Annual Financial Report

For the year ended 31 December 2020

March 2021

The information contained in this Annual Financial Report, has been translated from the original Annual Financial Report that has been prepared in the Greek language. In the case of differences between the original and the translated Annual Financial Report, the Greek language Annual Financial Report prevails over this document.

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Statement of the Chairman of the Board

Christoforos Sardelis | Chairman of the Board of Directors

2020 will remain in our memory as a turning point. The rapid spread of the pandemic has changed our perceptions and tested our strengths at all. The need for coordinated interventions at supranational level has been highlighted in order to deal with a global health crisis; we have realized how closely linked our economies and societies are after decades of globalization. In the European Union, all financial “constants” have been suspended, and resources were mobilized in ways unthinkable up until the outbreak of the crisis. Our country suddenly became an international crisis management model, making immense progress in utilizing modern technology. The valuable lessons learned, the new ways of transnational co-operation and new infrastructure are some of the -permanent I hope- benefits of the otherwise sad 2020.

It is therefore of a particular value, the fact that Ethniki Insurance managed, in such an adverse environment, to achieve positive results thanks to the sound balance sheet and the strong business model that it applies, proving once again that it is a reliable partner for its policyholders, associates, employees, shareholder, and the Greek society. It managed to maintain high profitability, and achieve a high level of performance despite the economic recession and uncertainty on many levels, recording on a Group level a profit before tax of €87.9 million, gross written premiums of €710.7 million, assets under management of €3,884.2 million and equity of €1,245.1 million, while maintaining its leading position in the Greek Insurance market, with a share of 16% on gross written premiums. All these elements demonstrate that Ethniki Insurance is well prepared to efficiently face future challenges, maintaining an adequate capital position that allows the provision of efficient services to its policyholders.

Moreover, the Company adapted rapidly to the logistical challenges posed by the Covid-19 pandemic, and revised its business operating model, by applying a secure remote working environment and modifying its processes to render interaction with policyholders and associates more efficient. Currently, the Company proceeds to the redesign of its products, offering more options to its policyholders both in Life and Non-Life lines of business.

As regards the upgrading of its processes, the implementation of robotic tools in Motor and Fire lines of business has already achieved a significant improvement in the effectiveness of claims management and has reduced the time to settlement, while the implementation in other lines of business is in progress.

Our core values are perhaps the only constant amidst all these changes. Our primary target is the full and high-quality coverage of our policyholders, as well as the health and safety of human resources and associates. In these uncertain times it is satisfying for the Management to realize that employees recognize in many ways the value and confidence that Ethniki Insurance Group offers to them, in the same way that the Company acknowledges their dedication, zeal and enthusiasm, in the common effort to transform the Company into a more simplified, digitized and efficient organization.

I am quite confident that even if external to the business environment factors, such as low interest rates and economic recession remain as medium-term challenges, our strategy in combination with a stable and efficient business operating model, a sound balance sheet and a specialized and devoted staff, will continue to provide a strong and resilient basis for satisfactory growth rates.

Interpreting the feelings of the entire Board of Directors, I would like to express the unanimous acknowledgment of the Body for the continuous and tireless effort. Let us walk together judging our choices and actions, with the eyes of the future instead of the complacent past.

Board of Directors Report

2020

On consolidated financial statements as of 31 December 2020

Main Achievements and major developments in 2020

Awards / Sponsorships

- *Bronze award under CR INDEX 2019-2020*
- *Founding Sponsor in the Economist Summit entitled: "Silver Tsunami".*

Teleworking

Smooth transition to a teleworking environment with any significant effect on workflow.

Financial support

- *Financial support to the victims affected by "Thalia" and "Ianos" storms, as well the earthquake in Samos.*
- *Financial support to the "Holistic Family Support" programme of the "TOGETHER FOR CHILDREN" Association*
- *Strengthening of the National Education System and the Public Health System with technological and other equipment, actively participating in the fight against the pandemic.*

Growth

- *The Company, despite the negative impact of the pandemic has entered a period of growth*
- *In December 2020 a new Unit-Linked product was launched in the market, which will gradually replace traditional products with guaranteed interest rates.*

Services Upgrade

- *The Company offers extended coverage to property policyholders, without any increase in insurance cost, while it has included in life insurance contracts coverage for a justified Covid-19 molecular test.*
- *A series of actions has been carried out to improve efficiency and reduce claims handling time, such as "immediate settlement" for specific claims of the Fire Line of business, the RPAs ("Robotic Process Automations") application in Group Life and Motor lines of business, the electronic submission of specific supporting documents.*

Financial Overview

Operating profit commentary

Group and Company

“THE ETHNIKI” Hellenic General Insurance S.A. Company and its subsidiaries (the "Group") are active in Greece, Cyprus and Romania. In 2020, the Group maintained high profitability remaining a financial sound and robust beacon of stability for its policyholders.

The results of 2020 confirmed the Group’s positive performance which continues its healthy profitability with profit before tax amounting to €87.9 million in 2020, compared to €82.3 million in 2019. The Group’s Gross written premiums for 2020 amount to €710.7 million (2019: €781.1 million) including gross written premiums of investment products amounting to €182.7 million (2019: €275.5 million), down 9.0% compared to 2019, due to the decrease in gross written premiums of Individual single-premium products. Out of the total gross written premiums of 2020, an ammount of €508.3 million is attributed to Life business (2019: €585.2 million) whereas €202.4 million to Non-life business (2019: €195.9 million).

The results of the Parent Company for 2020 amounted to profit before tax of €85.7 million for 2020 compared to €81.7 million for 2019. It is noted that the fiscal year of 2019 was burdened by the cost of the voluntary exit scheme amounting to €15.1 million. The Parent Company’s gross written premiums for 2020 amounted to €669.0 million (2019: €740.6 million) including gross written premiums of investment products amounting to €182.7 million (2019: €275.5 million), down 9.7% compared to 2019, due to decrease in gross written premiums of Individual single-premium products. Gross written premiums of 2020, excluding single-premium products increased by 6.1% compared to 2019. Out of the total gross written premiums for 2020 an amount of €493.8 million are attributed to Life business (2019: €572.6 million), and €175.2 million to Non-life business (2019: €168.0 million).

Life business

The consolidated operating profit before tax for the Life business segment amounted to €46.2 million in 2020, compared to profits of €76.9 million in 2019.

With respect to the Parent Company, profit before tax for the life segment amounted to €45.6 million in 2020, compared to €75.5 million in 2019. Gross written premiums for Individual Life, and Unit Linked contracts (excluding DAF & Ethniki Efapax contracts) were higher in

2020 compared to 2019, amounting to €246.2 million; Group Life contract gross written premiums (excluding DAF & Ethniki Efapax contracts) amounted to €64.9 million. Total Bancassurance gross written premiums for the Life segment in 2020 reached €144.1 million compared to €231.3 million in 2019, down by 37.7%, due to the single premium product "Ethniki Efapax +". Gross written premiums of Investment contracts amounted to €182.7 million compared to €275.5 million in 2019.

Non-Life business

The Non-Life business segments continued to be profitable in 2020 with operating profit before tax reaching €41.7 million in 2020 compared to €20.5 million in 2019, with the increase attributed to the Motor and Fire Segments.

With respect to the Parent Company, profit before tax for Non-Life amounted to €40.1 million in 2020, compared to €21.3 million in 2019. Gross written premiums of the Non-Life Segment increased to €175.2 million in 2020, compared to €168.0 million in 2019.

Regarding the Parent Company, profit before tax for the Motor Segment, amounted to €23.1 million in 2020 compared to €11.7 million in 2019, positively affected by the lower frequency of claims, stemming from the reduced circulation of vehicles. Gross written premiums of the Motor Segment remained stable, amounting to €74.1 million in 2020 compared to €74.5 million in 2019.

With regards to the Fire Sector, profit before tax for 2020 amounted to €21.1 million compared to €14.0 million in 2019, mainly due to a decrease in outstanding claims of the industrial portfolio and increased commissions received by reinsurers due to the achievement of a lower loss ratio. Gross written premiums of the Fire Sector amounted to €73.2 million in 2020 compared to €69.5 million in 2019, with the increase mainly attributed to the industrial portfolio.

As for the Other Non-Life Sectors, the result before tax amounted to a loss of (€4.1) million compared to a loss of (€4.4) million in 2019. Gross written premiums of the Other Non-Life Segment increased by €27.9 million in 2020 compared to €24.0 million in 2019, mainly due to the General Third-party Liability business.

Balance sheet items

Assets under management

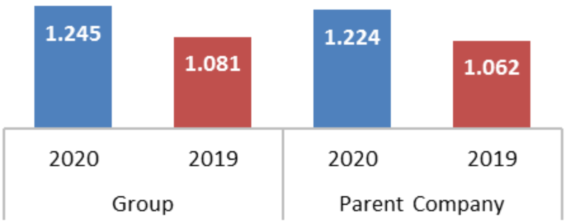
As at 31 December 2020, the fair value of Assets under Management, including bonds, stocks, mutual funds, cash and property, including Unit-Linked assets, amounted to €3,884.2 million on a Group basis, compared to €3,598.7 million in 2019. On a Parent Company level, the fair value of Assets under Management as at 31 December 2020 and 2019, amounted to €3,832.1 million and €3,552.3 million respectively. Time deposits on a Group level amounted to €66.5 million in 2020 compared to €120.1 million in 2019.

The asset allocation of the investment portfolio for the Parent Company, excluding Unit-Linked assets, was the following on 31 December 2020: 1.4% (2019: 1.3%) in Greek equities mainly listed in FTSE Large Cap and in private equity funds whereas 11.9% (2019: 10.4%) was allocated in mutual funds. The bond portfolio reached 82.6% (2019: 81.9%) of total Assets under Management, amounting to €2,678.4 million (2019: €2,410.0 million) and comprised mainly of Government Bonds, of which €690.2 million Greek Government Bonds (2019: €576.6 million), €467.7 million Greek Government treasury bills with 3-month, 6-month and 1-year tenors (2019: €572.7 mil.). The weighted average duration of the Parent Company's bond portfolio was c. 8.9 years (2019: c. 7 years).

On 31 December 2020, the Unit-Linked assets of the Parent Company reached €535.6 million (2019: €560.2 million), comprising of: 18.7% in bonds (2019: 19.4%) 18.8% in mutual funds (2019: 20.8%), 61.4% in time deposits (2019: 58.5%) placed in customized deposit products denominated in Euro with 100% capital and return guaranteed at maturity (Efapax products), and 1.1% in other deposits (2019: 1.2%).

Equity

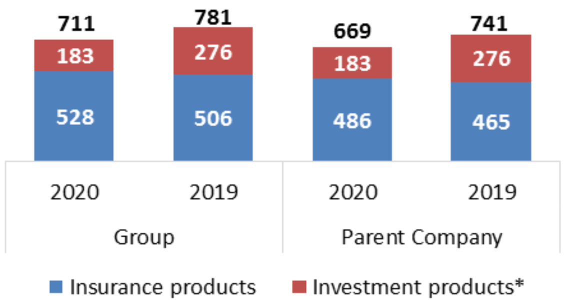
As at 31 December 2020, total equity at a Group level amounted to €1,245.1 million, increased by €163.6 million compared to 31 December 2019. This increase is mainly driven by profit before tax of €87.9 million in 2020, unrealized gains of €126.1 million on financial assets classified as Available-For-Sale (AFS), partially offset by losses of €3.6 million on defined benefit plan assets due to the decrease in interest rates and taxes amounting to €46.8 million (deferred and current). The revaluation gains of the AFS portfolio were mainly due to the fall of the credit spreads of Greek and other Southern European government bonds.



The Parent Company is a subsidiary of National Bank of Greece ("NBG"), who owns 100% of its shares. Therefore, the current Financial Statements of Ethniki Insurance are included in the consolidated Financial Statements of NBG with the application of the full consolidation method. The Parent company as well as the other subsidiaries of Ethniki Insurance, did not hold NBG shares as at 31 December 2020.

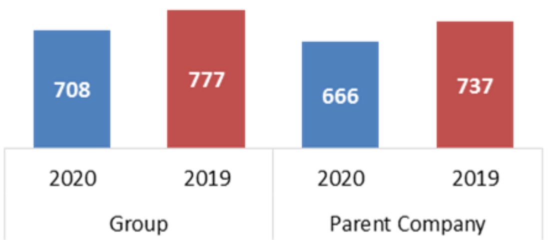
Key financial figures 2020-2019

Gross written premiums

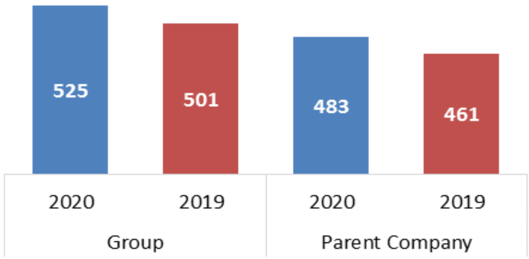


GWP of investment products is not recognized as income according to the provisions of IFRS 4.

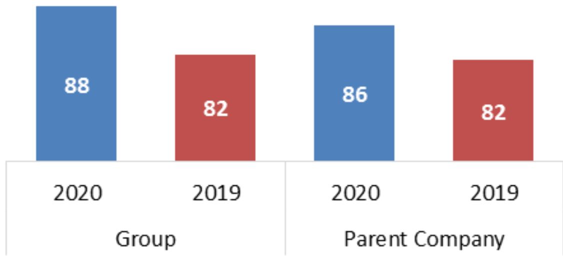
Gross earned premiums & related income (incl. Investment contracts)



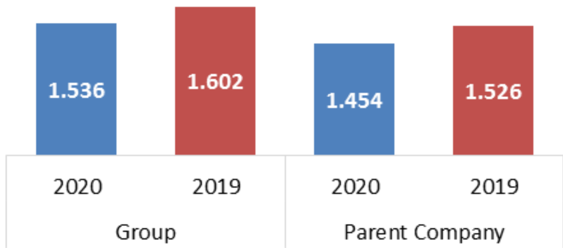
Gross earned premiums & related income



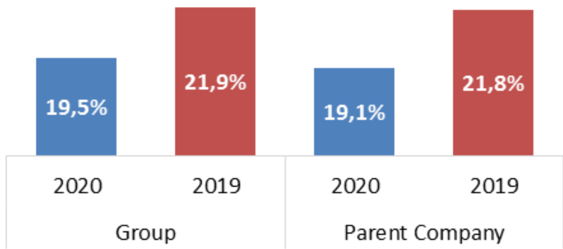
Profit, before tax



Insurance reserves



Expense ratio (on written premiums)



Economic environment

The pandemic outbreak and the global recession that followed, have posed significant challenges to the Greek economy due to the primary role that services and tourism have in economic activity, and its high dependence on imports. The intensification of containment measures in response to a strong resurgence of coronavirus infections (hereinafter "Covid-19") across countries, due to seasonal factors and variances that are transmitted more easily, is expected to result in another decline in economic activity in the first quarter of 2021, although the acceleration of the vaccination program both in Greece and globally reduces the downside risks for the remainder of the year.

