2.871	447	6.656	9.975
Total financial liabilities	**49.517**	**1.406**	**10.870**	**28.750**	**8.741**	**49.768**

31 December 2022	Carrying Value	0-1 months	1-3 months	3-12 months	> 1 year	Total
Financial Liabilities						
(amounts in € thousand)						
Agents and Insurance Brokers	7.389	7.201	141	47	-	7.389
Other creditors	10.247	9.305	943	-	-	10.247
Payable surrenders and claims settlement	24.741	534	911	18.081	5.215	24.741
Lease liabilities	2.821	57	113	505	2.491	3.166
Other liabilities	7.608	164	280	5.560	1.604	7.608
Total financial liabilities	**52.806**	**17.261**	**2.387**	**24.193**	**9.309**	**53.151**

Maturity analysis for insurance contract and investment contract liabilities (expected future cash flows basis)

The following tables provide an analysis of the remaining contractual undiscounted cash flows, excluding the risk adjustment for non-financial risks, as of December 31, 2023 and December 31, 2022, for liabilities arising from insurance contracts and investment contracts.

31 December 2023	**Carrying amount**	**0-1 year**	**1 - 3 years**	**3-5 years**	**5-10 years**	**>10 years**	**Total**
(amounts in € thousand)							
Life insurance contracts liabilities							
PAA							
Liabilities for remaining coverage	2.736	2.736	-	-	-	-	2.736
Liabilities for incurred claims	50.500	50.500	-	-	-	-	50.500
Assets for insurance cash flows	(12.340)	(2.857)	(4.684)	(3.170)	(1.629)	-	(12.340)
	40.896	50.379	(4.684)	(3.170)	(1.629)	-	40.896
GMM							
Liabilities for remaining coverage	1.108.773	154.267	245.658	258.559	421.611	283.573	1.363.668
Liabilities for incurred claims	14.210	14.210	-	-	-	-	14.210
	1.122.983	168.477	245.658	258.559	421.611	283.573	1.377.878
VFA							
Liabilities for remaining coverage	868.970	52.388	175.402	207.747	413.833	155.338	1.004.709
Liabilities for incurred claims	548	548	-	-	-	-	548
	869.518	52.936	175.402	207.747	413.833	155.338	1.005.256
Life insurance contracts liabilities	2.033.397	271.792	416.376	463.136	833.815	438.911	2.424.030
Life investment contracts liabilities							
Unit linked investment contracts	17.562	735	2.610	1.167	1.996	10.896	17.404
Non-unit linked investment contracts	567.074	23.032	220.066	132.042	195.308	82.746	653.193
Life investment contracts liabilities	584.636	23.767	222.676	133.209	197.303	93.642	670.597
Life insurance and investment contracts	**2.618.033**	**295.559**	**639.052**	**596.345**	**1.031.118**	**532.553**	**3.094.627**

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 contracts liabilities							
PAA							
Liabilities for remaining coverage	2.170	2.170	-	-	-	-	2.170
Liabilities for incurred claims	44.683	44.683	-	-	-	-	44.683
Assets for insurance cash flows	(11.306)	(2.666)	(4.352)	(2.898)	(1.389)	-	(11.306)
	35.547	44.187	(4.352)	(2.898)	(1.389)	-	35.547
GMM							
Liabilities for remaining coverage	1.182.762	111.230	347.021	216.673	476.779	369.791	1.521.493
Liabilities for incurred claims	12.219	12.219	-	-	-	-	12.219
	1.194.981	123.449	347.021	216.673	476.779	369.791	1.533.712
VFA							
Liabilities for remaining coverage	562.536	22.076	122.864	123.778	318.303	95.226	682.246
Liabilities for incurred claims	345	345	-	-	-	-	345
	562.881	22.421	122.864	123.778	318.303	95.226	682.591
Life insurance contracts liabilities	1.793.409	190.058	465.532	337.552	793.693	465.016	2.251.851
Life investment contracts liabilities							
Unit linked investment contracts	15.254	333	1.169	559	1.984	10.830	14.874
Non-unit linked investment contracts	557.939	19.210	42.320	343.100	188.925	100.115	693.670
Life investment contracts liabilities	573.193	19.543	43.489	343.659	190.909	110.944	708.543
Life insurance and investment contracts	**2.366.603**	**209.601**	**509.021**	**681.211**	**984.602**	**575.960**	**2.960.394**

(b) Asset Liabilities Matching (ALM)

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

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

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

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

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

		Life Contractual cash flows (undiscounted)					
31 December 2023	**Carrying Value**	**0-5 years**	**5-10 years**	**10-15 years**	**15-20 years**	**>20 Years**	**Total**
(amounts in € thousand)							
Financial assets							
Carrying value and cash flows arising from assets:							
Financial assets at FVTPL							
Listed equity securities:	220.705	220.705	-	-	-	-	**220.705**
Unlisted equities and mutual funds	405.213	405.213	-	-	-	-	**405.213**
Listed debt securities:							
– Fixed rate	23.307	23.700	-	-	-	-	**23.700**
– Floating rate	101.451	106.575	-	-	-	-	**106.575**
Financial assets at FVTOCI							
Listed debt securities:							
– Fixed rate	1.208.197	976.592	255.794	128.050	60.280	-	**1.420.717**
Financial assets at amortised cost							
- Fixed rate loans	38.584	45.003	-	-	-	-	**45.003**
Cash and cash equivalents	135.743	135.743	-	-	-	-	**135.743**
Total	**2.133.200**	**1.913.532**	**255.794**	**128.050**	**60.280**	**-**	**2.357.657**

		Expected cash flows (undiscounted)					
31 December 2023	**Carrying Value**	**0-5 years**	**5-10 years**	**10-15 years**	**15-20 years**	**>20 Years**	**Total**
(amounts in € thousand)							
Insurance and investment contracts liabilities							
Life insurance contracts (PAA & GMM)	1.163.879	715.219	419.982	104.165	67.968	111.440	1.418.774
Life investment contracts (non-unit linked)	567.074	375.139	195.308	77.344	4.417	985	653.193
Total	**1.730.954**	**1.090.358**	**615.289**	**181.509**	**72.385**	**112.425**	**2.071.967**

31 December 2022	Carrying Value	Life Contractual cash flows (undiscounted) 0-5 years	5-10 years	10-15 years	15-20 years	>20 Years	Total
(amounts in € thousand)							
Assets							
Carrying value and cash flows arising from assets:							
Financial assets at FVTPL							
Listed equity securities:	120.693	120.693	-	-	-	-	**120.693**
Unlisted equities and mutual funds	174.498	174.498	-	-	-	-	**174.498**
Listed debt securities:							
– Fixed rate	767.257	773.722	-	-	-	-	**773.722**
– Floating rate	98.699	110.863	-	-	-	-	**110.863**
Financial assets at FVTOCI							
Listed debt securities:							
– Fixed rate	854.710	550.288	252.613	273.057	226.566	56.557	**1.359.081**
Financial assets at amortised cost							
- Floating rate loans	38.735	41.661	-	-	-	-	**41.661**
Cash and cash equivalents	214.130	214.130	-	-	-	-	**214.130**
Total	**2.268.722**	**1.985.854**	**252.613**	**273.057**	**226.566**	**56.557**	**2.794.647**

31 December 2022	Carrying Value	Expected cash flows (undiscounted) 0-5 years	5-10 years	10-15 years	15-20 years	>20 Years	Total
(amounts in € thousand)							
Insurance and investment contracts liabilities							
Life insurance contracts (PAA & GMM)	1.230.528	724.079	475.390	174.809	74.413	120.568	**1.569.260**
Life investment contracts (non-unit linked)	557.939	404.630	188.925	93.903	5.096	1.115	**693.670**
Total	**1.788.468**	**1.128.709**	**664.315**	**268.713**	**79.509**	**121.684**	**2.262.929**

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

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

c) Current and non-current assets and liabilities

The table below summarises the expected utilisation or settlement of assets and liabilities.

(amounts in € thousand)	31/12/2023 Current	Non Current	Unit-Linked	Total
ASSETS				
Investments in financial assets:				
Financial assets at FVTOCI	6.576	1.201.621	-	**1.208.197**
Financial assets at amortised cost	-	38.584	-	**38.584**
Financial assets at FVTPL	649.225	101.451	958.353	**1.709.029**
Investment in subsidiaries, associates and joint ventures	-	309.398	-	**309.398**
Insurance Contract Assets	420	-	-	**420**
Reinsurance contract assets	3.228	860	-	**4.087**
Cash and cash equivalents	135.743	-	-	**135.743**
Other assets	22.288	7.815	-	**30.103**
Total assets	**817.481**	**1.659.728**	**958.353**	**3.435.562**
LIABILITIES				
Insurance contract liabilities	285.666	1.869.929	-	**2.155.595**
Investment contract liabilities	21.995	545.079	17.562	**584.636**
Other Liabilities	43.189	71.329	-	**114.518**
Total Liabilities	**350.850**	**2.486.337**	**17.562**	**2.854.749**

(amounts in € thousand)	31/12/2022 Current	Non Current	Unit-Linked	Total
ASSETS				
Investments in financial assets:				
Financial assets at FVTOCI	27.258	827.452	-	**854.710**
Financial assets at amortised cost	-	38.735	-	**38.735**
Financial assets at FVTPL	1.062.448	98.699	630.515	**1.791.662**
Investment in subsidiaries, associates and joint ventures	-	166.876	-	**166.876**
Insurance Contract Assets	1.180	-	-	**1.180**
Reinsurance contract assets	2.916	855	-	**3.772**
Cash and cash equivalents	214.130	-	-	**214.130**
Other assets	5.125	7.289	-	**12.414**
Total assets	**1.313.057**	**1.139.907**	**630.515**	**3.083.479**
LIABILITIES				
Insurance contract liabilities	198.339	1.691.111	-	**1.889.450**
Investment contract liabilities	17.583	540.357	15.254	**573.193**
Other Liabilities	60.415	46.681	-	**107.096**
Total Liabilities	**276.337**	**2.278.148**	**15.254**	**2.569.739**

4.4 Operational risk

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

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

The Company's Operational Risk Management Framework includes 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 Company is on the one hand to ensure that the Company has adequate capitalization on an ongoing basis according to the regulatory framework Solvency II, and on the other hand to maximize shareholders' return without exceeding the total risk tolerance limits of the Company as well as risk appetite.