Despite the short-term setback, positive news on the development and delivery of vaccines give rise to greater confidence in the assumption of a gradual resolution of the health crisis throughout 2021 and in early 2022, as well as the gradual lifting of restrictions in sectors of economic activity. The above, coupled by substantial support from monetary and fiscal policy measures in the EU and the expectation for recovery in foreign demand for products and services — tourism was the main reason of the recession in 2020 – should allow a firm rebound during the course of 2021, with GDP expected to return to its pre-crisis levels by mid-2022.

During 2020, GDP of Greece shrank by 8.0% (seasonality adjusted data), whereas for 2021 and 2022 it is expected to grow by 4.6% and 4.4% respectively, higher than the expected Eurozone average. The Economic Sentiment Indicator (ESI) in Greece remained resilient in the end of 2020 and at the beginning of 2021 (amounting to at 91.8 points in the fourth quarter of 2020 and to 91.3 points during January-February 2021) up compared to the third quarter of 2020. Respectively, the Purchasing Managers' Index in processing (PMI) increased to 49.7 units during January-February 2021, after a small decrease to 46 units during the fourth quarter of 2020.

Moody's rating agency upgraded the credit rating of Greece to «Ba3» on November 6th, 2020, three rankings below investment grade, with stable outlook both by Moody's and by other major rating agencies. Stable outlook reflects the view that fiscal policy measures, ongoing structural changes, and the activation of the Recovery Fund mitigate the macro-economic risks stemming from the recession caused by the pandemic, while economic downturn will be temporary and reversible in the mid-term.

The increase in risk aversion had pushed investors to seek safe havens in highly rated investment grade bonds, resulting in a decrease in the risk-free yield curve, and a widening of credit spreads for government and corporate bonds, especially for the weaker Eurozone economies. As a response, the European Central Bank announced a Quantitative Easing program, in which Greek government bonds participated; this action decreased the pressure on bond issues coming from credit spreads, driving yields/rates at a historical low and providing relief in investment portfolios with significant fixed income investments.

In this environment, the insurance industry preserved the stable penetration in GDP and is facing new challenges from potential contraction in economic activity, the decrease in market valuations of investment portfolios and the increased uncertainty.

The Parent Company with strong presence and a leading position in the Greek Insurance market, with a total market share of 16% on Gross Written Premiums is ready to face the challenges and efficiently manage the risks posed by Covid-19, maintaining a strong capital position that allows the provision of efficient services to its policyholders.

Events after the reporting period

Sale process of the Group

On 26 March 2021, NBG announced that it has entered into a definitive agreement for the divestment of 90.01% of the Parent Company to CVC Capital Partners' Fund VII.

The equivalent nominal consideration corresponding to 100% of the Parent Company would be €505 million, including an "earn-out" payment of up to €120 million, which will be subject to meeting agreed upon performance targets for the bancassurance channel of NBG by 2026. The transaction includes a 15-year Bancassurance partnership.

The closing of the transaction is subject to standard conditions, the approval by the antitrust and regulatory authorities and the approval of an Extraordinary General Meeting of NGB shareholders. The consent of the Hellenic Financial Stability Fund was granted, as stipulated in the Relationship Framework Agreement.

Covid-19 Pandemic

The spread of the Covid-19 pandemic has negatively affected global economic activity with the Greek economy facing continuing challenges, which are exacerbated due to its heavy reliance on services and on tourism.

In the light of the developments caused by the pandemic, the Parent Company and the Group recognize the challenges associated with the economic recession, closely monitor the evolution of key financial figures and reassess the potential impact on their risk profile, strategy and business plan.

For the Parent Company and the Group, the possible effects of the pandemic are focused on the following areas:

- Premiums and operating profitability
- Insurance claims
- Market Value of Investment Portfolio
- Regulatory Own Funds and Solvency
- Liquidity
- Business continuity

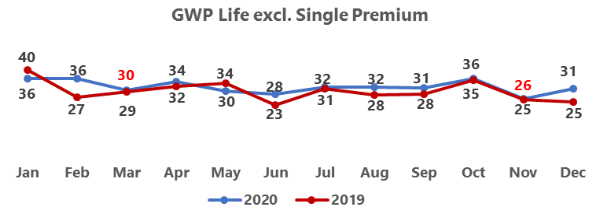
The Parent Company and the Group deals successfully with the above risks.

More specifically:

Premiums and operating profitability

Premiums

The Covid-19 pandemic and the implementation of the restrictive measures by the Greek government, in March 2020 and November 2020 and for as long as they were in force, interrupted the increasing production of Life insurance premiums for the Parent Company and the Group, as shown in the diagram below. However, the total production was higher than the previous year by 6.9% and 7.2% respectively (excluding single premium products).



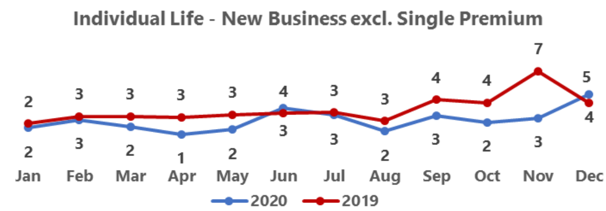
Single premium products of the Parent Company and the Group decreased by 48.1% and 47.3%, respectively, compared to the previous year. The decrease in gross written premium of the guaranteed single premium products was in line with management's intentions to replace such products with non-guaranteed Unit-Linked products.

Non-Life Business, of the Parent Company and the Group, increased by 4.3% and 3.3%, respectively.

However, the Parent Company and the Group recognize the risks associated with the expected economic downturn and continuously assess the potential impact on their business plan.

New Business

The Parent Company's Life and Health new business, excluding single-premium products, decreased during the first wave of the pandemic, with a partial recovery since then, as presented in the chart below.



With regards to contract surrenders of the Parent Company and the Group, there has been no increase within the year due to Covid-19.

Operating profitability

During the first half of 2020 the most significant negative impact on profitability for the Parent Company and the Group stemmed from a) the decline of the yield curve which is used to discount insurance reserves, which adversely affected traditional life insurance reserves, but also from b) valuation losses of assets relating to guaranteed Unit-Linked products, which adversely affected the results to the extent that the related assets did not meet the guaranteed return.

During the second half of 2020 there was stabilization of the yield curve as well as positive valuations of assets relating to Unit-Linked contracts. Furthermore, there has been a positive effect on profitability from the decrease in the loss ratio of the motor and health lines of business, due, respectively, to the restrictions in circulation imposed as a measure to deal with the pandemic and due to the increased hygiene measures and social distancing which has led to a decrease in other infectious diseases. The aforementioned positive effects on the motor business are considered temporary and are expected to reverse once restrictions on circulation are lifted, but the increased hygiene consciousness is expected to continue in the mid-term, thus benefiting Parent Company's and Group's profits in the forthcoming future.

As a result of the above, profit before tax for the Parent Company and the Group amounted to €85.7 million and €87.9 million respectively for 2020, compared to €81.7 million and €82.3 million for 2019.

Insurance Claims

Life insurance:

There are no products offering coverage against pandemic / epidemic. Life insurance contracts of the Parent Company and the Group do not exclude the coverage of such risks.

Non-Life insurance:

In Non-life insurance, the total risk exposure as well as the own retention for claims reported to date relating to the Covid-19 pandemic are negligible.

Market value of investment portfolio

The increased risk posed by the Covid-19 outbreak had prompted investors to seek safe havens in bonds with high credit ratings, resulting in a fall in the risk-free interest rate curve and an increase in the credit spreads of government and corporate bonds with lower credit ratings.

The fluctuations of the credit spread of the Greek government bonds, which form a significant portion of the fixed income portfolio, had been accompanied by corresponding fluctuations in equity and mutual fund portfolios of the Parent Company and the Group. However, the measures taken by the ECB in mid-March 2020, to include Greek government bonds in the Quantitative Easing program, as well as optimism on the evolution of the pandemic, have fully reversed any unrealized valuation losses that the Parent Company and the Group had suffered in their fixed income, equity and mutual fund portfolios.

As a result, the total valuation gains of financial assets, which are not Unit-Linked assets, of the Parent Company and the Group amounted to €156 million and €158 million, respectively, for the financial year 2020. More specifically, valuation gains from bonds amounted to €157 million for the Parent Company and €159 million for the Group, valuation gains from mutual funds amounted to €4 million both for the Parent Company and for the Group, while valuation losses from equities amounted to €5 million both for the Parent Company and for the Group. Valuation gains of assets covering Unit-Linked contracts with guarantees for the same period amounted to €2 million, both for the Parent Company and the Group.

As at 31 December 2020, the total market value of the investment portfolio, including Unit-Linked products, amounted to €3.710 million for the Parent Company and to €3.797 million for the Group, compared to €3.458 million and €3.534 million as at 31 December 2019, respectively.

Regulatory Own Funds and Solvency

The capital adequacy of the Parent Company and the Group in the first quarter of 2020 was mainly affected by valuation losses of the investment portfolio, driven by the increase in credit spreads of south European government bonds.

However, as aforementioned, this trend was reversed by the end of the year with a positive effect on the capital adequacy of the Parent Company and the Group as the valuation gains of the financial assets portfolio increased by €126 million at 31 December 2020 compared to 31 December 2019.

The above gains was offset by the increase in technical provisions due to the decrease in the risk-free curve (average thirty years) by 48 bps on 31 December 2020 compared to 31 December 2019, as a result of which the solvency capital requirement ratio as at 31 December 2020 remained at the same level as of 31 December 2019, both at a Parent Company and Group level.

Liquidity

The Parent Company and the Group did not experience any liquidity issues in 2020. The daily average premium collections for the Parent Company during March - December 2020, increased by 6.1% compared to the corresponding period of 2019 (increase by 6.0% for the Group), excluding premium collections from "Efapax ETHNIKIS+" product. The ability of the Parent Company and the Group to pay claims and other short term liabilities (i.e. payroll, suppliers, taxes, etc.) has not been affected by Covid-19.

Moreover, the Parent Company and the Group hold a significant amount of bank deposits and Treasury Bills of Greek Government ("EGED"). As at 31 December 2020, cash and cash equivalents amounted to €51.7 million for the Parent Company and €66.5 million for the Group and treasury bills amounted to €468 million both for the Parent Company and for the Group; in a total market value of the investment portfolio €3,710 million for the Parent Company and €3,797 million for the Group. The above amount of cash and cash equivalents and EGED is considered sufficient to absorb any potential increased liquidity needs.

Business continuity

The Parent Company and the Group adapted quickly and effectively to the new situation and the challenges posed by the Covid-19 pandemic. The primary concern is to ensure the health and safety of the personnel and the associates of the Group, as well as the proper and timely coverage to the extent of possible of all the needs of its policyholders.

In light of the above, the Parent Company has put into effect a revised Business Continuity Plan ("BCP"), which adequately responds to the pandemic scenario, taking into account the crucial parameters and details regarding Covid-19 pandemic. The basic actions taken are the following:

- Minimizing physical presence in Company's premises through the provision of a safe environment to work remotely, by supplying more than 70% of the workforce with personal laptops;
- Targeted adjustments in work flows, in order to make communication and customer service more efficient without physical presence in the Parent Company's premises. Among these, replacing the physical signature on printed material, by using electronic form for Personal Statement through "gov.gr" website.
- Decentralization of call center services, by exploiting of the three already available for use facilities and decongestion of employment locations.
- Limiting the insurance intermediaries' service through call center and forwarding them to electronic communications channel, in order to provide them the maximum amount of time to meet the policyholders' increased needs.

Corresponding plans were implemented in the other companies of the Group.

As human resources are the most important assets of the Parent Company and the Group, a number of actions have been implemented to protect it such as personal hygiene and protective equipment, avoidance of business trips and meetings and protection of vulnerable groups.

Going concern

The Management of the Parent Company considers that the going concern assumption based on which the financial statements have been prepared, is valid, given that risks posed by Covid-19 have been effectively mitigated, and the Solvency Capital Requirement ratio is higher than 100%, even without use of transitional measures.

Distribution channels

The Parent Company conducts its business in Greece through 132 sales offices, 1.648 insurance agents and 1.299 insurance brokers. The network is supported by 13 branches located in Athens, Agrinio, Heraklion, Thessaloniki, Kavala, Corfu, Kozani, Corinth, Lamia, Larisa, Patras, Rhodes and Chania. Ethniki Insurance's products are also available via the extensive network of NBG Branches, as well as through direct selling.

Ethniki Insurance (Cyprus) Ltd.

The Operating Profit before tax for Ethniki Cyprus was a amounted to €3.6 million in 2020, compared to €1.9 million in 2019. Profitability significantly increased compared to the prior year primary due to the higher operating profit in the Accident & Health and Motor lines of business.

The entity covers all Insurance Lines of Business. The sales network comprises of 7 branches and 2 Agency offices located across all major cities in Cyprus (Nicosia, Limassol, Larnaca, Paphos and Ammochostos), 106 insurance agents and 59 insurance brokers.

Garanta Asigurari S.A. (Romania)

The Operating Profit before tax for Garanta S.A was a loss of (€1.5) million in 2020 compared to loss of (€1.2) million in 2019. The subsidiary's management is in the process of revising the business operating model and places emphasis on its repositioning in the Romanian market and on the development of segments with positive prospects in local market conditions.

Garanta S.A. underwrites direct & indirect insurance coverages and covers all Insurance Lines of Business. It has in total 19 branches in the following cities: Bucharest (6), Bacau, Brasov, Cluj-Napoca, Craiova, Constanta, Deva, Iasi, Pitesti, Ploiesti, Oradea, Sibiu, Timisoara and Targoviste. The sales network includes 145 agents, 8 insurance consultants, whereas insurance products are also sold via the Bancassurance channel through Banca Romaneasca, Alpha Bank Romania and First Bank Romania.