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

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

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

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

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

It is noted that as of 31 December 2023 and 31 December 2022, the eligible own funds of the Company exceeded the Solvency Capital Required (SCR).

Solvency II Ratio

(amounts in € thousand)	31/12/2023	31/12/2022
Eligible Own Funds	622.744	528.413
Solvency Capital Requirement	370.035	273.384
Minimum Capital Requirement	92.509	68.346
Company's Solvency II ratio (Eligible Own Funds/SCR)	168%	193%
Company's Solvency II ratio (Eligible Own Funds/MCR)	673%	773%

Risks

(amounts in € thousand)	31/12/2023	31/12/2022
Market risk	339.530	235.317
Counterparty default risk	8.848	12.396
Life underwriting risk	43.013	38.344
Health underwriting risk	15.885	13.601
Total BSCR (before diversification)	**407.276**	**299.657**
Diversification Effect	(47.325)	(44.049)
Total BSCR (after diversification)	**359.951**	**255.609**
Operational risk	10.084	17.776
Total Solvency II SCR	**370.035**	**273.384**

4.6 Fair values of financial assets and liabilities

(a) Financial instruments carried at fair value:

Trading assets, derivatives and other transactions undertaken for trading purposes, as well as financial assets at fair value through other comprehensive income (hold to collect and sell business model) and assets and liabilities designated at fair-value-through profit-or-loss are measured at fair value by reference to quoted market prices when available. If quoted prices are not available, the fair values are estimated using valuation techniques (see Notes 2.6 & 3.2).

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

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

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

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

III. Level 3: Financial instruments measured using valuation techniques with significant unobservable inputs. This level mainly includes the participations in non-listed equities and non-listed mutual funds in the financial assets and the non unit-linked investment contract liabilities in the financial liabilities.

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

31 December 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
(amounts in € thousand)				
Financial assets				
Financial asset held for trading	346.793	400.627	3.255	750.676
Financial assets for unit-linked insurance contracts	940.946	-	-	940.946
Financial assets for unit-linked investment contracts	17.408	-	-	17.408
Financial assets at FVTOCI	1.208.197	-	-	1.208.197
Total Financial Assets	**2.513.344**	**400.627**	**3.255**	**2.917.227**
Financial Liabilities				
Unit Linked Investment contract liabilities	17.562	-	-	17.562
Non Unit Linked Investment contract liabilities	-	-	567.074	567.074
Total Financial Liabilities	**17.562**	**-**	**567.074**	**584.636**

31 December 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
(amounts in € thousand)				
Financial assets				
Financial asset held for trading	987.760	170.654	2.733	1.161.147
Financial assets for unit-linked insurance contracts	615.628	-	-	615.628
Financial assets for unit-linked investment contracts	14.888	-	-	14.888
Financial assets at FVTOCI	854.710	-	-	854.710
Total Financial Assets	**2.473.056**	**170.654**	**2.733**	**2.646.373**
Financial Liabilities				
Unit Linked Investment contract liabilities	15.254	-	-	15.254
Non Unit Linked Investment contract liabilities	-	-	557.939	557.939
Total Financial Liabilities	**15.254**	**-**	**557.939**	**573.193**

The change in the value of financial assets that have been classified as Level 2 from € 170.654 thousand on December 31, 2022 to € 400.627 thousand on December 31, 2023 is attributed to purchases of financial assets and changes in fair value by € 190.000 thousand and by € 39.973 thousand respectively.

No reclassifications were made between levels 1 and 2 during the year ended 31 December 2023 and 2022, respectively.

(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 financial assets measured at amortised cost 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 financial assets measured at amortised cost have been classified at Level 2 of Fair value hierarchy and their carrying value approaches their fair value.

NOTE 5: PROPERTY, PLANT AND EQUIPMENT

(amounts in € thousand)	Leasehold improvements	Vehicles	Furniture and other equipment	Total
Cost:				
Balance at 1 January 2023	**96**	**363**	**2.320**	**2.779**
Additions	-	3	34	36
Balance at 31 December 2023	**96**	**365**	**2.353**	**2.815**
Accumulated depreciation:				
Balance at 1 January 2023	**(72)**	**(363)**	**(2.078)**	**(2.512)**
Depreciation charge	(7)	(0)	(129)	(137)
Balance at 31 December 2023	**(79)**	**(363)**	**(2.207)**	**(2.649)**
Net book value at 31 December 2023	**18**	**2**	**146**	**166**

(amounts in € thousand)	Leasehold improvements	Vehicles	Furniture and other equipment	Total
Cost:				
Balance at 1 January 2022	**96**	**363**	**2.293**	**2.752**
Additions	-	-	26	26
Balance at 31 December 2022	**96**	**363**	**2.320**	**2.779**
Accumulated depreciation:				
Balance at 1 January 2022	**(64)**	**(304)**	**(1.922)**	**(2.291)**
Depreciation charge	(7)	(59)	(155)	(221)
Balance at 31 December 2022	**(72)**	**(363)**	**(2.078)**	**(2.512)**
Net book value at 31 December 2022	**24**	**-**	**242**	**266**

As at 31 December 2023 and 2022 there were no capital commitments for property, plant and equipment.

NOTE 6: RIGHT OF USE ASSET AND LEASE LIABILITIES

(amounts in € thousand)	Buildings	Vehicles	Other Equipment	Total
Cost:				
Balance at 1 January 2023	4.430	252	105	4.787
Additions	-	240	11	251
Termination, modifications and remeasurements	81	(17)	-	64
Balance at 31 December 2023	**4.511**	**475**	**116**	**5.102**
Accumulated Depreciation:				
Balance at 1 January 2023	(1.959)	(144)	(100)	(2.204)
Depreciation charge	(524)	(66)	(3)	(593)
Termination, modifications and remeasurements	-	10	-	10
Balance at 31 December 2023	**(2.483)**	**(200)**	**(103)**	**(2.786)**
Net book value at 31 December 2023	**2.028**	**275**	**13**	**2.317**

(amounts in € thousand)	Buildings	Vehicles	Other Equipment	Total
Cost:				
Balance at 1 January 2022	4.276	210	100	4.586
Additions	-	42	4	47
Termination, modifications and remeasurements	154	-	-	154
Balance at 31 December 2022	**4.430**	**252**	**104**	**4.787**
Accumulated Depreciation:				
Balance at 1 January 2022	(1.449)	(96)	(89)	(1.634)
Depreciation charge	(511)	(48)	(11)	(570)
Balance at 31 December 2022	**(1.959)**	**(144)**	**(100)**	**(2.204)**
Net book value at 31 December 2022	**2.471**	**108**	**4**	**2.584**

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

(amounts in € thousand)	31/12/2023	31/12/2022
Short-term lease liabilities	631	551
Long-term lease liabilities	1.932	2.270
Total	**2.562**	**2.821**

Lease liabilities are due as follows:

(amounts in € thousand)	31/12/2023	31/12/2022
Within a year	631	551
Within the second year	653	556
From 3 to 5 years	1.279	1.714
Total lease liabilities	**2.562**	**2.821**

The amounts recognized by the Company in the income statement for the year 2023 and 2022 relating to leases, are as follows:

(amounts in € thousand)	01/01-31/12/2023	01/01-31/12/2022
Depreciation charge of right of use assets	(592)	(570)
Interest expense on lease liabilities	(132)	(149)
Expenses related to short-term leases and non-lease components	(131)	(106)
Variable lease expense not included the measurement of lease liabilities	(3)	(4)
Total	**(858)**	**(829)**

NOTE 7: INTANGIBLE ASSETS

(amounts in € thousand)	Software	Trademarks	Total
Cost:			
Balance at 1 January 2023	**11.851**	**5**	**11.856**
Purchases/ Additions	1.916	-	1.916
Balance at 31 December 2023	**13.767**	**5**	**13.771**
Accumulated Amortization:			
Balance at 1 January 2023	**(7.063)**	**(3)**	**(7.066)**
Amortization charge	(1.348)	0	(1.349)
Balance at 31 December 2023	**(8.411)**	**(4)**	**(8.415)**
Net book value at 31 December 2023	**5.355**	**1**	**5.356**

(amounts in € thousand)	Software	Trademarks	Total
Cost:			
Balance at 1 January 2022	**10.033**	**5**	**10.038**
Purchases/ Additions	1.818	-	1.818
Balance at 31 December 2022	**11.851**	**5**	**11.856**
Accumulated Amortization:			
Balance at 1 January 2022	**(6.234)**	**(3)**	**(6.237)**
Amortization charge	(829)	0	(830)
Balance at 31 December 2022	**(7.063)**	**(3)**	**(7.066)**
Net book value at 31 December 2022	**4.788**	**1**	**4.789**

NOTE 8: INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Investment in subsidiaries

(amounts in € thousand)	2023 EUROLIFE FFH ASIGURARI DE VIATA	2023 DIETHNIS KTIMATIKI S.A.
Carrying amount	5.992	15.327
Percentage holding	95%	100%
Country of incorporation	Romania	Greece
Line of business	Life Insurance	Real estate
Cost at 1 January	**5.992**	**15.327**
Share capital increase	-	-
Balance at 31 December	**5.992**	**15.327**

(amounts in € thousand)	2022 EUROLIFE FFH ASIGURARI DE VIATA	2022 DIETHNIS KTIMATIKI S.A.
Carrying amount	5.992	15.327
Percentage holding	95%	100%
Country of incorporation	Romania	Greece
Line of business	Life Insurance	Real estate
Cost at 1 January	**4.092**	**15.327**
Share capital increase	1.900	-
Balance at 31 December	**5.992**	**15.327**

Based on the decision of the Extraordinary Shareholders' General Meeting of the subsidiary Eurolife FFH Asigurari de Viata S.A. dated at 14.10.2022, the subsidiary increased its share capital by €2,0 million (RON 9,9 million) by issuing 6.877 new shares with a nominal value of €291 (RON 1.437), which was covered by its shareholders, the Company (95%) and Eurolife FFH General Insurance SA (5%). After the increase, the share capital of the subsidiary amounts to €6,1 million (RON 24,3 million).