Risk Management

Risk management framework

The Group by acknowledging its risk exposure and the necessity of its effective management it has developed a risk management system, supported by the appropriate organizational framework, in order to avoid and/or reduce potential incurring losses. The Risk Management Framework complies with existing regulatory requirements and takes into account all relevant directives of the NBG Group.

To system and the organizational risk management framework are summarized in the following elements:

- the Board of Directors ("BoD"), identifies the disposition for risk taking and the overall levels of risk tolerance and approves the Strategy and related Risk Management Policies,
- the Risk Management Committee, supports the BoD in the establishment and operation of the risk management framework. The Committee oversees and provides guidance for the effective implementation of the risk management system,
- the Risk Management Department, supports Management to establish an adequate risk management system and evaluate its effective operation. It monitors any risks involved in relation to risk-taking and submits all relevant reports to the Risk Management Committee and to the BoD ,
- the Risk Management Strategy and the Disposition for Risk-taking, wherein the aims of the system are set, as well as the risk management principles, the overall disposition for risk-taking, the targets and the levels of risk tolerance for the individual risks and the roles of those involved in the system,
- the Risk Management Policies, wherein the roles and responsibilities of those involved in the proper management of individual risk are set,
- the risk & reporting management process, as derived from all related Policies and as integrated in the administrative procedures and decision-making,
- the identification, evaluation, management and monitoring of risks, involving all related parties in the Unit risk management and which result in the development and systematic update of a Risk Register,

- the Own Risk and Solvency Assessment process ("ORSA") by identifying and evaluating all significant existing, and emerging risks stemming from the Group business plan and the operating environment of the Group, in order to assess the solvency of the Group on an ongoing basis.

The Risk Management System is supported by the existence of a "Risk Culture".

Insurance Risk

Insurance risk relates to underwriting insurance risk, as well as to the provision of insurance reserves. The main sources of insurance risks are found in deviations from expected levels relating to claims, expenses and concentration (geographic, risk, product, etc.), from the inadequate pricing or unexpected changes of macro- and micro- economic parameters, such as interest rates, inflation, unemployment, disposable income (that affects portfolio retention rates) as well as from unexpected changes in biometric parameters such as mortality, disability and morbidity.

Exposure to insurance risk is mitigated by implementing appropriate underwriting and reinsurance contracts, as well as internal rules of operation embedded in an integrated risk management framework. Moreover, pricing contracts are based on assumptions and statistical surveys, but also on the Group's empirical data, taking into account prevailing market conditions and trends.

Credit Risk

Credit risk is defined as the risk of loss, or of adverse change in the financial situation, resulting from fluctuations in the credit standing of issuers of financial instruments, as well as the chance that counterparties and any debtors to which the Group is exposed, will be unable to meet their obligations, either as a risk of non-performance or by in form of counterparty default risk, or as a lack of compliance by the contractor.

The main counterparties to which the Group is exposed for credit risk are the issuers of financial instruments and reinsurers, who may be unable to cover their share of insurance claims already paid to beneficiaries, policyholders, who may be unable to pay insurance premiums due, and other partners of the Group.

The Group's policy is to enter into transactions which fulfil high standards and are based on a high level of creditworthiness.

Liquidity Risk

Liquidity risk is defined as the profit and capital risk resulting from the inability of the Group to fulfil its obligations when they fall due, or to fulfil them at a non-reasonable cost.

The Group manages liquidity risk by monitoring cash flows on an ongoing basis. It calculates and monitors the expected cash flows and takes the appropriate measures to maintain an adequate level of available cash balances.

Market Risk

Market risk is defined as the risk of loss, or of adverse change in the financial condition of the Group, resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets or liabilities.

The Group applies techniques to measure market risk, such as Value-at-Risk measurement ("VaR"), sensitivity analyses and interest rate risk analysis. It also monitors the risk that may incur from inadequate matching of insurance liabilities and assets.

Concentration Risk

Concentration risk is defined as the profit and capital risk resulting from the low dispersion, i.e. from the significant concentration, either of assets or insurance liabilities, in specific assets or liabilities, such as the financial sector, the branch of activity, the geographical area, the counterparty or groups of connected counterparties, etc.

The Group manages concentration risk by the diversification of the insurance contract portfolio and investments, as well as by an appropriate reinsurance program.

Operational Risk

Operational risk is defined as the risk of loss arising from inadequate or failed internal processes, relating to information technology and other operating systems, personnel, or from adverse external events;

To reduce operational risk, the Group has developed adequate control and reporting procedures to detect, assess, manage and record operational risk. When the effect of operational risk is significant for the Group according to its disposition for risk-taking, action plans are developed to minimize operational risk and their implementation is being monitored. The control framework applied by the Group, is improved on a constant and ongoing basis.

Other Risks

The Group, besides the aforementioned risks, has recognized and adopted risk management processes for the following risks:

- Asset-Liabilities Mismatch Risk.
- Regulatory Compliance Risk, Business Conduct Risk, Information and Communication Technologies (ICT) Risk, Model Risk, Personnel and Facilities Security Risk and Outsourcing Risk. These risks, as subcategories of the Operational Risk, are judged accordingly to the principles of its management
- Country Risk
- Strategy Risk
- Reputational Risk

Non-financial information

In Accordance to Greek Law 4548/2018, a non-financial statement aiming to the understanding of the progress, performance, position and impact of the activities, should be included in the BoD report. Therefore taking into consideration the above, this chapter includes the following:

- Environmental issues,
- Social and Labour issues,
- Respecting Human rights,
- Combating corruption and bribery issues,
- Awards and Distinctions.

For the disclosure of non-financial information, the Parent company has taken into consideration the international practices and standards, such as the OECD Guidelines for Multinational Corporations (2011).

Environmental issues

As part of Corporate Social Responsibility ("CSR"), the Parent Company has set the goal and the strategic priority to effectively manage the environmental impact of its operations, to take all the necessary precautionary and reactive measures to contribute to the protection of the environment and to minimize its environmental footprint.

Furthermore, the Parent Company financially supported the Association of Volunteer Forest Firefighters of Attica (E.DAS.A), adopted methods of recycling paper, plastic and household batteries and has completed the measurement of carbon footprint in its main building.

At the same time, the Parent Company completed the replacement of its old printers with new advanced and environmentally friendly ones both in the headquarters and its branches in Greece.

Social and Labour issues

One of the main goals of the Parent Company is to support the society and the economy, acknowledging the important position it has in it.

To that end, the Parent Company, undertakes actions and initiatives that focus on supporting vulnerable social groups, on strengthening initiatives for social protection, on welfare and solidarity, on supporting innovative entrepreneurship with emphasis on people, the environment and sustainable development. In addition, the company continuously supports the efforts of various institutions with recognized social action.

Special mention must be made to the important role the Parent Company has shown in the promotion of culture and sports, by supporting related organizations which promote culture and reinforce the sport ideal, sponsoring sports activities and cultural events. (Historical Memory site 1941-1944, in 4 Korai str., as well as the Art Place «STOart KORAI»).

Furthermore, recognizing the value and the importance of private insurance, the company supports organizations and institutions, by financing conferences and events aimed at strengthening the awareness, of the insurance conscience, in Greece.

Since its founding, the Parent Company, consistently supports a human-centered vision that defines all its activities. The ongoing goal of the Parent Company and its subsidiaries, is to provide equal treatment and opportunities to all employees and safeguard optimal working conditions.

For this reason, it has adopted the Employee Code of Conduct and Ethics which defines the framowrk, under which, Management and employees perform their duties.

In line to the Code of Conduct and Ethics, the Group:

- Provides equal opportunities for promotions and professional development, regardless of gender, age, religion, nationality,
- Implements a meritocratic system for performance appraisal, promotions and employee remuneration,
- Develops and implements processes, systems and incentives, in order to attract, select and advance its workforce,
- Invests in the professional training of its workforce making us of up to date methods, as well as, develops its workforce by designing an annual training plan per job, in order to ensure the utilization of its maximum capacity and the timely and smooth adjustment to the increasing demands for new knowledge, skills and specializations in a rapidly changing and digital business environment.

Another top priority area for the Parent Company and its subsidiaries, is health and safety in the work place, in order to safeguard and improve the professional life of all the employees and prevent related risks. The Group, regularly, monitors the implemented security measures and controls, for their appropriateness and sufficiency and their compliance with hygiene conditions in the workplace, while, at the same time has emergency response plans in place.

The Group is committed to:

- Complying with hygiene and safety regulations,
- Ensuring the creation of a safe and healthy work environment, through the implementation of programs for prevention of health and safety risk,
- Ensuring the availability of protective infrastructure and equipment and techniques dealing with emergencies,
- Training all employees for the appropriate actions to be taken in case of natural disasters and designing preventive action plans for fire safety and crisis management, as part of its Business Continuity Plan,
- Consulting with employees for issues related to the health and safety regulations at work,
- Designing programs and actions aiming, both to prevent working hazards as well as to support employees in cases of incidents of violence.

Respecting Human rights

The Group's philosophy is based on the cornerstone of respecting every employee's personality. The protection of human dignity constitutes a fundamental principle and hence the continuous pursuit and commitment of the Group to form a work environment preserving harmony.

For that purpose, the Group:

- Does not use any form of forced labor.
- Does not accept any kind of personal insult (i.e. ethical, sexual or any other kind of harassment, intimidation, persecution, etc.) or unequal

treatment because of nationality, racial origin, gender, marital status, religious or political beliefs or physical weaknesses, and
- Rejects every form of social exclusion.

Combating corruption and bribery issues

The Group demonstrates zero tolerance for acts of corruption and bribery, with particular emphasis on preventing and combating them.

In order for the Group to fully comply with the relevant regulatory framework and international best practices and taking into consideration the fact that potential incidents may undermine corporate governance systems, the following policies and codes have been adopted and are being implemented:

Code of Ethics of the Group

The Code of Ethics clearly sets out the ethical principles, values and rules that define the limits of the action of Personnel and Management. At the same time, it provides the guidelines for making the right decisions in accordance with the rules of corporate governance and the legislative and regulatory framework per country in which the Group operates.

Whistleblowing

The Parent Company has adopted a Whistleblowing Policy for the submission, either anonymously or not, of confidential reports or comments from any interested party regarding actions of the Parent Company's executives, which create doubts about irregular actions and practices related to accounting and auditing issues, which are incompatible with international practice and regulations in force. This process is monitored in terms of its implementation by the Audit Committee of the BoD.

On the website of the Parent Company (www.ethniki-asfalistiki.gr) contact details have been posted and a relevant form has been created for the submission of the abovementioned confidential reports by any interested party.

Anti-Fraud Policy of the Parent Company and its subsidiaries

The Parent Company and its subsidiaries are exposed to the risk of fraud and illegal activities of any kind, where if not dealt with in a timely and effective manner, could result in negative consequences on its business, its financial situation, the results of its activities and on its prospects for success.

The Parent Company and its subsidiaries, aiming at the fight against the phenomenon of fraud, have adopted the Anti-Fraud Policy of the NBG Group, which establishes the basic principles to prevent and deal with fraud. This Policy concerns all its personnel and its key points can be summarized as follows:

- Raising awareness among the Group's employees, regarding the prevention and suppression of fraud,
- Training of employees and formation of a unified business conduct and culture for dealing with fraud,
- Definition and description of the relevant actions, which must be undertaken by the competent Bodies, in cases of fraud,
- Development of systems, procedures and control mechanisms, which assist in the prevention and avoidance of fraud.

Code of Ethics of the Management and the Finance Divisions of the Group

The above Code of Ethics defines the basic ethical obligations and standards of conduct of the persons involved in the preparation, establishment and submission of the financial statements and other financial disclosures of the Group and aims to ensure the full and accurate submission of financial statements, to promote the transparency of the conduct of the above persons carrying out their duties and their compliance with the relevant regulatory framework.

Prevention of Conflict of Interest Policy of the Group

The Prevention of Conflict of Interest Policy identifies potential areas of conflict of interest between the Group companies and its senior executives and establishes rules and procedures for the effective management of cases of conflict of interest, when they arise.

Group Policy for the prevention and suppression of Money Laundering and Financing of Terrorism ("AML/CFT")

The above actions are contrary to the fundamental values and principles governing the conduct of the Group's business, while their occurrence could lead to undesirable consequences, with a significant impact to the Group's reputation, as well as on the interests of customers, shareholders and employees.

For this reason, and in accordance with the applicable regulatory requirements for the prevention and suppression of AML / CFT phenomena, the Group has adopted the above Policy, which also incorporates a New Customer Acceptance Policy.

This Policy establishes an adequate, effective and harmonized framework for the Group's compliance with the respective legal framework regarding the suppression of AML / CFT in the countries where the Group operates as well as the relevant requirements of the Supervisory Authorities. Pursuant to the above Policies, procedures have been established and adopted regarding a risk-based approach, customer categorization and the corresponding implementation of due diligence measures.

In addition, the Group does not execute transactions for the legality of which there are reservations or transactions with natural or legal persons / entities which are prohibited by provisions of international Organizations, Supervisory or Judicial Authorities. Finally, the Group provides staff and insurance intermediaries with ongoing training to comply with the relevant laws and regulatory decisions

Awards - Distinctions

For 2020, the Parent Company received significant awards and distinctions such as:

- Honorary distinction in the SALUS 2020 forum "The Kind Hearts" the annual meeting of the Health sector, for its contribution to the National Health System against the COVID-19 pandemic.
- "FULL HOME" Insurance Programme, was voted as "The Product of the Year 2020" by the Direction Business Network.
- "The Best Insurance Company in the Greek market for 2020" award, in the competition organized annually by the "AUTO TRITI" magazine.
- Awarded an Honorary member of "Special Olympics Hellas" for its valuable and generous support in their work.