Investments in Associates and Joint Ventures

A. Grivalia Hospitality S.A.

On 19 February 2017, the Company 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 26 June 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 the Company 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 Company 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 24 2022, the Company acquired 3.825.000 shares of GH from Eurobank for a paid amount of €5,29 million. The Company's percentage of participation in GH increased from 25% to 26,7%.

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

On 5 July 2022, the Company acquired 3.825.000 shares in GH from M&G for a consideration of €5,3 million. The Company's percentage of 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 Company participated in GH's new share capital increase of €25,4 million and €40,0 million, respectively. The Company paid €19,9 million and €31,4 million by acquiring 11.860.981 shares and 18.678.710 shares, respectively. The Company's shareholding in GH increased gradually from 33,5% to 36,0% and 39,5% respectively. Following the completion of the increase, GH's paid-up share capital now amounts to €325,4 million and will be used for the uninterrupted execution of its investment plan.

On 27 January 2023, the Company acquired 30.175.328 shares of GH from Eurobank for the amount paid of €48,3 million. The percentage of participation of the Company 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 €12,5 million and the issue of 12.507.738 new ordinary shares with a nominal value of €1,0 each. The Company did not participate in the new share capital increase. Following the completion of the transaction, the participation percentage of the Company in GH decreased from 49,94% to 47,87%.

On 24 March 2023, the Company participated in a new share capital increase of GH, amounting to €95,0 million. The Company paid €45,5 million acquiring 28.421.738 capital shares. The participation percentage of the Company in GH did not change as a result of this transaction.

On 6 November 2023, the Company participated in a new share capital increase of GH, amounting to €60,0 million. The Company paid €28,7 million acquiring 17.950.571 capital shares. The participation percentage of the Company in GH did not change as a result of this transaction.

Until 5 July 2022, the Company 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 Company 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 Company consolidates GH using the equity method.

The total assets and labilities of the GH Group as at 31 December 2023 amount to €751.244 thousand (2022: €589.251 thousand) and €362.565 thousand (2022: €270.196 thousand), respectively. The equity of the GH Group net of the non-controlling interests amounts to €369.787 thousand (2022: €295.170 thousand). The most significant assets of the GH Group include the property for own use which at 31 December 2023 amount to €360.003 thousand (2022: €265.360 thousand), the investment properties amount to €183.588 thousand (2022: €146.248 thousand) and its bank deposits amounting to €106.133 thousand (2022: €45.780 thousand).

B. Antenna Digital Platform TV exchange of shares

In February 2023, the Company acquired 1.765 ordinary shares of Antenna Digital Platform TV CEE B.V. with a nominal value of €0,01 each for €20,0 million. The Company's participation percentage in Antenna Digital Platform TV CEE B.V. as at 31 December 2023 amounts to 15%.

The Company assessed the nature of the investment in Antenna Digital Platform TV CEE B.V. and determined that all conditions were met for the investment to be classified as an 'investment in associate'.

<u>Events after the Balance Sheet date</u>

In March 2024, the Company transferred to Antenna Greece B.V. the 15% equity participation held in Antenna Digital Platform TV CEE B.V. in exchange for 3,1% equity participation in Antenna Greece B.V.. In addition, in March 2024 the Company invested an amount of € 50,0 million in unsecured convertible notes issued by Antenna Greece B.V.

The Company classified the equity participation in Antenna Greece B.V. as common stock.

NOTE 9: DEFERRED TAX

(amounts in € thousand)	Opening Balance 01/01/2023	Changes in Income Statement	Changes in OCI	Ending Balance 31/12/2023
Valuation of Investments				
Changes in fair value of financial assets measured at fair value through OCI	(8.928)	-	(12.376)	(21.304)
Changes in fair value of financial assets measured at fair value through P&L	(11.448)	(28.750)	-	(40.198)
Expected credit losses of financial assets measured at fair value through OCI or amortised cost	525	(129)	-	397
Changes in the financial assets measured at amortised cost	(54)	54	-	-
Insurance Provisions				
Revaluation of insurance technical provisions	(18.928)	2.590	15.486	(852)
Revaluation of reinsurance recoverables	(10)	(272)	-	(282)
Miscellaneous Provisions				
Provision for staff leaving indemnities	151	15	(3)	164
Provision for unused personnel leave	40	(18)	-	21
Provision for other doubtful and disputed receivables	217	(36)	-	182
Other temporary differences	162	3	-	165
Foreign exchange differences of investment securities				
Changes in fair value due to foreign exchange differences	1.282	(1.649)	-	(367)
Property, plant and equipment				
Adjustment to the depreciation/ amortization of property, plant and equipment and intangible assets	86	5	-	92
Total Deferred Tax Assets / (Liabilities)	**(36.905)**	**(28.186)**	**(3.107)**	**(61.984)**

(amounts in € thousand)	Opening Balance 01/01/2022	Changes in Income Statement	Changes in OCI	Ending Balance 31/12/2022
Valuation of Investments				
Changes in fair value of financial assets measured at fair value through OCI	(57.629)	-	48.701	(8.928)
Changes in fair value of financial assets measured at fair value through P&L	(9.678)	(1.771)	-	(11.448)
Expected credit losses of financial assets measured at fair value through OCI or amortised cost	411	114	-	525
Changes in the financial assets measured at amortised cost	(121)	67	-	(54)
Insurance Provisions				
Revaluation of insurance technical provisions	46.789	(21.509)	(44.208)	(18.928)
Revaluation of reinsurance recoverables	301	(311)	-	(10)
Miscellaneous Provisions				
Provision for staff leaving indemnities	122	13	16	151
Provision for unused personnel leave	67	(28)	-	40
Provision for other doubtful and disputed receivables	279	(61)	-	217
Other temporary differences	197	(35)	-	162
Foreign exchange differences of investment securities				
Changes in fair value due to foreign exchange differences	1.945	(663)	-	1.282
Property, plant and equipment				
Adjustment to the depreciation/ amortization of property, plant and equipment and intangible assets	76	11	-	86
Total Deferred Tax Assets / (Liabilities)	**(17.241)**	**(24.172)**	**4.509**	**(36.905)**

The movement in deferred tax from fair value changes of the financial assets measured at fair value is analyzed as follows: € (13.725) thousand (2022: € 39.433 thousand) attributable to changes in fair value and € 1.349 thousand (2022: € 9.268) thousand) attributable to the transfer to income statement due to disposals.

NOTE 10: FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(amounts in € thousand)	**31/12/2023**	**31/12/2022**
Greek government bonds	1.041.144	603.144
Other government bonds	120.284	179.312
Greek treasury bills	-	25.868
Corporate bonds	22.044	22.186
Subtotal	**1.183.472**	**830.510**
Accrued interest	24.726	24.200
Total	**1.208.197**	**854.710**

The movement in securities is as follows:

(amounts in € thousand)	**2023**	**2022**
Balance at 1 January	**854.710**	**1.033.022**
Additions	544.121	285.185
Sales / Liquidations	(267.414)	(248.232)
Bonds amortization	11.902	2.025
Foreign exchange differences	7.496	3.013
Changes in fair value	56.255	(221.369)
Changes in expected credit losses	601	(496)
Changes in accrued interest	526	1.562
Balance at 31 December	**1.208.197**	**854.710**

NOTE 11: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(amounts in € thousand)	**31/12/2023**	**31/12/2022**
Corporate bonds	97.972	108.749
Greek treasury bills	23.307	754.725
Equities	234.073	128.453
Mutual funds	1.350.195	791.682
Cash and cash equivalents	3	5.571
Subtotal	**1.705.550**	**1.789.180**
Accrued interest	3.479	2.482
Total	**1.709.029**	**1.791.662**

The movement in securities is as follows:

(amounts in € thousand)	**2023**	**2022**
Balance at 1 January	1.791.662	1.749.512
Additions	950.011	2.065.916
Sales / Liquidations	(1.231.248)	(1.972.458)
Bonds amortization	7.304	800
Changes in fair value	195.871	(57.726)
Changes in cash and cash equivalents	(5.567)	3.173
Changes in accrued interest	997	2.446
Balance at 31 December	**1.709.029**	**1.791.662**

(amounts in € thousand)	31/12/2023	31/12/2022
Financial assets held for trading	750.676	1.161.147
Financial assets for unit-linked insurance contracts	940.946	615.628
Financial assets for unit-linked investment contracts	17.408	14.888
	1.709.029	**1.791.662**

The Financial assets on behalf of the policyholders who bear the investment risk (Unit Linked) and concern insurance contracts are analyzed as follows:

(amounts in € thousand)	31/12/2023	31/12/2022
Mutual funds	940.946	615.628
Total	**940.946**	**615.628**

The movement in securities is as follows:

(amounts in € thousand)	2023	2022
Balance at 1 January	615.628	544.081
Additions	334.995	200.893
Sales / Liquidations	(74.836)	(58.281)
Changes in fair value	65.159	(71.065)
Balance at 31 December	**940.946**	**615.628**

NOTE 12: FINANCIAL ASSETS AT AMORTIZED COST

(amount in € thousand)	31/12/2023	31/12/2022
Loans		
Commercial Mortgage Loans	38.130	38.390
Plus: Accrued interest on loans	453	345
Total	**38.584**	**38.735**

The movement of loans is as follows:

(amounts in € thousand)	2023	2022
Balance at 1 January	**38.735**	**38.951**
Loans amortization	(245)	(305)
Changes in accrued interest	108	113
Changes in expected credit losses	(15)	(23)
Balance at 31 December	**38.584**	**38.735**

In October 2020, the Company granted mortgage loans, with a floating interest rate, of a total nominal value of € 76.400 thousand to foreign property management companies. The duration of the loans is three years with the right of extension up to two years. During 2021, a loan with a nominal value of € 38.200 thousand was repaid. During 2023 a modification was performed on the loan terms and the extension for two years was granted.

NOTE 13: REINSURANCE CONTRACT ASSETS

The following table provides a summary of the reinsurance contracts held by asset and liability positions and measurement model.

	31/12/2023			31/12/2022		
	General Model	Premium Allocation Approach	Total	General Model	Premium Allocation Approach	Total
(amounts in € thousand)						
Life reinsurance contracts held						
Reinsurance contracts assets	977	3.110	4.087	972	2.800	3.772
Reinsurance contracts liabilities	-	-	-	-	-	-
Net reinsurance contracts	**977**	**3.110**	**4.087**	**972**	**2.800**	**3.772**

Life reinsurance contracts held under General Model and Premium Allocation Approach - current year

31/12/2023	Assets for remaining coverage		Amounts recoverable on incurred claims			Total
				Contracts under PAA		
(amounts in € thousand)	Excluding loss recovery component	Loss recovery component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contract assets as at 01/01/2023	(1.437)	235	1.533	3.440	-	3.772
Reinsurance contract liabilities as at 01/01/2023	-	-	-	-	-	-
Net reinsurance contracts as at 01/01/2023	**(1.437)**	**235**	**1.533**	**3.440**	**-**	**3.772**
Allocation of reinsurance premiums	(2.352)	-	-	-	-	(2.352)
Amounts recoverable from reinsurers						
Amounts recoverable for claims and other expenses incurred in the period	-	-	851	(232)	-	620
Changes to recoveries of incurred claims that relate to past service	-	-	294	310	-	604
Recognition or reversal of loss-recovery from onerous underlying contracts	-	35	-	-	-	35
	-	**35**	**1.145**	**78**	**-**	**1.258**
Net income or expense from reinsurance contracts held	**(2.352)**	**35**	**1.145**	**78**	**-**	**(1.094)**
Reinsurance finance income	(9)	-	-	-	-	(9)
Total changes in the statement of profit or loss and OCI	**(2.361)**	**35**	**1.145**	**78**	**-**	**(1.102)**
Cash flows						
Premiums paid	5.990	-	-	-	-	5.990
Amount received	-	-	(1.212)	(3.361)	-	(4.572)
Total cash flows	**5.990**	**-**	**(1.212)**	**(3.361)**	**-**	**1.418**
Reinsurance Investment components	(3.997)	-	-	3.997	-	-
Net reinsurance contracts as at 31/12/2023	**(1.804)**	**270**	**1.466**	**4.155**	**-**	**4.087**
Reinsurance contract assets as at 31/12/2023	(1.804)	270	1.466	4.155	-	4.087
Reinsurance contract liabilities as at 31/12/2023	-	-	-	-	-	-
Net reinsurance contracts as at 31/12/2023	**(1.804)**	**270**	**1.466**	**4.155**	**-**	**4.087**

Life reinsurance contracts held under General Model and Premium Allocation Approach - prior year

31/12/2022	Assets for remaining coverage		Amounts recoverable on incurred claims			Total
				Contracts under PAA		
(*amounts in € thousand*)	Excluding loss recovery component	Loss recovery component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contract assets as at 01/01/2022	(1.671)	-	1.203	2.998	-	2.531
Reinsurance contract liabilities as at 01/01/2022	(1.791)	143	-	1.069	-	(579)
Net reinsurance contracts as at 01/01/2022	**(3.461)**	**143**	**1.203**	**4.067**	**-**	**1.952**
Allocation of reinsurance premiums	(1.454)	-	-	-	-	(1.454)
Amounts recoverable from reinsurers						
Amounts recoverable for claims and other expenses incurred in the period	-	-	1.308	(898)	-	410
Changes to recoveries of incurred claims that relate to past service	-	-	164	670	-	834
Recognition or reversal of loss-recovery from onerous underlying contracts	-	92	-	-	-	92
	-	**92**	**1.473**	**(228)**	**-**	**1.336**
Net income or expense from reinsurance contracts held	**(1.454)**	**92**	**1.473**	**(228)**	**-**	**(118)**
Reinsurance finance income	123	-	-	-	-	123
Total changes in the statement of profit or loss and OCI	**(1.331)**	**92**	**1.473**	**(228)**	**-**	**5**
Cash flows						
Premiums paid	7.194	-	-	-	-	7.194
Amount received	-	-	(1.143)	(4.237)	-	(5.380)
Total cash flows	**7.194**	**-**	**(1.143)**	**(4.237)**	**-**	**1.815**
Reinsurance Investment components	(3.838)	-	-	3.838	-	-
Net reinsurance contracts as at 31/12/2022	**(1.437)**	**235**	**1.533**	**3.440**	**-**	**3.772**
Reinsurance contract assets as at 31/12/2022	(1.437)	235	1.533	3.440	-	3.772
Reinsurance contract liabilities as at 31/12/2022	-	-	-	-	-	-
Net reinsurance contracts as at 31/12/2022	**(1.437)**	**235**	**1.533**	**3.440**	**-**	**3.772**

The Components of Life reinsurance contracts held under General Model are the following :

	31/12/2023	31/12/2022
Assets for remaining coverage		
Estimates of the present value of future cash flows	(967)	(934)
Risk adjustment for non- financial risk	70	166
Contractual service margin	408	208
	(489)	**(561)**
Amounts recoverable on incurred claims	**1.466**	**1.533**
Total Reinsurance Assets held under General Model	**977**	**972**

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

NOTE 14: OTHER RECEIVABLES

(amounts in € thousand)	31/12/2023	31/12/2022
Loans and Advances to agents and brokers	1.845	944
Provisions for doubtful debt from agents and brokers	(753)	(713)
Other prepaid expenses	843	642
Receivables from accrued interests	63	8
Other receivables	10.288	3.894
Total	**12.286**	**4.775**

The increase in Other receivables by € 6.394 thousand is mainly due to advance payments given to cooperating hospitals, in the context of signed agreements.

On 11.04.2022 the Company granted a loan to cover the financial needs of the subsidiary "DIETHNIS KTIMATIKI S.A." in the amount of €13.241.554 and maturing on 10.04.2023, with an annual fixed interest rate of 4,10%. On 22.07.2022, the total amount of the loan was repaid with the payment of €13.403.681 (€13.241.554 principal and €162.127 interest). Since the granting and collection of the total amount of the loan was made during the financial year this amount is not shown in the Company's Balance Sheet.

NOTE 15: CASH AND CASH EQUIVALENTS

(amounts in € thousand)	31/12/2023	31/12/2022
Cash on hand	2	2
Deposits on demand	19.201	166.654
Time deposits	116.540	47.474
Total	**135.743**	**214.130**

Time deposits have a maturity of less than 90 days. The weighted average effective interest rate on time deposits during the year was 2,05% (2022: 3,37%), which comes from time deposits in foreign currency.

NOTE 16: SHARE CAPITAL AND SHARE PREMIUM

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

(amounts in € thousand)	31/12/2023	31/12/2022
Number of Ordinary shares	843.000	843.000
Paid up	29.134	29.134
Share capital	**29.134**	**29.134**
Share premium	**79.014**	**79.014**

NOTE 17: RESERVES

(amounts in € thousand)	Statutory Reserve	Extraordinary Reserves	Reserve for post employment benefit obligation	Reserve for changes in financial assumptions in the valuation of insurance policies	Financial Assets at FVTOCI revaluation reserve	Total
Balance at 1 January 2023	**39.777**	**45.939**	**(187)**	**112.128**	**31.653**	**229.310**
Transfer between reserves	-	136.299	-	-	-	**136.299**
Change in Financial Assets at FVTOCI	-	-	-	-	56.255	**56.255**
Deferred tax on change in Financial Assets at FVTOCI	-	-	-	-	(12.376)	**(12.376)**
Change in financial assumptions in the valuation of insurance policies	-	-	-	(70.390)	-	**(70.390)**
Deferred tax on change in financial assumptions in the valuation of insurance policies	-	-	-	15.486	-	**15.486**
Remeasurement of defined benefit obligation, net of tax	-	-	10	-	-	**10**
Balance at 31 December 2023	**39.777**	**182.238**	**(177)**	**57.224**	**75.533**	**354.594**

(amounts in € thousand)	Statutory Reserve	Extraordinary Reserves	Reserve for post employment benefit obligation	Reserve for changes in financial assumptions in the valuation of insurance policies	Financial Assets at FVTOCI revaluation reserve	Total
Balance at 1 January 2022	**39.777**	**84.600**	**(130)**	**(44.611)**	**204.332**	**283.958**
Transfer between reserves	-	(38.661)	-	-	-	**(38.661)**
Change in Financial Assets at FVTOCI	-	-	-	-	(221.369)	**(221.369)**
Deferred tax on change in Financial Assets at FVTOCI	-	-	-	-	48.701	**48.701**
Change in financial assumptions in the valuation of insurance policies	-	-	-	200.947	-	**200.947**
Deferred tax on change in financial assumptions in the valuation of insurance policies	-	-	-	(44.208)	-	**(44.208)**
Remeasurement of defined benefit obligation, net of tax	-	-	(57)	-	-	**(57)**
Balance at 31 December 2022	**39.777**	**45.939**	**(187)**	**112.128**	**31.653**	**229.310**

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

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

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

Reserve from the change in financial assumptions in the valuation of insurance policies includes the insurance finance income or expenses for the life group of contracts that are measured under General Model. The impact of changes in market interest rates on the value of the insurance assets and liabilities are reflected in OCI, in order to minimize accounting mismatches between the accounting for financial assets and insurance assets and liabilities. This reserve also includes the associated deferred taxes.

Financial assets at FVTOCI revaluation reserve includes revaluation reserves of financial assets through Other Comprehensive Income that are recycled to income statement upon disposal or impairment of the investments. This reserve also includes the associated deferred taxes.