Presentation of the Corporate Social Responsibility actions for 2020

The Parent Company provided complete information and transparency on its CSR activities, by notifying the following:

- Supported events, training days and conferences organized by chambers and institutions of the private insurance sector,
- Supported organizations and institutions and stood discreetly by the community, intending to keep the social fabric united,
- Implemented actions that steadily promote the Arts, History and Culture, meanwhile having the responsibility for managing and operating the "Korai 4, Memorial Site 1941-44" as well as the "Stoart KORAI" Art Place,
- Supported Greek athletes for the promotion of the athletic spirit and fair play,
- Reinforced institutions and organizations in the field of education and science as well as actions that promote environmental awareness.
- Proceeded to donations and initiatives by supporting the National Health System and generally the country's efforts, in order to meet the unusual demands and conditions created by the COVID-19 pandemic.

Corporate Governance Code

The corporate governance system of the Parent Company meets the requirements of the current Greek and European legal and regulatory framework and international best practices.

The Group has enacted a Corporate Governance Code which describes its structure and operation in matters of governance, in order to safeguard, in the long term, its interests for the benefit of its customers, shareholders, employees and all other stakeholders. The Code defines the framework of internal function of the Company and its BoD in order to ensure continuity, consistency and efficiency of the Parent Company's operation. BoD is supported in its operation by the following Committees:

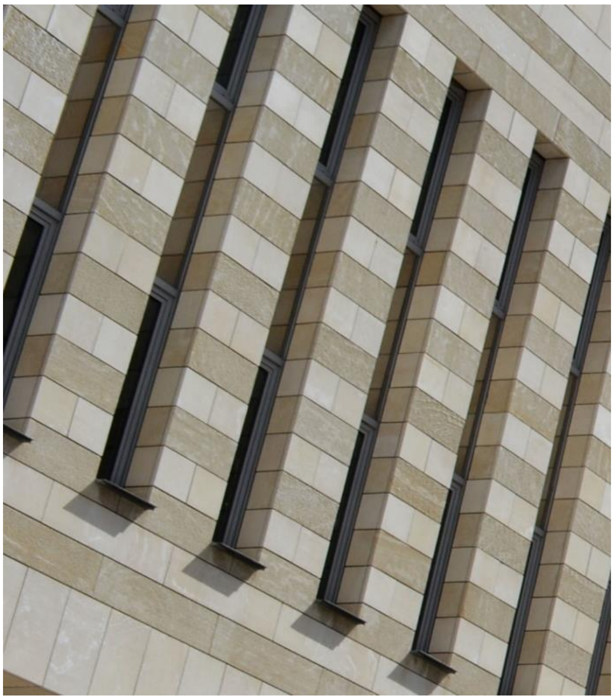
- Audit Committee,
- Corporate Governance and Nominations Committee,
- Human Resources and Remuneration Committee,
- Risk Management Committee,
- Strategy Committee.

The Code and the Operating Regulations of the aforementioned Committees define the purpose, the duties and allocate responsibilities to the Committees.

The Parent Company has an adequate and transparent organizational structure with a clear allocation and appropriate segregation of responsibilities, as well as an effective mechanism for ensuring the transmission of information within the Parent Company. The Parent Company has developed a set of policies and procedures which describe the allocation of responsibilities and roles and contribute to the achievement of corporate objectives. In addition, the four key functions of the Parent Company, namely the Internal Audit, Risk Management, Regulatory Compliance and Actuarial units, contribute to the successful operation of Corporate Governance, by ensuring the implementation of an effective internal control and risk management system.

The subsidiaries of the Group are also obliged to adopt the above framework of operation and organization, harmonized with the respective institutional framework, features and honest practices of the country in which they operate. The policies, procedures and overall corporate governance requirements implemented by the Parent Company are adjusted to suit the structure, activities and risks of the Group companies.

Prospects for 2021



The Group adapted quickly to the logistical challenges posed by the Covid-19 pandemic, revising its business operating model by applying a secure teleworking environment, while continuously modifying its workflow to render communication with policyholders and other counterparties more efficiently.

Today, the Group proceeds to the renewal of its products by offering more options to its policyholders both in Life as well as Non-Life business. As of December 2020, the Parent Company offers a new regular premium Unit-Linked product (without guarantee), both through its tied-agents and Bancassurance distribution channel, while as of the first quarter of 2021, it offers also a single premium Unit-Linked product. Moreover, the Parent Company is going to offer new products for the Fire insurance of small enterprises, through the Bancassurance distribution channel. As regards the modernization of its processes, the implementation of Robotic Process Automations (RPAs) in Group Life and Motor lines of business of the Parent Company has already brought a significant improvement in the effectiveness of claims management and has reduced the time to service the policyholders, while the implementation in other lines of business is in progress.

The primary target of the Group is the full, high-quality and immediate coverage of its policyholders, as well as the health and safety of its human resources and associates.

Athens, 31 March

The Chairman

Christoforos Sardelis

INDEPENDENT AUDITOR'S REPORT

[Translation from the original text in Greek]

Independent Auditor's Report

To the Shareholder of "Ethniki Insurance Company S.A."

Report on the audit of the separate and consolidated financial statements

Our opinion

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

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

We declare that the non-audit services that we have provided to the Company and its subsidiaries 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 and its subsidiaries during the period for the year ended 31 December 2020, are disclosed in the note 45 to the separate and consolidated financial statements.

Key audit matters

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

Key audit matters	How our audit addressed the key audit matter
Valuation of liabilities arising from Life Insurance Contracts (separate and consolidated financial statements)	
Insurance contract liabilities include the estimated cost of settling policyholder benefits and claims associated with life insurance contracts which amount to €579m for the Company and €633m for the Group, representing 20% and 21% of the Company's and Group's total liabilities respectively. 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 and the Group. We focused on this area because of the significance of these amounts and the need for management to use of complex actuarial methodologies and assumption setting processes relating to future events. Moreover, actuarial assumptions, which are based on economic and demographic data, including future policyholder behaviour, are highly judgmental.	Our audit was supported by our internal life actuarial specialists and included the following procedures: • We tested 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 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 as well as regulatory and financial reporting requirements. • We performed independent testing of mathematical reserves and cash flow model projections, on a sample basis, including detailed independent recalculations on selected policies and products to assess the reasonableness of management's estimates of life insurance liabilities. • We performed an assessment of the reasonableness of the year on year movement in the life insurance liabilities and obtained explanations from management to support any differences where this was deemed necessary.

Key audit matters	How our audit addressed the key audit matter
In particular the significant assumptions, which are highly sensitive to changes, are the following: • The yield curve used for discounting the projected cash flows, which is based on the risk-free rates curve published by the European Insurance and Occupational Pension Authority (EIOPA), is adjusted by an illiquidity premium assumption, based on the returns of the Company's asset portfolio. • The morbidity table, which is used to project the future cash flows of health products, is based on the Company's and the Group's actual experience and expert judgment regarding ages for which there is an absence of sufficient experience. The tables are produced for each health product on a per age and gender level of detail. • The lapse rate, which is a significant decrement rate that drives the policies in force to gradually decrease over time, and could potentially affect the projected cash flows positively or negatively, depending on the profitability of each product. Refer to notes 2.11, 3.1, 4.2 and 36 of the separate and consolidated financial statements	More specifically, the significant assumptions we focused on, were the following: **Yield curve** We assessed the methodology used by management to determine the yield curve developed for purposes of discounting the projected future cash flows to present value. We also tested the appropriateness of investment data and yields used for purposes of determining the illiquidity premium which is reflected in the yield curve. **Morbidity** We assessed the appropriateness of the methodology used by management for the compilation of morbidity tables based on actual experience and expert judgment. We evaluated the reasonableness of any adjustments made for premium indexation, medical inflation and large claim factors. **Lapses** We reviewed the appropriateness of the methodology used by management for determining the lapse rates based on generally accepted market practice and the specifics of the Company for each distribution channel and product category. Based on our procedures, we found that the significant assumptions used to value life insurance liabilities to be reasonable. We also found the methodologies to be consistent with industry standards and appropriately reflect the nature and risk profile of the Company's and the Group's life insurance contracts. Furthermore, we found the disclosures in the financial statements to be appropriate.

Key audit matters	How our audit addressed the key audit matter
Valuation of Non-Life Outstanding Claims reserves (separate and consolidated financial statements) Insurance contract liabilities include outstanding claims under general insurance contracts amounting to €331m for the Company and €346m for the Group, representing 11% and 12% of the Company's and Group's total liabilities respectively. The estimation of outstanding claims involves significant judgment given the size of the liability and inherent uncertainty in estimating expected future payments for claims incurred. The valuation of outstanding claims is dependent upon the quality of the underlying data. It also involves complex and subjective judgments about future events, both internal and external, for which small changes in assumptions can result in a material impact to the valuation of these liabilities and operating performance. Refer to Notes 2.11, 3.1, 4.2 and 36 of the separate and consolidated financial statements.	Our work was supported by our internal Non-life actuarial specialists and included the following procedures: • We obtained an understanding of the Company's and the Group's reserving policy and process for recording outstanding claims. • We tested, on a sample basis, the reasonableness of reserves recorded for outstanding motor and fire claims by reference to the Company's and the Group's reserving policy, underlying insurance contract and most recently available supporting claims documentation. • We assessed the reasonableness of the estimation for the reserve of the incurred but not reported (IBNR) claims at the balance sheet date by carrying out an independent test of management's IBNR calculation for the main classes of business. • We tested, on a sample basis, the reasonableness of management's reserve estimates for outstanding claims of motor line of business at the balance sheet date by comparing such estimates with actual claim payments made during the period subsequent to the balance sheet date. • We performed an assessment of the reasonableness of the year on year movement in outstanding claims and sought to understand any significant differences. Based on our procedures, we found the liability for outstanding claims under non-life insurance contracts to be reasonable. We also found the disclosures in the financial statements to be appropriate.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Board of Directors members and 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 separate and consolidated financial statements does not cover the Other Information and except to the extent otherwise explicitly stated in this section of our Report, we do not express an audit opinion or other form of assurance thereon.

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

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

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2020 is consistent with the separate and consolidated financial statements,

- The Board of Directors' Report has been prepared in accordance with the legal requirements of articles 150, 151, 153 and 154 of Law 4548/2018.

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

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

Our opinion on the accompanying separate and consolidated 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 12 July 2017. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 4 years

Athens, 2 April 2021

The Certified Auditor

pwc

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SOEL Reg. No.113

Marios Psaltis
SOEL Reg. No. 38081

Group and Parent Company Annual Financial Statements

2020

as at and for the year ended 31 December 2020

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	GROUP		PARENT COMPANY	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019
		(€ thousands)			
Gross earned premiums and related income	6	524,818	501,109	483,453	461,212
Less: premiums ceded to reinsurers	7	(69,743)	(61,766)	(61,408)	(53,560)
Net earned premiums and related income		**455,075**	**439,343**	**422,045**	**407,652**
Interest, dividends and other investment income	8	42,591	49,934	41,729	49,096
Gains/(losses) on disposal of investments	9	39,964	91,345	39,964	91,345
Unrealized gains/(losses) from investments	10	18,539	50,829	14,298	43,792
Impairment of financial assets	11	(10,427)	(1,039)	(10,427)	(1,039)
Investment income		**90,667**	**191,069**	**85,564**	**183,194**
Other income	12	6,931	5,596	6,223	5,103
		552,673	**636,008**	**513,832**	**595,949**
Policyholder benefits and claims incurred	13	(332,817)	(380,928)	(318,463)	(362,994)
Commission expenses	14	(74,077)	(72,920)	(69,149)	(68,740)
Movement in mathematical insurance reserves	15	45,148	25,815	52,238	33,818
General and administrative expenses	16	(97,898)	(120,102)	(87,812)	(110,992)
Finance costs	17	(5,042)	(5,424)	(4,844)	(5,303)
Other expenses		(96)	(105)	(69)	(44)
Profit before tax		**87,891**	**82,344**	**85,733**	**81,694**
Income tax expense	18	(19,471)	(24,484)	(19,034)	(24,484)
Profit, net of tax		**68,420**	**57,860**	**66,699**	**57,210**
Other comprehensive income (OCI) net of tax:					
Items to be reclassified to profit or loss in subsequent periods:					
Available-for-sale securities, net of tax		97,944	205,228	97,617	204,990
Currency translation differences, net of tax		24	(392)	-	-
Total		**97,968**	**204,836**	**97,617**	**204,990**
Items not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit obligations		(2,754)	(3,914)	(2,754)	(3,914)
Total		**(2,754)**	**(3,914)**	**(2,754)**	**(3,914)**
Other comprehensive income, net of tax	19	**95,214**	**200,922**	**94,863**	**201,076**
Total comprehensive income, net of tax		**163,634**	**258,782**	**161,562**	**258,286**
Profit /(loss), net of tax, attributable to:					
- the Parent Company		**68,484**	**57,912**	**66,699**	**57,210**
- Non-controlling interests		**(64)**	**(52)**	**-**	**-**
Total comprehensive income, net of tax, attributable to:					
- the Parent Company		**163,680**	**258,842**	**161,562**	**258,286**
- Non-controlling interests		**(46)**	**(60)**	**-**	**-**

The explanatory notes on pages 36 to 108 form an integral part of these financial statements.