NOTE 18: INSURANCE CONTRACT LIABILITIES

The following table provides a summary of the insurance contracts issued by asset and liability positions and measurement model.

(amounts in € thousand)	General Model	Variable fee approach	Total General Model and Variable fee approach	Premium Allocation Approach	Total
31/12/2023					
Life insurance contracts issued					
Insurance contracts assets	(164)	(24)	**(188)**	(232)	**(420)**
Insurance contracts liabilities	1.150.743	961.952	**2.112.695**	42.899	**2.155.595**
Net insurance contracts	**1.150.579**	**961.929**	**2.112.507**	**42.668**	**2.155.175**
31/12/2022					
Life insurance contracts issued					
Insurance contracts assets	(853)	-	**(853)**	(327)	**(1.180)**
Insurance contracts liabilities	1.223.888	628.194	**1.852.083**	37.368	**1.889.450**
Net insurance contracts	**1.223.036**	**628.194**	**1.851.230**	**37.041**	**1.888.270**

Life Insurance contracts issued under General Model and Variable Fee approach - current year

31/12/2023	**Liabilities for remaining coverage**		**Liabilities for incurred claims**	**Total General Model and Variable fee approach**
(amounts in € thousand)	**Excluding loss component**	**Loss component**		
Insurance contract liabilities as at 01/01/2023	1.749.665	90.016	12.402	1.852.083
Insurance contract assets as at 01/01/2023	(1.528)	512	163	(853)
Net insurance contracts as at 01/01/2023	**1.748.137**	**90.528**	**12.564**	**1.851.230**
Insurance revenue	(43.978)	-	-	(43. 978)
Insurance service expenses				
Incurred claims and benefits	-	(9.737)	10.262	525
Other directly attributable expenses	-	-	20.961	20.961
Amortisation of insurance acquisition cash flows	1.182	-	-	1.182
Losses on onerous contracts and reversals of those losses	-	1.434	-	1.434
Changes in incurred claims and benefits that relate to past service	-	-	(1.979)	(1.979)
	1.182	**(8.303)**	**29.243**	**22.121**
Insurance service result	**(42.796)**	**(8.303)**	**29.243**	**(21.856)**
Insurance finance expenses	156.401	593	-	156.993
Total changes in the statement of profit or loss and OCI	**113.605**	**(7.711)**	**29.243**	**135.137**
Cash flows				
Premiums received	449.753	-	-	449.753
Claims, benefits and other expenses paid	-	-	(307.685)	(307.685)
Insurance acquisition cash flows	(15.928)	-	-	(15.928)
Total cash flows	**433.826**	**-**	**(307.685)**	**126.141**
Investment components	(280.635)	-	280.635	-
Other movements	140	(140)	-	-
Net insurance contracts as at 31/12/2023	**2.015.072**	**82.678**	**14.758**	**2.112.507**
Insurance contract liabilities as at 31/12/2023	2.015.271	82.668	14.756	2.112.695
Insurance contract assets as at 31/12/2023	(199)	10	1	(188)
Net insurance contracts as at 31/12/2023	**2.015.072**	**82.678**	**14.758**	**2.112.507**

Life Insurance contracts issued under General Model and Variable Fee approach - prior year

31/12/2022	**Liabilities for remaining coverage**		**Liabilities for incurred claims**	**Total General Model and Variable fee approach**
(*amounts in € thousand*)	**Excluding loss component**	**Loss component**		
Insurance contract liabilities as at 01/01/2022	1.982.938	93.654	12.512	2.089.105
Insurance contract assets as at 01/01/2022	(1.175)	255	182	(738)
Net insurance contracts as at 01/01/2022	**1.981.763**	**93.909**	**12.694**	**2.088.367**
Insurance revenue	(47.268)	-	-	(47.268)
Insurance service expenses				
Incurred claims and benefits	-	(13.417)	4.938	(8.480)
Other directly attributable expenses	-	-	21.106	21.106
Amortisation of insurance acquisition cash flows	141	-	-	141
Losses on onerous contracts and reversals of those losses	-	9.618	-	9.618
Changes in incurred claims and benefits that relate to past service	-	-	693	693
	141	**(3.799)**	**26.736**	**23.077**
Insurance service result	**(47.127)**	**(3.799)**	**26.736**	**(24.190)**
Insurance finance expenses	(257.619)	418	-	(257.200)
Total changes in the statement of profit or loss and OCI	**(304.746)**	**(3.381)**	**26.736**	**(281.391)**
Cash flows				
Premiums received	463.427	-	-	463.427
Claims, benefits and other expenses paid	-	-	(403.406)	(403.406)
Insurance acquisition cash flows	(15.767)	-	-	(15.767)
Total cash flows	**447.660**	**-**	**(403.406)**	**44.254**
Investment components	(376.541)	-	376.541	-
Net insurance contracts as at 31/12/2022	**1.748.137**	**90.528**	**12.564**	**1.851.230**
Insurance contract liabilities as at 31/12/2022	1.749.665	90.016	12.402	1.852.083
Insurance contract assets as at 31/12/2022	(1.528)	512	163	(853)
Net insurance contracts as at 31/12/2022	**1.748.137**	**90.528**	**12.564**	**1.851.230**

Reconciliation of the measurement components of Life insurance contracts under General Model and Variable Fee approach - current year

31/12/2023	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable fee approach
(*amounts in € thousand*)				
Insurance contract liabilities as at 01/01/2023	1.759.289	6.395	86.398	1.852.083
Insurance contract assets as at 01/01/2023	(1.427)	243	331	(853)
Net insurance contracts as at 01/01/2023	**1.757.862**	**6.638**	**86.730**	**1.851.230**
Changes that relate to future service				
Contracts initially recognised in the period	(39.788)	1.078	38.710	-
Changes in estimates that adjust the contractual service margin	(3.463)	493	2.970	-
Changes in estimates that do not adjust the contractual service margin	(33.706)	64	-	(33.642)
	(76.957)	**1.635**	**41.680**	**(33.642)**
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	(16.637)	(16.637)
Risk adjustment recognised for the risk expired	-	(819)	-	(819)
Experience adjustments	31.222	-	-	31.222
	31.222	**(819)**	**(16.637)**	**13.766**
Changes that relate to past service				
Adjustments to liabilities for incurred claims	(1.979)	-	-	(1.979)
Insurance service result	**(47.714)**	**816**	**25.043**	**(21.855)**
Insurance finance expenses	**156.212**	**323**	**457**	**156.992**
Total changes in the statement of profit or loss and OCI	**108.498**	**1.139**	**25.499**	**135.137**
Cash flows				
Premiums received	449.753	-	-	449.753
Claims and other expenses paid	(307.685)	-	-	(307.685)
Insurance acquisition cash flows	(15.928)	-	-	(15.928)
Total cash flows	**126.141**	**-**	**-**	**126.141**
Net insurance contracts as at 31/12/2023	**1.992.501**	**7.778**	**112.229**	**2.112.507**
Insurance contract liabilities as at 31/12/2023	1.993.486	7.632	111.577	2.112.695
Insurance contract assets as at 31/12/2023	(985)	145	652	(188)
Net insurance contracts as at 31/12/2023	**1.992.501**	**7.778**	**112.229**	**2.112.507**

Reconciliation of the measurement components of Life insurance contracts under General Model and Variable Fee approach - prior year

31/12/2022	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	Total General Model and Variable fee approach
(*amounts in € thousand*)				
Insurance contract liabilities as at 01/01/2022	2.001.047	16.061	71.997	2.089.105
Insurance contract assets as at 01/01/2022	(1.148)	240	170	(738)
Net insurance contracts as at 01/01/2022	**1.999.899**	**16.301**	**72.167**	**2.088.367**
Changes that relate to future service				
Contracts initially recognised in the period	(55.298)	1.712	53.585	-
Changes in estimates that adjust the contractual service margin	40.818	(7.880)	(32.937)	-
Changes in estimates that do not adjust the contractual service margin	(42.583)	(399)	-	(42.981)
	(57.063)	**(6.566)**	**20.648**	**(42.981)**
Changes that relate to current service				
Contractual service margin recognised for services provided	-	-	(6.221)	(6.221)
Risk adjustment recognised for the risk expired	-	(1.725)	-	(1.725)
Experience adjustments	26.043	-	-	26.043
	26.043	**(1.725)**	**(6.221)**	**18.096**
Changes that relate to past service				
Adjustments to liabilities for incurred claims	693	-	-	693
Insurance service result	**(30.328)**	**(8.291)**	**14.426**	**(24.192)**
Insurance finance expenses	**(255.965)**	**(1.371)**	**136**	**(257.200)**
Total changes in the statement of profit or loss and OCI	**(286.293)**	**(9.662)**	**14.563**	**(281.393)**
Cash flows				
Premiums received	463.428	-	-	463.428
Claims and other expenses paid	(403.406)	-	-	(403.406)
Insurance acquisition cash flows	(15.767)	-	-	(15.767)
Total cash flows	**44.255**	**-**	**-**	**44.255**
Net insurance contracts as at 31/12/2022	**1.757.862**	**6.638**	**86.729**	**1.851.230**
Insurance contract liabilities as at 31/12/2022	1.759.289	6.395	86.398	1.852.083
Insurance contract assets as at 31/12/2022	(1.427)	243	331	(853)
Net insurance contracts as at 31/12/2022	**1.757.862**	**6.638**	**86.729**	**1.851.230**

Life insurance contracts recognized in the period

(*amounts in € thousand*)	2023		2022	
	Non-Onerous	Onerous	Non-Onerous	Onerous
Insurance contracts issued				
- Estimates of insurance acquisition cash flows	6.995	1	6.881	3
- Claims, benefits and other directly attributable expenses	428.628	41	410.153	30
Estimate of present value of future cash outflows	435.623	42	417.034	33
Estimates of present value of future cash inflows	(475.409)	(44)	(472.329)	(33)
Risk adjustment for non-financial risk	1.074	4	1.709	3
CSM	38.712	-	53.587	-
Insurance contracts initially recognised in the period	**-**	**2**	**-**	**3**

Insurance revenue and contractual service margin by transition method - current year

31/12/2023	Contracts under modified retrospective approach	Contracts using the fair value approach	All other contracts	Total General Model and Variable fee approach
(*amounts in € thousand*)				
Contractual Service Margin as at 01/01/2023	**34.553**	**192**	**51.985**	**86.729**
Changes that relate to future service				
Contracts initially recognised in the period	-	-	38.710	38.710
Changes in estimates that adjust the contractual service margin	(3.104)	435	5.638	2.970
Changes that relate to current service				
Contractual service margin recognised for services provided	(6.404)	(333)	(9.900)	(16.637)
Insurance finance expenses	**457**	**1**	**(1)**	**457**
Total changes in the statement of profit or loss and OCI	**(9.051)**	**103**	**34.448**	**25.499**
Contractual Service Margin as at 31/12/2023	**25.501**	**295**	**86.433**	**112.229**
Insurance revenue	**13.228**	**10.692**	**20.058**	**43.978**

Insurance revenue and contractual service margin by transition method - prior year

31/12/2022	Contracts under modified retrospective approach	Contracts using the fair value approach	All other contracts	Total General Model and Variable fee approach
(*amounts in € thousand*)				
Contractual Service Margin as at 01/01/2022	**49.530**	**214**	**22.423**	**72.167**
Changes that relate to future service				
Contracts initially recognised in the period	-	-	53.585	**53.585**
Changes in estimates that adjust the contractual service margin	(11.126)	194	(22.006)	**(32.937)**
Changes that relate to current service				
Contractual service margin recognised for services provided	(3.990)	(216)	(2.015)	**(6.221)**
Insurance finance expenses	138	-	(2)	**136**
Total changes in the statement of profit or loss and OCI	**(14.978)**	**(22)**	**29.563**	**14.563**
Contractual Service Margin as at 31/12/2022	**34.553**	**192**	**51.985**	**86.729**
Insurance revenue	**20.227**	**16.150**	**10.891**	**47.268**

CSM expected recognition in profit or loss

Number of years until expected to be recognized *(amounts in € thousand)*	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**5-10 years**	**More than 10 years**	**Total**
31/12/2023								
Life insurance contracts								
Life General Model	3.436	2.796	2.481	2.307	2.149	7.013	2.092	22.275
Life Variable Fee Approach	13.120	12.359	11.196	9.854	8.400	23.046	11.979	89.954
Contractual service margin	**16.556**	**15.155**	**13.677**	**12.161**	**10.549**	**30.059**	**14.072**	**112.229**
31/12/2022								
Life insurance contracts								
Life General Model	2.582	2.239	2.071	1.964	1.927	8.724	3.760	23.267
Life Variable Fee Approach	4.393	4.884	5.318	5.149	5.444	21.283	16.992	63.462
Contractual service margin	**6.975**	**7.123**	**7.389**	**7.113**	**7.370**	**30.007**	**20.752**	**86.729**

Life Insurance contracts issued under Premium Allocation Approach - current year

31/12/2023	**Liabilities for remaining coverage**		**Liabilities for incurred claims**		**Assets for insurance acquisition cash flows**	**Total Premium Allocation approach**
(amounts in € thousand)	**Excluding loss component**	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment for non-financial risk**		
Insurance contract liabilities as at 01/01/2023	2.248	267	44.665	1.493	(11.306)	37.368
Insurance contract assets as at 01/01/2023	(346)	-	19	0	-	(327)
Net insurance contracts as at 01/01/2023	**1.903**	**267**	**44.683**	**1.493**	**(11.306)**	**37.041**
Insurance revenue	(62.444)	-	-	-	-	(62.444)
Insurance service expenses						
Incurred claims	-	-	43.313	1.221	-	44.535
Other directly attributable expenses	-	-	8.290	-	-	8.290
Amortisation of insurance acquisition cash flows	15.848	-	-	-	-	15.848
Changes to liabilities for incurred claims	-	-	(2.497)	(943)	-	(3.440)
Losses on onerous contracts and reversals of those losses	-	580	-	-	-	580
	15.848	**580**	**49.107**	**278**	**-**	**65.813**
Insurance service result	**(46.596)**	**580**	**49.107**	**278**	**-**	**3.369**
Total changes in the statement of profit or loss and OCI	**(46.596)**	**580**	**49.107**	**278**	**-**	**3.369**
Cash flows						
Premiums received	75.358	-	-	-	-	75.358
Claims and other expenses paid	-	-	(47.558)	-	-	(47.558)
Insurance acquisition cash flows	(25.542)	-	-	-	(4.296)	(29.839)
Total cash flows	**49.816**	-	**(47.558)**	-	**(4.296)**	**(2.038)**
Investment components	(4.268)	-	4.268	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	3.262	3.262
Other movements	1.034	-	-	-	-	1.034
Net insurance contracts as at 31/12/2023	**1.889**	**848**	**50.500**	**1.771**	**(12.340)**	**42.668**
Insurance contract liabilities as at 31/12/2023	2.159	848	50.462	1.771	(12.340)	42.899
Insurance contract assets as at 31/12/2023	(270)	-	38	-	-	(232)
Net insurance contracts as at 31/12/2023	**1.889**	**848**	**50.500**	**1.771**	**(12.340)**	**42.668**

Life Insurance contracts issued under Premium Allocation Approach - prior year

31/12/2022	Liabilities for remaining coverage		Liabilities for incurred claims			
(amounts in € thousand)	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment for non-financial risk	Assets for insurance acquisition cash flows	Total Premium Allocation approach
Insurance contract liabilities as at 01/01/2022	2.233	140	33.443	936	(9.742)	27.010
Insurance contract assets as at 01/01/2022	(485)	-	39	0	-	(446)
Net insurance contracts as at 01/01/2022	**1.748**	**140**	**33.482**	**937**	**(9.742)**	**26.563**
Insurance revenue	(56.175)	-	-	-	-	(56.175)
Insurance service expenses						
Incurred claims	-	-	36.034	953	-	36.987
Other directly attributable expenses	-	-	8.063	-	-	8.063
Amortisation of insurance acquisition cash flows	15.143	-	-	-		15.143
Changes to liabilities for incurred claims	-	-	2.935	(396)	-	2.539
Losses on onerous contracts and reversals of those losses	-	127	-	-	-	127
	15.143	**127**	**47.032**	**557**	-	**62.859**
Insurance service result	**(41.032)**	**127**	**47.032**	**557**	**-**	**6.684**
Total changes in the statement of profit or loss and OCI	**(41.032)**	**127**	**47.032**	**557**	**-**	**6.684**
Cash flows						
Premiums received	66.722	-	-	-	-	66.722
Claims and other expenses paid	0	-	(39.967)	-	-	(39.967)
Insurance acquisition cash flows	(22.962)	-	-	-	(4.440)	(27.402)
Total cash flows	**43.760**	-	**(39.967)**	-	**(4.440)**	**(647)**
Investment components	(4.137)	-	4.137	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	2.876	2.876
Other movements	1.564	-	-	-	-	1.564
Net insurance contracts as at 31/12/2022	**1.903**	**267**	**44.683**	**1.493**	**(11.306)**	**37.041**
Insurance contract liabilities as at 31/12/2022	2.248	267	44.665	1.493	(11.306)	37.368
Insurance contract assets as at 31/12/2022	(346)	-	19	0	-	(327)
Net insurance contracts as at 31/12/2022	**1.903**	**267**	**44.683**	**1.493**	**(11.306)**	**37.041**

NOTE 19: INVESTMENT CONTRACT LIABILITIES

(amounts in € thousand)	2023		2022	
	Unit Linked	Non Unit Linked	Unit Linked	Non Unit Linked
Investment contract liabilities as at 01/01	15.254	557.939	14.780	689.789
Contributions received	2.943	11.908	2.219	12.286
Benefits paid	(7.035)	(42.294)	(1.138)	(21.617)
Change in fair value	6.025	39.521	(617)	(122.518)
Investment return from Unit Linked underlying assets	376	-	10	-
Investment contract liabilities as at 31/12	**17.562**	**567.074**	**15.254**	**557.939**

NOTE 20: EMPLOYEE BENEFITS

The Company provides for staff retirement indemnity obligation for its employees, who are entitled to a lump sum payment based on the number of years of service and the remuneration at the date of retirement, if they remain at service until normal retirement age, in accordance with the Greek labor legislation. According to the Company's policy, compensation is provided only at retirement age and the employer's liability is distributed during the last 16 working years prior to retirement. The above retirement indemnity obligations typically expose the Company to actuarial risks such as interest rate risk and salary risk. Therefore, a decrease in the discount rate used to calculate the present value of the estimated future cash outflows or an increase in future salaries will increase the staff retirement indemnity obligations of the Company.

Movement of provision for staff leaving indemnities	**2023**	**2022**
(amounts in € thousand)		
Balance at 1 January	688	554
Benefits paid by the employer	(271)	-
Total expense recognized in the income statement	341	61
Actuarial (gains)/ losses recognized in OCI	(13)	73
Balance at 31 December	**745**	**688**

Amounts recognized in the income statement	**2023**	**2022**
(amounts in € thousand)		
Current service cost	60	58
Net interest	18	3
Curtailments / settlements / terminations	263	-
Total expense in income statement	**341**	**61**

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

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

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

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

Actuarial assumptions	**2023**	**2022**
Discount rate	3,80%	3,25%
Future salary increases	2,25% to 3,0%	2,0% to 4,0%
Inflation	2,25%	2,75%
Expected remaining service life (years)	3,50	3,54

A quantitative sensitivity analysis based on reasonable changes to significant actuarial assumptions as at 31 December 2023 is follows:

- An increase/(decrease) of the discount rate assumed by 0,5% / (0,5%) would result in a (decrease)/increase of the staff retirement benefit obligations by (€14,9) thousand / €15,65 thousand
- An increase/(decrease) of the future salary growth assumed by 0,5% / (0,5%) would result in an increase/ (decrease) of the staff retirement benefit obligations by €26,08 thousand / (€5,96) thousand.
- A zero rate of voluntary retirements would result in increase of the retirement benefit obligation by €32,78 thousand

NOTE 21: OTHER LIABILITIES

(*amounts in € thousand*)	31/12/2023	31/12/2022
Agents and insurance brokers	6.860	7.389
Taxes	868	750
Social security	1.223	1.251
Other Creditors	2.507	10.655
Surrenders payable and claims settlement	27.794	24.741
Other liabilities	9.975	7.608
Total	**49.227**	**52.393**

As at 31 December 2022 other creditors amounting of € 10.655 thousand included an amount of € 8.262 thousand concerning transactions for the purchase of financial assets that are not settled.