Athens, 31 March 2021

The Chairman of the Board	The Chief Executive Officer	The Deputy General Manager	The Financial Director	The Chief Actuary	The Chief Accountant
Ch. V. Sardelis ID No AK 088321	S.S. Konstantas ID No AN 652679	S.E. Karagrigoriou ID No AE 041414	G. Ch. Petousis Licence No. 990 Class A	G. Ch. Mamoulakis ID No AH 125609	G.L. Gennimatas License No. 91312 Class A

STATEMENT OF FINANCIAL POSITION

	Note	GROUP 31/12/2020	GROUP 31/12/2019	PARENT COMPANY 31/12/2020	PARENT COMPANY 31/12/2019
		(€ thousands)			
ASSETS					
Property and equipment	20	121,061	121,348	114,761	114,871
Investment property	21	82,193	84,802	81,731	84,356
Intangible assets	22	10,069	8,459	9,023	7,433
Deferred acquisition costs (DAC)	23	43,508	39,883	40,524	37,127
Investment in subsidiaries	24	-	-	12,232	12,232
Deferred tax assets	25	1,956	34,862	1,956	34,862
Available-for-sale securities	26	3,077,106	2,714,257	3,066,384	2,706,123
Securities at fair value through profit or loss	27	596,847	611,516	536,526	560,939
Securities classified as loans and receivables	28	41,153	48,673	41,153	48,673
Insurance premium and other receivables	30	117,890	122,973	107,266	112,650
Assets held for sale	20	6,201	10,448	6,201	10,448
Reinsurance receivables	31	81,321	83,203	64,351	66,137
Current income tax receivables		-	6,123	-	6,123
Cash and cash equivalents	32	66,547	120,113	51,675	102,334
Total Assets		**4,245,852**	**4,006,660**	**4,133,783**	**3,904,308**
EQUITY AND LIABILITIES					
Shareholders' Equity					
Share capital - paid in	33	490,044	490,044	490,044	490,044
Share premium account		547,429	547,428	547,429	547,428
Reserves	34	345,990	250,948	348,575	253,712
Retained earnings	35	(139,058)	(207,703)	(162,363)	(229,061)
		1,244,405	**1,080,717**	**1,223,685**	**1,062,123**
Non-controlling interests		**692**	**738**	**-**	**-**
Total equity		**1,245,097**	**1,081,455**	**1,223,685**	**1,062,123**
Liabilities					
Mathematical reserves and technical insurance provisions	36	1,536,019	1,601,981	1,453,685	1,525,702
Investment contracts liabilities	37	1,229,424	1,089,876	1,229,424	1,089,876
Other liabilities	38	76,747	77,874	69,149	71,417
Borrowed funds	39	50,031	51,997	50,031	51,997
Income tax liabilities		8,405	20	8,000	-
Reinsurance liabilities	40	21,578	31,731	21,471	31,865
Retirement benefit obligations	41	78,338	71,328	78,338	71,328
Deferred tax liabilities	25	213	398	-	-
Total liabilities		**3,000,755**	**2,925,205**	**2,910,098**	**2,842,185**
Total Equity and Liabilities		**4,245,852**	**4,006,660**	**4,133,783**	**3,904,308**

The explanatory notes on pages 36 to 108 form an integral part of these Financial Statements.

Athens, 31 March 2021

The Chairman of the Board	The Chief Executive Officer	The Deputy General Manager	The Financial Director	The Chief Actuary	The Chief Accountant
Ch.V. Sardelis ID No AK 088321	S.S. Konstantas ID No AN 652679	S.E. Karagrigoriou ID No AE 041414	G. Ch. Petousis Licence No. 990 Class A	G. Ch. Mamoulakis ID No AH 125609	G.L. Gennimatas License No. 91312 Class A

STATEMENT OF CHANGES IN EQUITY

GROUP

(€ thousands)

	Share capital	Share premium account	AFS securities reserve	Retirement benefit obligations	Other reserves	Foreign exchange differences	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 01/01/2019	**490,044**	**547,416**	**28,192**	**(3,498)**	**29,592**	**(4,160)**	**(265,714)**	**821,872**	**795**	**822,667**
Profit, net of tax	-	-	-	-	-	-	57,912	**57,912**	(52)	57,860
Transfers	-	12	-	-	(108)	-	96	-	-	-
Acquisition/sale of subsidiaries	-	-	-	-	-	-	3	**3**	3	6
Other comprehensive income, net of tax	-	-	205,216	(3,914)	-	(372)	-	**200,930**	(8)	200,922
Balance at 31/12/2019	**490,044**	**547,428**	**233,408**	**(7,412)**	**29,484**	**(4,532)**	**(207,703)**	**1,080,717**	**738**	**1,081,455**
Profit, net of tax	-	-	-	-	-	-	68,484	**68,484**	**(64)**	68,420
Transfers	-	1	-	-	(154)	-	153	-	-	-
Acquisition/sale of subsidiaries	-	-	-	-	-	-	8	**8**	-	8
Other comprehensive income, net of tax	-	-	97,928	(2,754)	-	22	-	**95,196**	18	95,214
Balance at 31/12/2020	**490,044**	**547,429**	**331,336**	**(10,166)**	**29,330**	**(4,510)**	**(139,058)**	**1,244,405**	**692**	**1,245,097**

PARENT COMPANY

(€ thousands)

	Share capital	Share premium account	AFS securities reserve	Retirement benefit obligations	Other reserves	Retained earnings	Total equity
Balance at 01/01/2019	**490,044**	**547,416**	**28,123**	**(3,498)**	**28,023**	**(286,271)**	**803,837**
Profit, net of tax	-	-	-	-	-	57,210	57,210
Transfers	-	12	-	-	(12)	-	-
Other comprehensive income, net of tax	-	-	204,990	(3,914)	-	-	201,076
Balance at 31/12/2019	**490,044**	**547,428**	**233,113**	**(7,412)**	**28,011**	**(229,061)**	**1,062,123**
Profit, net of tax	-	-	-	-	-	66,699	66,699
Transfers	-	1	-	-	-	(1)	-
Other comprehensive income, net of tax	-	-	97,617	(2,754)	-	-	94,863
Balance at 31/12/2020	**490,044**	**547,429**	**330,730**	**(10,166)**	**28,011**	**(162,363)**	**1,223,685**

The explanatory notes on pages 36 to 108 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

	Note	GROUP 31/12/2020	GROUP 31/12/2019	PARENT COMPANY 31/12/2020	PARENT COMPANY 31/12/2019
		(€ thousands)			
Cash flows from operating activities					
Profit before tax		**87,891**	**82,344**	**85,733**	**81,694**
Adjustments for non-cash items					
Depreciation, amortazation and impairment of property, plant & equipment, investment property & intangible assets	16	9,359	3,175	8,515	2,359
Provision for non-performing receivables	16	689	6,116	719	6,244
Defined benefit plan cost	41	1,937	2,508	1,937	2,508
Gain on disposal of non financial assets and impairment	12	(1,510)	(9)	(1,503)	(9)
Impairment loss on financial assets	11	10,427	1,039	10,427	1,039
Gains on disposal on financial assets	9	(39,964)	(91,345)	(39,964)	(91,345)
Unrealised gains on financial assets	10	(18,539)	(50,829)	(14,298)	(43,792)
Net interest income and dividends	8,17	(33,170)	(33,561)	(32,382)	(32,949)
Gains / (losses) on foreign exchange differences	12	(251)	(247)	(70)	(6)
Total adjustments for non-cash items		**(71,022)**	**(163,153)**	**(66,619)**	**(155,951)**
Net increase or decrease in operating assets / liabilities					
Financial assets at fair value through profit or loss	10,27	33,208	48,247	38,711	51,934
Deferred acquisition costs (DAC)	23	(3,625)	(4,399)	(3,397)	(4,283)
Movement in insurance reserves	36	(65,962)	(19,368)	(72,017)	(31,583)
Liabilities relating to deposit administration funds (DAF)	37	15,328	14,830	15,328	14,830
Liabilities relating to Unit Linked invetsment policies	37	124,220	219,072	124,220	219,072
Movement in deposits which are not included in cash equivalents	32	-	5,964	-	-
Insurance premium and other receivables		5,117	13,208	5,241	14,762
Reinsurance receivables	17,31,40	(8,779)	(4,604)	(9,116)	820
Defined contribution plans	41	1,661	494	1,661	494
Other liabilities		(1,129)	8,546	(2,268)	5,432
		116,908	**201,181**	**117,477**	**197,221**
Aquisition of investment securities		(1,785,978)	(1,811,060)	(1,781,207)	(1,811,063)
Disposal of investment securities		1,587,020	1,582,524	1,584,453	1,582,523
Purchase of investment property	21	(32)	(146)	(32)	(120)
Proceeds from sale of investment property	12,20	5,652	9	5,770	9
Dividends received	8	4,179	932	4,150	894
Interest received		32,429	20,786	31,670	20,212
Interest raid		(5,880)	(1,930)	(5,880)	(1,930)
Defined benefit plans (contributions and idemnities)	41	(214)	(17,349)	(214)	(17,349)
Income tax paid		287	7,226	510	7,400
Net cash used for operating activities		**(45,628)**	**(17,827)**	**(43,302)**	**(22,203)**
Cash flows from investing activities					
Purchase of property & equipment, intangible assets	20,22	(7,916)	(6,121)	(7,471)	(5,808)
Proceeds from sale of property & equipment, intangible assets	20	(22)	54	114	55
Net cash used in investing activities		**(7,938)**	**(6,067)**	**(7,357)**	**(5,753)**
Cash flows from financing activities					
Increase/ (decrease) of financial liabilities	39	-	-	-	-
Net cash from/ (for) financing activities		-	-	-	-
Net increase/(decrease) in cash and cash equivalents		**(53,566)**	**(23,894)**	**(50,659)**	**(27,956)**
Cash and cash equivalents at beginning of period		**120,113**	**144,007**	**102,334**	**130,290**
Cash and cash equivalents at end of period	32	**66,547**	**120,113**	**51,675**	**102,334**

The explanatory notes on pages 36 to 108 form an integral part of these Financial Statements.

NOTE 1: GENERAL INFORMATION

Ethniki Hellenic General Insurance S.A. (the "Company" or "Parent Company") is the oldest insurance company in Greece and has been conducting business continuously for 130 years. It was established on 15 June 1891 and its headquarters are located at Syngrou Ave. 103-105, 11745, Athens (Reg. 12840/05/B/86/20), tel.: +30 210 90 99 000, www.ethniki-asfalistiki.gr. Pursuant to its Articles of Association, the purpose of the Company is to carry out insurance, reinsurance and, in general, financial activities allowed for insurance companies under the applicable Greek and EU law, and operate in line with the provisions of Greek Law 4548/2018 "Overhaul Law on Société Anonyme Companies" as well as Greek Law 4364/2016 for engaging and pursuing the business of Insurance and Reinsurance (Solvency II) and the provisions of the legal and regulatory framework governing its operation and activities. The Parent Company and its subsidiaries (the "Group") offer a full range of retail and commercial insurance services. The Group is mainly active in Greece, while its subsidiaries are active in Greece, Romania and Cyprus.

The Parent Company is a subsidiary of National Bank of Greece S.A. (the "NBG" or "Bank") which holds 100% of the Company's share capital. As a result, these Financial Statements are consolidated in the consolidated financial statements of the NBG Group, applying the full consolidation method.

The Board of Directors on 31st December 2020 consists of the following members:

Full Name	Position on the BoD
Christophoros B. Sardelis	Chairman, Non-executive member
Panagiotis A. Dasmanoglou	First Vice-Chairman, Non-executive member
Stavros St. Konstantas	Managing Director, Executive member
Aggeliki I. Skandaliari	executive member
Stavros E. Karagrigoriou	executive member
Panagiotis S. Georgiou	Non-executive member
Vasileios G. Mastrokalos	Non-executive member
Ioannis N. Zouridis	Non-executive member
Ioannis S. Petsalakis	Non-executive member
Christina Th. Theofilidi	Non-executive member
Nikolaos G. Milios	Independent non-executive member
Petros I. Lirintzis	Independent non-executive member
Nikolaos E. Fragkos	Independent non-executive member

The members are elected by the shareholders at their general meeting for a term of three years and may be re-elected. The above composition of the Board of Directors was formed after the Extraordinary General Meeting of Shareholders on 20 December 2018 and on 17 April 2019, at which Ms. Theofilidi was elected as a member. The said Members' term of office expires on December 19, 2021. The Financial Statements are subject to the approval of the Annual General Meeting of the Parent Company's shareholder.

These annual separate and consolidated Financial Statements have been approved by the Board of Directors of the Parent Company on 31 March 2021.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES & POLICIES

2.1 Basis of preparation of Financial Statements

The consolidated financial statements of the Group and the separate financial statements of the Parent Company as at and for the year ended 31 December 2020 (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU").

The amounts are stated in Euro, rounded to the nearest thousand (unless otherwise stated).

Comparative figures have been adjusted to conform to changes in current period's presentation, as disclosed in Note 46.

The Financial Statements have been prepared under the historical cost convention, except for available-for-sale investment portfolio, financial assets and financial liabilities held at fair value through profit or loss, all derivative contracts, and a) assets held for sale which are measured at the lower of carrying amount and fair value less costs to sell and b) employee benefit plans which are measured based on the projected unit credit method.

The preparation of Financial Statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the reporting date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Use of available information and exercise of judgment are inherent in the formation of estimates. Actual results in the future may differ from those reported.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the annual Financial Statements are disclosed in Note 3.

2.2 Going concern

The Board of Directors of the Parent Company and the other companies of the Group, consider that the going concern assumption, based on which the financial statements have been prepared, is valid, given that, as risks posed by Covid-19 have been effectively mitigated (refer to Note 4.9), and the solvency ratio of each company of the Group is significantly above 100%.

2.3 Adoption of International Financial Reporting Standards (IFRS)

2.3.1. New standards, amendments and interpretations to existing standards that are effective for the current financial year

2.3.1.1. Amendments and interpretations that are effective on or after 1 January 2020

-**Definition of Material - Amendments to IAS 1 and IAS 8** (effective for annual periods beginning on 1 January 2020, as issued by the IASB). In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. The adoption of the amendments did not have a material impact on the financial statements of the Group and the parent Company.

Conceptual Framework

In March 2018, the IASB issued a revised version of its Conceptual Framework for Financial Reporting (the "Framework"), which becomes effective in annual periods beginning on or after 1 January 2020.

The Framework sets out the fundamental concepts of financial reporting that guide the IASB in developing IFRS Standards. The Framework underpins existing standards but does not override them. Preparers of financial statements use the Framework as a point of reference to develop accounting policies in rare instances where a particular business transaction is not covered by existing IFRS Standards. The IASB and the IFRS Interpretations Committee will begin to use the new Framework immediately in developing new, or amending existing, IFRS standards and interpretations. The adoption of the existing standards' amendments as well as the Conceptual Framework did not have material impact on the financial statements of the Group and the parent Company.

The amendments of the existing standards and the Conceptual Framework, which are effective from 1 January 2020, have been endorsed by the EU.

2.3.2. New standards, interpretations and amendments which will become effective after 2020

2.3.2.1. New standards effective after 2020

- IFRS 17 "Insurance Contracts" (effective for annual periods beginning on or after 1 January 2021, as issued by the IASB in May 2017). IFRS 17 is an integrated standard for insurance contracts, compared to IFRS 4 which was published as an interim regulation that allowed entities to continue their accounting practices on insurance contracts and focuses on enhanced disclosures with respect to the value, the timing and the uncertainty of future cash flows arising from insurance contracts. In June 2019, IASB issued an Exposure Draft which proposes targeted amendments to IFRS 17, including, amongst other matters, a deferral of the effective date by one year (1 January 2022).

IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces IFRS 4. IFRS 17 will bring radical changes to the accounting treatment of insurance contracts for all insurance entities, including the Parent Company and its subsidiaries. The accounting principles currently applied by the Group regarding insurance contracts under IFRS 4, are mainly based on accounting principles followed by local jurisdictions which were valid before the initiation of IFRS. The new IFRS 17 Standard introduces a Building Block Approach (BBA) for insurance contracts that is complemented by the Variable Fee Approach (VFA) for portfolios of contracts with direct participation in investments that comprise of contracts linked with investments, and the Premium Allocation Approach (PAA) for short term contracts (usually Non-Life insurance contracts).

The main characteristics of IFRS 17 are: i) the measurement of insurance liabilities in the Statement of Financial Position based on fair value, that is the sum of the present value of future cash flows plus a risk adjustment, ii) the recalculation of the fair value in each reporting period by using current assumptions and discount rates, iii) the Contractual Service Margin (CSM) is recognized in the Statement of Financial Position and is equal to the unearned profit arising from the insurance contract and is then amortized in Profit or Loss for the remaining life of the portfolio, iv) certain changes in the insurance liability are adjusted with respect to the CSM and subsequently recognized in Profit or Loss for the remaining life of the portfolio, v) the effect of changes in the discount rates is recognized either in Profit or Loss or in Equity through Other Comprehensive Income (OCI), vi) the presentation of Profit or Loss and the disclosures in the Notes, will bring radical changes as IFRS 17 will need to be applied retrospectively by adjusting the comparative figures. There are however certain transitional measures that can be applied.

The Parent Company and the Group are actively engaged with the implementation with a view to achieving full readiness at the date of transition to the new standard. For the correct and effective implementation of the new standard, the Group has formed a Steering Committee, a Project Management Team and Working Groups for the Parent Company and its subsidiaries. The Working Groups focus on the accounting implications and disclosures, the impact on the financial position, the actuarial and other functions and on information systems and automation; the Working Groups are coordinated and closely aligned with each other, assisted by external consultants, reporting the status of their work to the Steering Committee on a regular basis. The Steering Committee meetings are held on a regular basis and among other tasks, monitors the progress of the project for the Parent entity and its subsidiaries, based on the reports prepared by the Project Management Team and the external consultants.

In March 2020, following the Covid-19 pandemic, IASB announced the further postponement of IFRS 17 "Insurance Contracts" effective date by one year, on 1 January 2023. The implementation of this standard is expected to have a material impact on the financial statements of the Group and the parent Company but cannot be reliably quantified at this stage.

2.3.2.2 Amendments and interpretations that are effective on or after 1 January 2020

- Applying IFRS 9 "Financial Instruments" with IFRS 4 "Insurance Contracts" (Amendment to IFRS 4).

The amendments introduce two approaches. The amended standard provides the choice to companies whose activities are predominantly connected with the issuance of insurance contracts two options: a) to recognise in other comprehensive income, rather than profit or loss, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued (i.e. the difference between the amounts that would be recognised in profit or loss in accordance with IFRS 9 and the amounts recognised in profit or loss in accordance with IAS 39) – "overlay approach" and b) a temporary exemption from applying IFRS 9 until 2021 – deferral approach. The entities that defer the application of IFRS 9 will continue to apply IAS 39. In June 2019 the IASB issued an Exposure Draft which proposes targeted amendments to IFRS 17 Insurance

Contracts (IFRS 17) including, amongst other matters, a deferral of the effective date by one year (1 January 2022). This would mean that qualifying insurers could apply both standards for the first time in reporting periods beginning on or after 1 January 2022.

The Group has elected to defer the provisions of IFRS 9 as allowed by Commission Regulation (EU) 2017/1988 to the adoption date of IFRS 17.

In June 2019 the IASB issued an Exposure Draft which proposes targeted amendments to IFRS 17 including, amongst other matters, a deferral of the effective date by one year (1 January 2022).

Subsequently, in March 2020 and following the Covid-19 outbreak, the IASB announced a further deferral of the effective date of IFRS 17 by one more year (i.e. 1 January 2023). Following the above, the IASB decided to extend the temporary exemption from applying IFRS 9 "Financial Instruments", for the simultaneous implementation of IFRS 9 with IFRS 17 (see Amendment "Extension of the Temporary Exemption from Applying IFRS 9", effective for annual periods beginning on or after 1 January 2021)".

Following the above, the Parent Company and the Group are going to apply both standards (IFRS 9 and IFRS 17) for the first time in the reporting period beginning on 1 January 2023. The impact of the adoption of the standard on the Financial Statements of the Group and the parent Company cannot be reliably quantified at this stage.

- IFRS 16 "Leases" (Amendment) "COVID-19-Related Rent Concessions" (effective for annual periods beginning on or after 1 June 2020 and effective for the consolidated and separate financial statements from 1 January 2021). The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications. The amendments are mandatory for annual reporting periods beginning on or after 1 June 2020 and thus for the consolidated and separate financial statements from 1 January 2021. Earlier application is permitted, including interim or year-end financial statements not yet authorized for issue on 28 May 2020.

- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendment): "Interest Rate Benchmark Reform — Phase 2" (effective for annual periods beginning on 1 January 2021, as issued by the IASB). The amendments introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the Interbank Offered Rates ("IBOR") reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition. The Group is currently evaluating the impact of adoption of this amendment on its consolidated and separate Financial Statements. The implementation of this amendment is not expected to have a material impact on the Financial Statements of the Group and the parent Company.

- "Property, Plant and Equipment" Proceeds before Intended Use - Amendments to IAS 16 (effective for annual periods beginning on 1 January 2022, as issued by the IASB). The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

- Onerous Contracts: Cost of Fulfilling a Contract - Amendments to IAS 37 (effective for annual periods beginning on 1 January 2022, as issued by the IASB). The amendments specify which costs a company includes when assessing whether a contract will be loss-making. The implementation of this amendment is not expected to have a material impact on the Financial Statements of the Group and the parent Company.

- IFRS 4 "Insurance contracts" (Amendment): Extension of the Temporary Exemption from Applying IFRS 9 "Financial instruments" (effective for annual periods beginning on or after 1 January 2023). The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 "Insurance Contracts" from applying IFRS 9 "Financial Instruments", so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.

- IAS 1 (Amendments) "Presentation of Financial Statements" and IFRS Practice Statement 2 "Disclosure of Accounting Policies" (effective for annual periods beginning on or after 1 January 2023, as issued by the IASB). The amendments require entities to disclose information regarding their material accounting policies and provide guidance on the meaning of the material when it applies to accounting policy disclosures. The amendments have not yet been endorsed by the EU.

- IAS 8 (Amendments) "Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates" (effective for annual periods beginning on or after 1 January 2023, as issued by the IASB). The amendments help entities to distinguish changes between accounting policies and accounting estimates. The amendments have not yet been endorsed by the EU.

- Annual Improvements to IFRS Standards 2018–2020 Cycle (effective for annual periods beginning on or after 1 January 2022, as issued by the IASB). The amendment applicable to the Group is:

- IFRS 16 "Leases": Lease Incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor, in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

The amendments to existing standards effective after 2020 have not yet been endorsed by the EU, except for the IFRS 16 amendment for "COVID-19-Related Rent Concessions" and the IFRS 4 amendment for "extension of the Temporary Exemption from Applying IFRS 9" which have been endorsed by the EU.

2.4 Consolidated Financial Statements

2.4.1 Basis of consolidation

The consolidated financial statements incorporate the separate financial statements of the Parent Company and its subsidiaries, which are entities controlled by the Parent Company. Control is achieved, if and only if, the Parent Company has a) power over the subsidiaries b) exposure, or rights to variable returns from its involvement with the subsidiaries and c) the ability to use its power over the subsidiaries to affect the amount of its returns.

Income and expenses of subsidiaries during the year are included in the consolidated statement of total comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Profit / (loss) for the period and total comprehensive income / (expense) of subsidiaries is attributed to the shareholders of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to align their accounting policies with those of the Group companies.

All intra-group transactions, balances, income and expenses are eliminated upon consolidation.

2.4.2 Non-controlling interests

Non-controlling interests may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

2.4.3 Changes in the Group's ownership interests in subsidiaries that do not result in loss of control

Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

The carrying amounts of the Parent Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Parent Company.

2.4.4 Loss of control

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Any unrealized gains or losses previously recognised within other comprehensive income which result from the measurement of the assets of the subsidiary carried at fair value are accounted for as if the Parent Company had directly disposed of the relevant assets (i.e. reclassified to profit or loss or are transferred directly to retained earnings as specified by applicable IFRSs).

The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

2.4.5 Contribution of assets to subsidiary in exchange for shares of the subsidiary

When the Parent Company transfers property and equipment, intangible assets or investment property to an existing or new subsidiary in exchange for shares in the subsidiary, the Parent Company recognizes in the separate financial statements the carrying value of the transferred asset as investment in subsidiaries. Such transactions do not affect the consolidated financial statements.

2.4.6 Associates

Associates are entities over which the Group has significant influence, but which it does not exercise control over it. If the Group holds, directly or indirectly, 20% or more of the voting power of the investee, it is presumed that the Group has significant influence, unless it can be clearly demonstrated that this is not the case. Investments in associates are accounted for by applying the equity method of accounting.

Under the equity method of accounting, the investment is initially recorded at cost. Goodwill arising on the acquisition of an associate is included in the carrying amount of the investment (net of any accumulated impairment loss – if any). The carrying amount of the investment is increased or decreased by the proportionate share of the associate's post-acquisition profits or losses (recognised in the Group's profit or loss) and movements in reserves (recognised in other comprehensive income). Dividends received from the associate during the year reduce the carrying value of the investment. Investments in associates for which significant influence is intended to be temporary because such investments are acquired and held exclusively with a view to their subsequent disposal within twelve months from their acquisition, are recorded as "assets held for sale". Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate. Unrealized losses are also eliminated but considered as an impairment indicator of the asset transferred. Where necessary, the associate's financial statements used in applying the equity method are adjusted to ensure consistency with the accounting policies adopted by the Group.

2.4.7 Joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. A joint arrangement has the following characteristics:

(a) The parties are bound by a contractual arrangement; and

(b) The contractual arrangement gives two or more of those parties joint control of the arrangement.

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is either a joint operation or a joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Those parties are called joint operators. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Those parties are called joint venturers.

The Parent Company determines the type of joint arrangement in which it is involved and classifies the joint arrangement as a joint operation or a joint venture depending upon the rights and obligations of the parties to the arrangement.

In case of a joint operator the Parent Company recognizes:

a) its assets, including its share of any assets held jointly, b) its liabilities, including its share of any liabilities incurred jointly, c) its revenue from the sale of its share of the output arising from the joint operation d) its share of the revenue from the sale of the output by the joint operation and e) its expenses, including its share of any expenses incurred jointly.

In case of a joint venture the Parent Company recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method (See Note 2.4.6 Associates above).

2.4.8 Investments in subsidiaries, associates and joint ventures in individual Financial Statements

In the Parent Company's separate Financial Statements subsidiaries, associates and joint ventures are measured at cost less any impairment loss.

2.4.9 Impairment assessment of goodwill and investments in subsidiaries, associates and joint ventures in the separate Financial Statements

At each reporting date, the Group and the Parent Company assesses whether there is any indication that an investment in a subsidiary, associate or joint venture may be impaired. If any such indication exists, the Group estimates the recoverable amount of the investment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

2.5 Business combinations

2.5.1 Acquisition method

Acquisitions of businesses within the scope of IFRS 3 are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities assumed by the Group from the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at such date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 “Income Taxes” and IAS 19 “Employee Benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 “Share-based Payment at the acquisition date”
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.

2.5.2 Goodwill

Goodwill is measured as the excess (a) of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) (b) over the acquisition-date net amount of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the acquisition-date net amount of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss.

2.5.3 Contingent consideration

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration that is either a financial instrument within the scope of IAS 39 or a non-financial asset or liability, is remeasured, at fair value at each subsequent reporting date and the changes in fair value are recognised in profit or loss.

2.5.4 Business combination achieved in stages

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the profit or loss where such treatment would be appropriate if that interest were disposed of.

2.5.5 Provisional Accounting

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see Note 2.5.3 above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.6 Foreign currency translations

Items included in the Financial Statements of each entity of the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The consolidated Financial Statements of the Group are presented in thousands of Euro (€), which is the functional currency of the Parent Company.

Foreign currency transactions are translated into the functional currency at the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in other comprehensive income as gains or losses from qualifying cash flow or net investment hedging instruments. Translation differences on debt securities and other monetary financial assets re-measured at fair value are included in line item "Other income / (expenses)" within statement of comprehensive income. Translation differences on non-monetary financial assets are a component of the change in their fair value and are recognised in the profit or loss for equity securities held for trading, or in other comprehensive income for equity securities measured at fair value through other comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency shall be translated using the exchange rate at the date of the transaction.

When preparing the Financial Statements, assets and liabilities of foreign entities are translated at the exchange rates prevailing at the reporting date, while income and expense items are translated at average rates for the period. Differences resulting from the use of closing and average exchange rates and from revaluing a foreign entity's opening net asset balance at closing rate are recognised directly in line item "Currency translation differences" within other comprehensive income.

When a monetary item forms part of a reporting entity's net investment in a foreign operation and is denominated in a currency other than the functional currency of either the reporting entity or the foreign operation, the exchange differences that arise in the separate financial statements of both companies are reclassified to other comprehensive income upon consolidation. When a foreign entity is sold, such translation differences are recognised in profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.7 Financial assets and liabilities at fair value through profit or loss

This category has the following two sub-categories:

- Trading and
- Financial assets and liabilities designated at fair value through profit or loss

2.7.1 Trading portfolio

The trading category includes financial assets, which are either acquired for generating a profit from short-term fluctuations in price or dealer's margins, or are included in a portfolio in which a pattern of short-term profit making exists, and derivatives unless they are designated as and are effective hedging instruments.

Trading securities may also include financial assets sold under sale and repurchase agreements (see Note 2.13).