Moreover, other liabilities mainly include provision for unaudited tax years and other provisions.

NOTE 22: INSURANCE REVENUE

(*amounts in € thousand*)	Life insurance			Total
	General Model	Variable fee Approach	Premium Allocation Approach	
From 01/01 to 31/12/2023				
Insurance revenue from contracts not measured under PAA				
Expected claims, benefits and other insurance service expenses	22.949	12.877	-	35.826
Change in risk adjustment for non-financial risk for risk expired	687	133	-	820
CSM recognised for the services provided	3.674	12.964	-	16.637
Experience adjustments for premium receipts	(5)	(745)	-	(750)
Insurance acquisition cash flows recovery	543	639	-	1.182
Other insurance revenue	(8.906)	(831)	-	(9.737)
Insurance revenue from contracts not measured under PAA	**18.941**	**25.037**	**-**	**43.978**
Insurance revenue from contracts measured under PAA	-	-	62.444	62.444
Insurance revenue	**18.941**	**25.037**	**62.444**	**106.422**
From 01/01 to 31/12/2022				
Insurance revenue from contracts not measured under PAA				
Expected claims, benefits and other insurance service expenses	38.415	15.481	-	53.895
Change in risk adjustment for non-financial risk for risk expired	1.549	176	-	1.725
CSM recognised for the services provided	1.672	4.549	-	6.221
Experience adjustments for premium receipts	(2)	(1.295)	-	(1.297)
Insurance acquisition cash flows recovery	56	84	-	141
Other insurance revenue	(13.259)	(159)	-	(13.417)
Insurance revenue from contracts not measured under PAA	**28.431**	**18.837**	**-**	**47.268**
Insurance revenue from contracts measured under PAA	-	-	56.175	56.175
Insurance revenue	**28.431**	**18.837**	**56.175**	**103.443**

NOTE 23: INSURANCE SERVICE EXPENSES

(amounts in € thousand)	Life insurance			Total
	General Model	Variable fee Approach	Premium Allocation Approach	
From 01/01 to 31/12/2023				
Incurred claims and benefits	(1.299)	775	(44.535)	(45.059)
Other attributable expenses	(12.574)	(8.386)	(8.290)	(29.251)
Amortisation of insurance acquisition costs	(543)	(639)	(15.848)	(17.029)
Changes in incurred claims and benefits that relate to past service	1.992	(13)	3.440	5.419
Losses on onerous contracts and reversals of losses	(667)	(767)	(580)	(2.015)
Insurance Service Expenses	**(13.091)**	**(9.031)**	**(65.813)**	**(87.935)**

(amounts in € thousand)	Life insurance			Total
	General Model	Variable fee Approach	Premium Allocation Approach	
From 01/01 to 31/12/2022				
Incurred claims and benefits	7.966	514	(36.987)	(28.507)
Other attributable expenses	(14.032)	(7.074)	(8.063)	(29.169)
Amortisation of insurance acquisition costs	(56)	(84)	(15.143)	(15.284)
Changes in incurred claims and benefits that relate to past service	(686)	(7)	(2.539)	(3.231)
Losses on onerous contracts and reversals of losses	(8.503)	(1.110)	(127)	(9.741)
Insurance Service Expenses	**(15.310)**	**(7.762)**	**(62.859)**	**(85.930)**

NOTE 24: NET EXPENSE FROM REINSURANCE CONTRACT HELD

(amounts in € thousand)	From 01/01 to 31/12/2023	From 01/01 to 31/12/2022
Allocation of reinsurance premiums not measured under PAA		
Expected recovery for insurance service expenses incurred in the period	(268)	(159)
Change in the risk adjustment for non-financial risk	(54)	(31)
CSM recognized for the service provided	(30)	(53)
	(353)	**(243)**
Allocation of reinsurance premiums for contracts measured under PAA	(2.000)	(1.211)
Allocation of reinsurance premiums	**(2.352)**	**(1.454)**
Amounts recoverable from reinsurers		
Amounts recoverable for claims and other expenses incurred in the period	620	410
Changes in amounts recoverable arising from changes in liability for incurred claims	604	834
Changes in fulfilment cash flows which relate to onerous underlying contracts	35	92
Allocation recoverable from reinsurers	**1.258**	**1.336**
Net expense from reinsurance contracts held	**(1.094)**	**(118)**

NOTE 25: NET INVESTMENT INCOME FROM FINANCIAL ASSETS AND INVESTMENT CONTRACT LIABILITIES

Net Investment income from financial assets	**From 01/01 to 31/12/2023**			**From 01/01 to 31/12/2022**		
(amounts in € thousand)	**Life (excl. Direct Participating)**	**Direct Participating**	**Total**	**Life (excl. Direct Participating)**	**Direct Participating**	**Total**
Interests and dividends						
Equities and mutual funds at FVTPL	2.762	373	3.135	3.983	0	3.983
Debt securities at FVTPL	11.719	-	11.719	3.382	9	3.391
Debt securities at FVTOCI	53.687	-	53.687	39.928	-	39.928
Debt securities at amortised cost	2.042	-	2.042	974	-	974
Cash and cash equivalents	1.068	2	1.070	2.498	1	2.498
Total	**71.277**	**376**	**71.652**	**50.765**	**10**	**50.774**
Net gains/(losses) on financial assets at FVTPL						
Realised gains / (losses) from equities	0	129	129	-	(57)	(57)
Realised gains from mutual funds	1	434	435	4.082	2.895	6.977
Realised gains / (losses) from debt securities	(44)	-	(44)	-	(81)	(81)
Unrealised gains / (losses) from equities	81.656	5.693	87.349	12.384	(393)	11.991
Unrealised gains / (losses) from mutual funds	39.916	65.362	105.277	4.492	(71.248)	(66.757)
Unrealised gains / (losses) from debt securities	3.245	-	3.245	(2.999)	39	(2.960)
Total	**124.773**	**71.618**	**196.391**	**17.959**	**(68.846)**	**(50.887)**
Net gains/(losses) on financial assets at FVTOCI						
Realised gains / (losses) from debt securities	(6.860)	-	(6.860)	30.608	-	30.608
Unrealised gains from foreign exchange differences	7.496	-	7.496	3.013	-	3.013
	637	**-**	**637**	**33.621**	**-**	**33.621**
Change in credit impairment						
Change in credit impairment on financial assets at amortized cost	(15)	-	(15)	(23)	-	(23)
Change in credit impairment on financial assets at FVTOCI	601	-	601	(496)	-	(496)
	585	**-**	**585**	**(519)**	**-**	**(519)**
Other investment income	**(45)**	**8.101**	**8.056**	**267**	**6.211**	**6.478**
Total	**197.227**	**80.095**	**277.322**	**102.093**	**(62.625)**	**39.468**

Net change in investment contract liabilities	**From 01/01 to 31/12/2023**	**From 01/01 to 31/12/2022**
(amounts in € thousand)		
Change in fair value of unit linked investment contracts	(6.401)	606
Change in fair value of non-unit linked investment contracts	(39.521)	122.518
Total	**(45.921)**	**123.124**

Other investment income amounting of € 8.101 thousand (2022: € 6.211 thousand) relates to fees from the Management of Unit Linked contracts.

NOTE 26: NET INSURANCE FINANCE INCOME / (EXPENSES)

(amounts in € thousand)	From 01/01 to 31/12/2023			From 01/01 to 31/12/2022		
	Life (excl. Direct Participating)	Direct Participating	Total	Life (excl. Direct Participating)	Direct Participating	Total
Insurance finance income / (expenses) from insurance contracts issued						
Changes in fair value of underlying assets of contracts measured under the VFA	-	(73.347)	(73.347)	-	62.122	62.122
Interest accreted	(13.256)	-	(13.256)	(5.869)	-	(5.869)
Effect of changes in interest rates and other financial assumptions	(70.390)	-	(70.390)	200.947	-	200.947
Total	**(83.646)**	**(73.347)**	**(156.993)**	**195.078**	**62.122**	**257.200**
Out of which:						
Amounts recognised in profit or loss	(13.256)	(73.347)	(86.603)	(5.869)	62.122	56.253
Amounts recognised in OCI	(70.390)	-	(70.390)	200.947	-	200.947
Reinsurance finance income / (expenses) from reinsurance contracts held						
Interest accreted	1	-	1	2	-	2
Effect of changes in interest rates and other financial assumptions	(10)	-	(10)	121	-	121
Total	**(8)**	**-**	**(8)**	**123**	**-**	**123**
Out of which:						
Amounts recognised in profit or loss	(8)	-	(8)	123	-	123
Net insurance finance result	**(83.654)**	**(73.347)**	**(157.002)**	**195.201**	**62.122**	**257.323**
Out of which:						
Amounts recognised in profit or loss	(13.264)	(73.347)	(86.612)	(5.746)	62.122	56.376
Amounts recognised in OCI	(70.390)	-	(70.390)	200.947	-	200.947

The following table presents the relationship between insurance finance income or expenses and the net investment income on financial assets recognized in profit or loss and OCI.