2.7.2 Financial assets and liabilities designated as at fair value through profit or loss

The Group designates at initial recognition certain financial assets or liabilities as at fair value through profit or loss when:

a. Doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch") that would otherwise arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortised cost such as loans and advances to policyholders and debt securities in issue;

b. A group of financial assets, financial liabilities or both is managed and its performance is measured on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group of financial assets is provided internally on that basis to the Group's key management , for example the Board of Directors and Chief Executive Officer;

c. The financial instruments contain one or more embedded derivatives that significantly modify the cash flows resulting from those financial instruments and would have to be separated if not in this category.

The fair value designation, once made, is irrevocable.

2.7.3 Measurement

Financial assets and liabilities at fair value through profit or loss (both trading and designated) are initially recognised at fair value and subsequently measured at fair value.

Gains and losses realized on disposal or redemption and unrealized gains and losses from changes in the fair value are recognised in "Realized gains/(losses) from investments" and "Unrealized gains/(losses) from investments" within profit or loss.

Dividend income is recognised in profit or loss when the right to receive payment is established. This is the ex-dividend date for equity securities and is separately reported and included in "Other income / (expense)".

The amount of change during the period, and cumulatively, in the fair values of designated financial liabilities and loans and receivables that is attributable to changes in their credit risk is calculated as the amount of change in the fair value that is not attributable to changes in market conditions which subsequently increase market risk.

2.8 Investment securities

2.8.1 Initial recognition

Investment securities are initially recognized at fair value (including transaction costs) and are classified as:

- Available for sale
- Held-to-maturity
- Loans-and-receivables

based on the securities' characteristics and management intention on purchase date. Investment securities are recognized on the trade date, which is the date that the Group commits to purchase or sell the asset. All other purchases and sales, which do not fall within market convention, are recognized as derivative forward transactions until settlement.

2.8.2 Subsequent recognition

Available-for-sale investment securities are measured subsequent to initial recognition at fair value. Unquoted equity instruments whose fair value cannot be reliably estimated are carried at cost. Unrealized gains and losses arising from changes in the fair value of available-for-sale investment securities are reported in other comprehensive income, net of taxes (where applicable), until such investment are sold, collected or otherwise disposed of, or until such investments are determined to be impaired.

Available-for-sale investment securities may be sold in response to needs for liquidity or changes in interest rates, foreign exchange rates or equity prices. When an available-for-sale investment securities are disposed of or impaired, the accumulated unrealized gain or loss included in other comprehensive income is transferred to profit or loss for the period and reported as gains / losses from investment securities. Gains and losses on disposal are determined using the moving average cost method.

Held-to-maturity investment securities consist of non-derivative, securities that are quoted in an active market, with fixed or determinable payments and fixed maturity, which the management has the positive intent and ability to hold to maturity.

Investment securities classified as **Loan and receivables** consist of non-derivative investment securities with fixed or determinable payments that are not quoted in an active market.

Investment securities classified as Held-to-maturity or Loan and receivables are carried at amortised cost using the effective interest rate method, less any provision for impairment. Amortised cost is calculated by taking into account any fees, points paid or received, transaction costs and any discount or premium on acquisition.

Impairment: The Group assesses at each reporting date whether there is objective evidence that an investment security or a group of such securities is impaired.

In particular for equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired.

If any objective evidence of impairment exists for available-for-sale financial assets, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss) is removed from other comprehensive income and recognised in profit or loss. Impairment losses recognised in profit or loss on equity instruments are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

The amount of the impairment loss for held-to-maturity investment securities and investment securities classified as loans and receivables, which are carried at amortised cost is calculated as the difference between the asset's carrying amount and the present value of expected future cash flows discounted at the financial instruments' original effective interest rate.

Interest earned on investment securities is reported as "interest income".

Dividend income is recognised when the right to receive payment is established (the ex-dividend date) for equity securities and is separately reported and included in "Net other income/ (expense)".

2.9 Reclassification of financial instruments

The Group reclassifies non-derivative debt instruments out of the trading and available-for-sale categories into the loans and receivables category, if the instruments meet the definition of this category at the date of reclassification and the Group has the positive intention and ability to hold the instruments for the foreseeable future or until maturity.

When rare circumstances cause significant deterioration in the trading activity or substantially affect the observable prices of non-derivative financial assets classified in the trading category, the Group reclassifies such financial assets out of the trading category and into the held-to-maturity or available-for-sale categories, provided the assets meet definition of the respective category at the date of reclassification and the Group does not have the intention to sell them in the near term. Such reclassifications can occur only once in response to a single rare event.

If there is a change in intention or ability to hold a debt financial instrument to maturity, the Group reclassifies such instruments out of the available-for-sale category and into the held-to-maturity category, provided the instruments meet the definition of the latter at the date of reclassification.

For financial assets reclassified as described above, the fair value at the date of reclassification becomes the new amortized cost at that date.

When the instruments reclassified out of the trading category include embedded derivatives, the Group reassesses at the reclassification date, whether the embedded derivatives need to be separated from the host contract, on the basis of the circumstances that existed when the Group became a party to the contract.

The Group transfers debt instruments that have been reclassified as loans-and-receivables to the available-for-sale category if the instruments subsequently become quoted in an active market and the Group does not intend to hold them for the foreseeable future or until maturity. The fair value of the instruments at the date of reclassification becomes the new amortised cost at that date. The difference between the amortised cost immediately prior to reclassification and the fair value at the date of reclassification is recognized in the available-for-sale securities reserve through other comprehensive income and is amortised in profit and loss statement.

In the event that the Group disposes a significant amount of debt instruments from the Held-to-maturity category then, according to the provisions of IAS 39, it reclassifies all securities included in this category to the Available-for-sale category and the entity will be prohibited from classifying any financial asset as Held-to-maturity for two years after the occurrence of this event ("tainting rule"). Reclassified debt instruments are measured at fair value and the difference with amortized cost is recognized in the available-for-sale reserve.

2.10 Fair value of financial instruments

The Group measures the fair value of its financial instruments based on a framework for measuring fair value that categorises financial instruments based on a three-level hierarchy of the inputs to the valuation technique, as discussed below.

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and derivative contracts that are traded in an active market.

An active market, is a market in which transactions for assets or liabilities take place with sufficient frequency and volume to provide pricing information on an ongoing basis and are characterized with low bid/ask spreads.

Level 2: Observable inputs other than Level 1 quoted prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data (for example derived from prices) for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments, as well as debt securities without quoted prices and certain derivative contracts whose values are determined using pricing models, discounted cash flow methodologies, or similar techniques with inputs that are observable in the market or can be derived principally from or corroborated by observable market data. This category generally includes government and corporate debt securities with prices in markets that are not active and certain over-the-counter (“OTC”) derivative contracts.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety, is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

2.11 Insurance operations

IFRS 4 Implementation: The Group and the Parent Company adopted IFRS 4 as of 1 January 2005. On this date, the Parent Company’s issued contracts were classified as either insurance or investment contracts.

2.11.1 Contract classification

2.11.1.1 Insurance contracts

Insurance contracts are classified under two categories, i.e. Life and non-life insurance contracts, depending on the nature of the insurance risk. It is noted that insurance products also include contracts involving both insurance and financial risk, as the Group considers that such contracts contain significant insurance risk.

2.11.1.1.1 Life insurance contracts

These contracts mainly insure events over a long period of time. Premiums (including policy fees) are calculated on a pro-rata basis over the contract term and are presented gross of commissions.

Existing contracts do not contain embedded derivatives.

2.11.1.1.1.1 Traditional insurance contracts

This category includes contracts issued by the Group against risk of death, whole-life benefits, annuities, disability, accident and sickness on an individual as well as a group basis.

Life Insurance Contracts with profit participation features:

The majority of traditional life-insurance contracts incorporate a profit participation formula. These contracts provide the policyholder with additional benefits to those guaranteed by the insurance contract.

Life Insurance Contracts without profit participation features:

A small percentage of total life insurance contracts do not include profit participation features.

2.11.1.1.1.2 Unit-Linked Life insurance

Unit-Linked Life insurance contracts transfer the financial risk to the policyholder, while the Group guarantees part of the financial risk at maturity of the contracts, which also contain insurance risk (mortality, disability).

2.11.1.1.2 Non-life insurance contracts

Non-life insurance contract premiums are recognised as revenue (earned premiums and policy fees) on a pro rata basis over the related contract term and reported gross of related commissions. At each reporting date, the amount of recorded premiums corresponding to future periods is transferred to the unearned premium reserve.

Existing contracts do not contain embedded derivatives. *Non-Life Insurance contracts –Motor third party liability ("TPL"): This category includes contracts covering Motor TPL risk.*

Non-life insurance contracts – Property Insurance: This category includes contracts covering fire, earthquake and theft risk.

Non-life insurance contracts – Other Non-life Insurance: This category includes contracts covering risk of land motor own damage, cargo, civil liability, credit, guarantee, assistance, marine hull, marine crew and other.

2.11.1.2 Investment contracts

Investment contracts are defined as those contracts which are not classified as insurance contracts.

Deposit Administration Funds (DAF): These are group contracts where an investment administration insurance is agreed, according to which a benefit is provided to the contract-holder either when the individual ceases to be a member of the group contract for any reason whatsoever or when reaching a certain age. The Group pays out benefits to the extent that the fund suffices. In case of insufficiency of the fund, the beneficiary shall not raise any claim against the Group. DAF are managed either by the Group at its own discretion or following instructions of the policyholders or by the policyholders themselves. The Group's responsibility ends when the fund account is exhausted, even if the fund administration agreement has expired earlier than that.

Endowment contracts with premium return in case of death: These are individual contracts, where the policyholder receives a lump sum at the end of the insurance period, resulting from the compounded interest of paid premiums with a guaranteed interest rate. In case of death of the policyholder, the benefit paid is equal to the paid premiums. Endowment contracts that are classified as investment are those contracts which do not include riders.

Unit-Linked Investment contracts: These are contracts without guarantees and without riders where the policyholder bears the investment risk.

Liabilities from group investment contracts and endowment contracts are measured at amortized cost, while liabilities from Unit-Linked investment contracts are measured at the fair value of the underlying assets and are recorded in "Investment contract liabilities" with the guaranteed returns recorded in "Returns attributable to investment contract holders". Investment contract liabilities are presented net of deferred acquisition costs (DAC).

2.11.1.3 Unbundling of deposit component

The Group and the Parent Company separate the deposit component from non-guaranteed Unit-Linked contracts which have been classified as insurance contracts due to the additional coverages that they include. The deposit component is measured at amortized cost and is recorded in "Investment contract liabilities" and the guaranteed returns in "Returns attributable to investment contract holders**".**

2.11.2 Deferred acquisition costs (DAC)

Commissions and other acquisition costs incurred during the financial period for the issuance of new insurance contracts and /or renewal of existing insurance contracts, but which are related to subsequent financial periods are recognised in assets as "Deferred acquisition costs (DAC)" and are amortized over the life of the insurance contract. Deferred acquisition costs of investment contracts are recorded in liabilities, net of "Investment contracts liabilities".

Life insurance:

Commissions and other acquisition costs relating to the issuance of new contracts and /or renewal of existing contracts are capitalized and recognized in assets. All other costs are recognized as an expense when incurred. DAC are amortized over the life of the insurance contract as follows:

- For long-term life insurance, DAC amortization follows earned income based on the corresponding assumptions used to estimate the liability for future contract benefits.
- For short-term life insurance, DAC are amortized in proportion to the earned premiums.

Non-life insurance:

Commissions and other acquisition costs incurred during the financial period for issuing new contracts and /or renewing existing contracts are recognised as DAC and are amortized in proportion to earned premiums. All other costs are recognized as an expense when incurred.

2.11.3 Insurance reserves

Insurance reserves represent the Group's estimates for liabilities stemming from insurance contracts.

Insurance reserve estimates are determined at the reporting date of the Financial Statements, in accordance with the prescribed principles and valuation rules per category of insurance reserves. Insurance reserves are calculated in accordance with the provisions of IFRS 4 "Insurance Contracts".

The main categories of insurance reserves are set out below:

Mathematical reserve: include the reserves of life insurance contracts which are calculated as the difference at reporting date between the actuarial present value of future liabilities that have been assumed by the insurance company (including the profit participation reserve) and the actuarial present value of net premiums due by the policyholder and payable to the insurance company within the following years. Calculations are carried out in line with actuarial methods and local regulatory requirements. For single premium long-term life insurance contracts an additional provision for future management expenses is made.

Profit Participation Reserve**:** This reserve includes amounts intended for the policyholders, counterparties or the beneficiaries of insurance contracts in the form participation in technical profits, returns and refunds under the terms of the insurance contracts.

Unearned premium reserve: Represents the ratio of net written premiums that relate to future periods for the contracts that are in force at the reporting date.

Unexpired risk reserve: is the additional reserve created at each reporting date when the unearned premium reserve is not considered sufficient to cover the forecasted claims and expenses of the in force contracts.

Outstanding claims reserve: consist of the file by file provisions and the actuarially estimated additional amounts to cover the possible inadequacy of these provisions, the cost of not reported (IBNR) claims and the associated claims handling expenses. The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. The main assumption underlying these techniques is that a Group’s past claims development experience can be used to project future claims development and hence ultimate claims costs.

Recoverable & Recourse Claims: The provision which is formed on the valuation date of the Financial Statements for recoverable claims; it is actuarially calculated based on historical information.

Payable benefits: Insurance benefits due that have not been paid to policyholders up to the date of the Financial Statements.

Unit-Linked reserves: The provisions intended to meet liabilities of contracts whose benefits are linked to the value of units of a fund that includes financial instruments.

Liability Adequacy Test (LAT): The Group assesses whether its recognised insurance liabilities are adequate by applying a liability adequacy test (“LAT”), by using current estimations of future cash flows. Any additional liability resulting from the LAT increases the carrying amount of insurance liabilities as determined in accordance with the above mentioned contracts and is charged to profit or loss.

2.11.4 Reinsurance Treaties

The Group's receivables from reinsurers, including their share in insurance reserves are recognised as assets under «Reinsurance receivables". The liabilities to reinsurers mainly concern premiums ceded to reinsurers.

The Group assesses whether the claims from reinsurers are impaired on the reporting date, and reduces accordingly their accounting value, recognizing the impairment loss in profit or loss. Reinsurance receivables are impaired only when:

(i) There is objective evidence, as a result of the event that took place following the initial recognition of the receivable, that the current estimates of future cash flows attributed to those receivables differ from the original estimate of such cash flows

(ii) This event has a reliably measurable impact on the amounts that the Group will receive from the reinsurer.