(amounts in € thousand)	From 01/01 to 31/12/2023			From 01/01 to 31/12/2022		
	Life (excl. Direct Participating)	Direct Participating	Total	Life (excl. Direct Participating)	Direct Participating	Total
Net Investment income/ (expenses) from financial assets and investment contract liabilities	**213.961**	**73.694**	**287.656**	**3.242**	**(62.020)**	**(58.778)**
Out of which:						
Amounts recognised in profit or loss	157.706	73.694	231.400	224.611	(62.020)	162.592
Amounts recognised in OCI	56.255	-	56.255	(221.369)	-	(221.369)
Net insurance finance income / (expenses)	**(83.654)**	**(73.347)**	**(157.002)**	**195.201**	**62.122**	**257.323**
Out of which:						
Amounts recognised in profit or loss	(13.264)	(73.347)	(86.612)	(5.746)	62.122	56.376
Amounts recognised in OCI	(70.390)	-	(70.390)	200.947	-	200.947

NOTE 27: INSURANCE SERVICE EXPENSES AND OTHER OPERATING EXPENSES

(amounts in € thousand)	From 01/01 to 31/12/2023			
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
Commissions and fees	(10.650)	(7.079)	-	(17.730)
Employee expenses	(3.120)	(6.384)	(866)	(10.370)
Claims adjustment expenses	-	(1.727)	-	(1.727)
Depreciation and amortisation	(262)	(1.368)	(281)	(1.912)
Audit, legal and other professional fees	(4)	(12)	(1.203)	(1.219)
Advertising	(137)	(100)	(1.176)	(1.413)
Leases	(13)	(32)	(4)	(49)
Administrative expenses	(1.588)	(9.241)	(2.086)	(12.915)
Investment expenses	-	(1.851)	(1.818)	(3.669)
Other expenses	(1.254)	(1.457)	(2.354)	(5.066)
Total	**(17.029)**	**(29.251)**	**(9.789)**	**(56.069)**

(amounts in € thousand)	From 01/01 to 31/12/2022			
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
Commissions and fees	(6.748)	(8.105)	-	(14.853)
Employee expenses	(4.174)	(8.669)	(902)	(13.744)
Claims adjustment expenses	-	(1.660)	-	(1.660)
Depreciation and amortisation	(326)	(1.436)	(126)	(1.888)
Audit, legal and other professional fees	(4)	(13)	(1.216)	(1.234)
Advertising	(113)	(110)	(1.291)	(1.514)
Leases	(14)	(34)	(3)	(51)
Administrative expenses	(2.160)	(5.797)	(1852)	(9.810)
Investment expenses	-	(1.451)	(1.452)	(2.903)
Other expenses	(1.744)	(1.894)	(2.296)	(5.934)
Total	**(15.284)**	**(29.169)**	**(9.139)**	**(53.592)**

The average number of Personnel of the Company as of 2023 is 175 (2022: 171).

The Company has established the Eurolife FFH and Partners Group Companies' Professional Insurance Fund L.P.P.L. (the "Fund") to which all employees of the Company are eligible to participate as members and for which the Company will henceforth pay the employer contributions of the members belonging to its staff while covering, on a pro rata basis, the expenses of the Fund during the first 5 years.

External Auditors

Audit, legal and other professional fees include fees charged by the independent auditor “PricewaterhouseCoopers S.A.”. The fees paid by the Company for audit and other services provided are analyzed as follows:

(amounts in € thousand)	From 01/01 to 31/12/2023	From 01/01 to 31/12/2022
Statutory Audit	(107)	(91)
Tax audit-article 65a, law 4174/2013	(34)	(33)
Other audit related assignments	(156)	(387)
Non audit assignments	(4)	(3)
Total	**(300)**	**(514)**

NOTE 28: INCOME TAX EXPENSE

(amounts in € thousand)	From 01/01 to 31/12/2023	From 01/01 to 31/12/2022
Current Income tax		
Current tax on profits for the year	(6.199)	(26.786)
Adjustment on previous years' income tax	62	17
Total current income tax	**(6.136)**	**(26.769)**
Deferred tax		
(Decrease) in deferred tax assets	(105)	(544)
(Increase) in deferred tax liabilities	(28.081)	(23.628)
Total deferred tax (expense)	**(28.186)**	**(24.172)**
Total income tax	**(34.322)**	**(50.941)**

According to the provisions of article 120 of Law 4799/2021 (Government Gazette A 78), profits from business acquired by legal entities and legal entities in Greece that hold double-entry books, excluding credit institutions, are taxed at a rate of 22% for the 2021 tax year onwards.

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

(amounts in € thousand)	31/12/2023	31/12/2022
Profit before tax	**152.393**	**227.223**
Income tax at applicable tax rate 22% (2022: 22%)	(33.526)	(49.989)
Tax effect of amounts which are not deductible in calculating taxable income:		
Provisions	3	3
Non tax deductible expenses	(862)	(972)
Adjustment on previous years' income tax and other adjustments	62	17
Total income tax	**(34.322)**	**(50.941)**

NOTE 29: RELATED PARTY TRANSACTIONS

The Company is controlled by Eurolife FFH Insurance Group Holdings S.A.(thereafter "Eurolife FFH Insurance Group") which owns 100% of its share capital. Eurobank Ergasias S.A. (thereafter "Eurobank"), a bank domiciled in Athens and listed in the Athens Stock Exchange, was the ultimate parent of the Company until 4 of August 2016 and owned 100% of the share capital of Eurolife FFH Insurance Group.

On 4 August 2016, the disposal of 80% of the share capital of Eurolife FFH Insurance Group was completed and control of Eurolife FFH Insurance Group was transferred to Costa Luxembourg Holding S.à r.l, while Eurobank retained the remaining 20% of the share capital of the Company and consequently has significant influence. The new parent company of Eurolife FFH Insurance Group is domiciled in Luxembourg and is now wholly owned by Colonnade Finance S.àrl.

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

(amounts in € thousand)

Related Party Eurobank 31/12/2023	**Receivables**	**Payables**	**Revenue**	**Expense**
Deposits on demand & time deposits	39.285	-	1.143	-
Insurance operations[1]	-	5.822	18.935	16.221
Investment operations	-	-	-	-
Other transactions	-	433	-	1.290
Total	**39.285**	**6.255**	**20.078**	**17.512**

(amounts in € thousand)

Other Related Parties 31/12/2023	**Receivables**	**Payables**	**Revenue**	**Expense**
Deposits on demand & time deposits	86	-	-	-
Insurance operations[1]	295	185	1.773	1.397
Investment operations	1.868	-	5.395	6.009
Other transactions	41	16	237	763
Total	**2.290**	**201**	**7.405**	**8.169**

Transactions with key management personnel	3	532	123	27
Remuneration and benefits of key management personnel				4.011

(amounts in € thousand)

Related Party Eurobank 31/12/2022	**Receivables**	**Payables**	**Revenue**	**Expense**
Deposits on demand & time deposits	42.882	-	213	-
Insurance operations[1]	3.271	6.580	21.758	18.282
Investment operations	-	-	-	-
Other transactions	-	-	-	1.235
Total	**46.153**	**6.580**	**21.972**	**19.517**

(amounts in € thousand)

Other Related Parties 31/12/2022	**Receivables**	**Payables**	**Revenue**	**Expense**
Deposits on demand & time deposits	86	-	-	-
Insurance operations[1]	285	201	1.778	1.315
Investment operations	1.307	-	4.867	6.324
Other transactions	46	148	222	756
Total	**1.724**	**349**	**6.867**	**8.394**

Transactions with key management personnel	2	237	102	1
Remuneration and benefits of key management personnel				5.447

[1] The revenues and receivables from Insurance operations mainly include the balances from the insurance premium transactions collected by the Company, while the expenses and liabilities mainly include the balances from the transactions of commissions, over-commissions and bonuses paid by the Company to partners.

The above table does not include dividend payments of the Company to its shareholder in 2023 and 2022. These transactions are described in detail in Note 31 “Dividends”.

As of December 31, 2023 and December 31, 2022, the loans to the members of the Management amounted to € 45 thousand and € 23,8 thousand respectively.

The Company holds investments in bonds, mutual funds and equities issued by related parties. More specifically on 31 December 2023 the fair value of the relevant bonds amounted to € 108.940 thousand (31 December 2022 € 107.689 thousand), of the mutual funds amounted to € 1.347.150 thousand (31 December 2022 € 171.836 thousand) and of the equities amounted to € 114.866 thousand (31 December 2022 € 62.811 thousand).

NOTE 30: COMMITMENTS AND CONTINGENT LIABILITIES

Legal issues

There are no pending litigations against the Company or other contingent liabilities and commitments as at 31 December 2023 which may materially affect the financial position of the Company.

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 has 6 unaudited tax years.

For the financial years beginning 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 will continue to receive it.

In accordance with Greek tax legislation and the respective Ministerial Decisions issued , companies for which a tax certificate is issued without notices 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).

In light of the above, as at 31 December 2023, as a general rule, the right of the Greek government to impose taxes up to and including the tax year 2017 (inclusive) has lapsed for the Company.

The Company has obtained unqualified "Annual Tax Certificates" for fiscal years 2016-2023. The tax audit conducted in this context for 2023 is currently in progress. Upon completion, the Company's Management does expect to incur significant tax liabilities other than those already recorded and provided in the financial statements.

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

NOTE 31: DIVIDENDS

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

On 24 April 2022, the Annual General Meeting of the Company's shareholders decided to distribute a dividend to the shareholder Eurolife FFH Insurance Group in the amount of €26.770 thousand. The distribution of the dividend came from the profit for the financial year ended at 31 December 2021. The amount was paid to the shareholder on 18 May 2022.

On 25 October 2022, the Extraordinary General Meeting of the Company's shareholders decided to distribute a dividend to the shareholder Eurolife FFH Insurance Group for a total amount of €69.876 thousand. The dividend distribution came from undistributed profits of past years, up to and including the financial year ended at 31 December 2020. The amount was paid to the shareholders on 31 October 2022.

On 20 October 2023, the Annual General Meeting of the Company's shareholders decided to distribute a dividend to the shareholder Eurolife FFH Insurance Group in the amount of €39.983 thousand. The dividend distribution came from undistributed profits of past years. The amount was paid to the shareholder on 24 October 2023.

NOTE 32: POST BALANCE SHEET EVENTS

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