Amounts paid for retrospective reinsurance are recognized in reinsurance receivables, increased by the amount of the reserves relating to the reinsured insurance contracts. Any resulting gain is deferred and amortized until the settlement of the outstanding claims. If the total amount paid exceeds the reserves recognized, the excess is immediately charged to profit or loss.

2.12 Insurance receivables

Insurance receivables include premiums receivable from policyholders, brokers, tied agents as well as legal claims. The Group has signed contracts with its associates which provide time credit to associates for the collection of premiums. Premiums are generally collected in accordance with the provisions of the Policy for the Management and Collection of Premiums ("PODIPEA"). Insurance receivables are recognised on the Financial Statements on the issue date of insurance contracts.

2.12.1 Provision for impairment of insurance receivables

A provision for the impairment of insurance receivables is recognised if there is objective evidence that the Group will be unable to collect all amounts due on a contract according to the original contractual terms.

The Group assesses whether objective evidence of impairment exists for the portfolio of receivables that are considered individually significant. A receivable is subject to an impairment test when the outstanding balance is overdue for a period over ninety days and/or such qualitative indications exist, at the assessment date, which indicate that the policyholder will not be able to meet their insurance obligations.

At each balance sheet date, all past due or doubtful receivables are assessed to determine whether or not a provision for non-performing receivables is required. The balance of such provision is appropriately adjusted at each balance sheet date in order to reflect all possible risks. Any amount written off is debited to the existing provision. It is the Group's policy not to write off an account until all possible legal action has been exhausted.

2.13 Sale and repurchase agreements

Securities sold subject to a commitment to repurchase them at a predetermined price ('Repos') are retained on the statement of financial position and the counterparty liability is included in amounts due to banks, due to customers or other deposits, as appropriate.

2.14 Property and equipment, including right of use assets (ROU).

Property and equipment include land and buildings, leasehold improvements and transportation and other equipment, held by the Group for use in the supply of services or for administrative purposes. Property and equipment are initially recorded at cost, which includes all costs necessary to bring an asset into operating condition. ROU assets are presented together with property and equipment in the statement of financial position.

Subsequent to initial recognition, Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Costs incurred subsequent to the acquisition of an asset which is classified as property and equipment are capitalised only when it is probable that they will result in future economic benefits to the Group beyond those originally anticipated for the asset, otherwise they are expensed as incurred.

Depreciation of an item of property and equipment begins when the asset is available for use and ceases only when the asset is derecognised. Therefore, the depreciation of an asset that is retired from active use does not cease unless it is fully depreciated, but its useful life is reassessed. Property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Land	*No depreciation*
Buildings (own-used)	*Not exceeding 50 years*
Buildings (investment)	*Not exceeding 50 years*
Leasehold improvements	*Residual lease term, not exceeding 12 years*
Furniture and related equipment	*Not exceeding 12 years*
Motor vehicles	*Not exceeding 10 years*
Hardware and other equipment	*Not exceeding 5 years*
ROU assets	*On a straight-line basis over the lease term*

At each reporting date the Group assesses whether there is any indication that an item of property and equipment and right of use assets may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. Where the carrying amount of an asset exceeds its estimated recoverable amount, it is written down to its recoverable amount. Gains and losses on disposal of property and equipment are determined by reference to their carrying amount and are taken into account in determining profit or loss before tax.

2.15 Investment property

Investment property includes land and buildings owned by the Group (or held through a finance lease agreement) with the intention of earning rent or for capital appreciation or both, and is initially recorded at cost, which includes transaction costs.

Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and any accumulated impairment losses.

Investment property is depreciated on a straight-line basis over its estimated useful life, which approximates the useful life of similar assets included in property and equipment. Investment property is reviewed for impairment when there is an indication of impairment or at least on an annual basis.

2.16 Goodwill, software, and other intangible assets

2.16.1 Goodwill

Subsequent to initial recognition, goodwill is stated at cost, as established at the date of acquisition (see Note 2.5.2 “Business combinations-Goodwill”) less accumulated impairment losses.

Goodwill is allocated to cash-generating units (“CGUs”) for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The Group assesses goodwill for possible impairment annually or more frequently if there are indications for impairment. The assessment involves estimating whether the carrying amount of the goodwill remains fully recoverable. When making this assessment the Group compares the carrying value of the CGU to which the goodwill is allocated against its recoverable amount, which is the higher of fair value less cost to sell and value in use. Fair value is estimated by reference to market value, if available, or is determined by a qualified evaluator or pricing model. If the recoverable amount is less than the carrying amount, an irreversible impairment loss is recognised, and the goodwill is written down by the excess of the carrying amount of the unit over its recoverable amount.

2.16.2 Software

Software includes costs that are directly associated with identifiable and unique software products controlled by the Group that are anticipated to generate future economic benefits exceeding costs beyond one year. Expenditure, which enhances or extends the performance of computer software programs beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Software is amortised using the straight-line method over the useful life, not exceeding a period of 20 years.

In particular for **internally generated software**, the amount initially recognised is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria. Where no internally generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Research costs are expensed as incurred. An internally generated software arising from development expenditure incurred on an individual project is recognized only when the Group can demonstrate:

- the technical feasibility of completing the internally generated software so that it will be available for use
- its intention to complete and use the asset
- the ability to use the asset
- how the asset will generate future economic benefits
- the ability of adequate technical, financial and other resources to complete the development and use the asset and
- the ability to measure reliably the expenditure during development.

Following the initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and impairment losses.

Expenditure on starting up an operation or branch, training personnel, advertising and promotion and relocating or reorganizing part or the entire Group is recognised as an expense when it is incurred.

2.16.3 Impairment

At each reporting date, management reviews intangible assets and assesses whether there is any indication of impairment. If such indications exist an analysis is performed to assess whether the carrying amount of intangible assets is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

2.17 Leases

The Group, at the inception of a contract, assesses whether the contract is or contains a lease by examining whether the Group has the right to control the use of an identified asset for a period of time obtaining substantially all the economic benefits from the use of the asset in exchange for a consideration.

2.17.1 A Group company is the lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets for which lease payments are recognised as operating expenses on a straight-line basis over the lease term.

At the commencement date of the lease the Group:

1. Recognises a right of use (“RoU”) asset representing the Group’s right to use the underlying asset in the statement of financial position.

2. Recognises a lease liability that represents the present value of the Group’s obligation to make lease payments over the lease terms in the statement of financial position.

3. Recognises depreciation on the RoU asset.

4. Reviews the RoU assets for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable over the remaining life. Any impairments are charged to the profit or loss.

5. Recognises interest expense on the lease liabilities in the profit or loss.

6. Separates the total amount of cash paid into the principal portion presented within financing activities and the accrued interest expense portion presented within operating activities in the cash flow statement.

2.17.2 RoU assets

As stated above, the Group recognizes RoU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). RoU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of RoU assets includes the amount of lease liabilities recognized, initial direct costs incurred, restoration costs and lease payments made at or before the commencement date less any lease incentives received. RoU assets are depreciated on a straight-line basis over the lease term.

RoU assets are presented in "Property & Equipment".

2.17.3 Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the future lease payments, discounted using the rate implicit in the lease or, if this rate cannot be readily determined, the lessee's incremental borrowing rate (IBR). The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the RoU asset, in a similar economic environment

The rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs. The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or a rate, if there is a change in the Group's estimate of the amounts expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the RoU asset, or is recorded in profit or loss if the carrying amount of the RoU asset has been reduced to zero.

2.17.4 Short-term leases and leases of low-value assets

The Group has elected not to recognize RoU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (less than €5,000). The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.17.5 A Group company is the lessor

Finance lease: When assets are leased out under a finance lease, the present value of the minimum lease payments is recognized as a receivable. Lease income is recognized over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return. Finance lease receivables are included in loans and advances to customers.

Operating lease: Non-financial assets leased out under operating leases are included in the statement of financial position based on the nature of the asset. They are depreciated over their useful lives on a basis consistent with similar owned property. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.18 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, unrestricted balances held with central banks, amounts due from other banks and highly liquid financial assets with original maturities of less than three months from the date of acquisition such as treasury bills and other eligible bills, investment and trading securities which are subject to insignificant risk of changes to fair value and are used by the Group in the management of its short-term commitments.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

2.20 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial guarantee contract, other than those assessed as insurance contracts, is recognised initially at their fair value and subsequently measured at the higher of: (a) the unamortized balance of the related fees received and deferred, and (b) the best estimate of the amount required to settle the guarantee at the reporting date.

2.21 Employee benefits

Group companies operate various post-employment benefit plans in accordance with local conditions and practices in their respective countries. Such plans are classified as defined benefit and defined contribution plans.

2.21.1 Defined benefit plans

A defined benefit plan is a post-employment benefit plan that defines an amount of benefit to be provided, determined using a number of financial and demographic assumptions. The most significant assumptions are the discount rate, inflation, expected salary increases and life expectancy. For defined benefit plans, the liability is the present value of the defined benefit obligation as at the reporting date minus the fair value of the plan assets.

The defined benefit obligation and the related costs are calculated by independent actuaries on an annual basis at the end of each annual reporting period, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds or government bonds that are denominated in the currency in which the benefits will be paid and, which have terms to maturity approximating the terms of the related liability, or for currencies for which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency shall be used. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability / (asset).

Service cost (current service cost, past service cost (including the effect of curtailments) and gains or losses on settlements) and net interest on the net defined benefit liability / (asset) are charged to profit or loss and are included in staff costs. The defined benefit obligation net of plan assets is recorded on the statement of financial position, with changes resulting from re-measurements (comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan asset (excluding interest)) recognized immediately in other comprehensive income, with no subsequent recycling to profit or loss, in order to fully reflect the full value of the plan deficit or surplus.

2.21.2 Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions, if the entity does not hold sufficient assets to pay all employees' benefits relating to employee service in the current and prior periods. Group contributions to defined contribution plans are charged to profit or loss in the year to which they relate and are included in staff costs.

2.22 Income taxes

Income tax on profits is determined in accordance with tax laws currently in force and is recognized as an expense in the period in which taxable profits arise.

Deferred tax is measured, using the liability method, on all temporary differences arising between the carrying amounts of assets and liabilities included in the consolidated Financial Statements and their respective tax basis amounts.

The principal temporary differences arise from revaluation of certain financial instruments, including securities and derivatives, insurance reserves, provisions for defined benefit obligations and other post-retirement benefits and property and equipment. Deferred tax assets relating to unused tax losses carried forward are recognised to the extent that it is probable that sufficient taxable profits will be available in the future against which these deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on laws that have been enacted or substantially enacted at the reporting date.

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profits nor the accounting profits.

Recognition of deferred tax assets is based on management's belief that it is probable that the tax benefits associated with certain temporary differences, such as tax losses carried forward and tax credits, will be realized, based on all available evidence. 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 all or part of the asset to be recovered. In making such determination, the Group and the Parent Company consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income and recent financial results. In the event the Group and the Parent Company were to determine that it would be able to realize their deferred income tax assets in the future in excess of their recorded amount, it would make an adjustment to increase the carrying amount of deferred tax assets.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax advances against current income tax liabilities and when they relate to income taxes levied by the same taxation authority and the management intends to settle its current tax assets and liabilities on a net basis.

Deferred income tax is recognised for temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

Deferred income tax relating to fair value changes of available-for-sale investment securities and cash flow hedges, which are charged or credited to other comprehensive income, is also credited or charged to other comprehensive income where applicable and is subsequently recognised in the profit or loss together with the deferred gain or loss.

2.23 Debt securities in issue and other borrowed funds

Debt securities issued and other borrowed funds are initially recognised at fair value net of transaction costs incurred. Subsequent measurement is at amortised cost (unless they are designated as at fair value through profit or loss) and any difference between net proceeds and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

2.24 Share capital

Share issue costs: Incremental external costs directly attributable to the issue of shares and other equity items, other than on a business combination, are deducted from equity after measuring the corresponding income tax.

Dividends on ordinary shares: Dividends on ordinary shares are recognised as a liability in the period in which they are approved by the Parent Company's Shareholders at the Annual General Meeting.

2.25 Business segments

The Group presents information per business segment on the basis of the most significant insurance activities.

Business segments presented in the Financial Statements are reported in a manner consistent with the internal reporting provided to the Management of the Parent company and the Group used for the decision making process regarding the development of the business strategy, the allocation of resources by business segment and the assessment of its performance.

2.26 Assets and liabilities held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification except as permitted by IFRS 5, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale on initial classification are measured at their lower of carrying amount and fair value less costs to sell. Assets and liabilities of disposal groups classified as held for sale and non-current assets classified as held for sale are shown separately on the face of the statement of financial position.

Impairment losses on initial classification as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent re-measurement.

If the Group has classified an asset (or disposal group) as held for sale, but the criteria for classification as such are no longer met, the Group ceases to classify the asset (or disposal group) as held for sale.

The Group measures a non-current asset (or disposal group) that ceases to be classified as held for sale (or ceases to be included in a disposal group classified as held for sale) at the lower of:

(a) its carrying amount before the asset (or disposal group) was classified as held for sale, adjusted for any depreciation or amortisation that would have been recognised had the asset (or disposal group) not been classified as held for sale, and

(b) its recoverable amount at the date of the subsequent decision not to sell.

2.27 Related party transactions

Related parties include entities, which the Group has control or the ability to exercise significant influence in making financial and operating decisions. Related parties include directors of the Parent Company and the members of the Board of Directors, their close relatives, companies owned or controlled by them and companies over which they can influence the financial and operating policies. Related parties also include the transactions of the Parent Company and the other companies of the Group with NBG as well as with its subsidiaries and affiliates.

2.28 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits related to the transaction will flow to the Group. Revenue recognition from insurance contracts is described in note 2.11.

Interest – Interest income is recognized as interest accrues using the effective interest rate.

Dividends - Dividend income is recognized when the right to receive payment is established by the shareholders, i.e. following approval by the General Meeting.

Rental income - Rental income from investment property is recognized on a systematic basis throughout the lease period.

2.29 Off - setting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when, and only when there is a legally enforceable right to offset the recognised amounts and there is an intention to realize the asset and settle the liability simultaneously or on a net basis.

2.30 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired.

A financial liability is derecognised when it matures, expires or when it is cancelled. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is immediately recognised in profit or loss.

NOTE 3: MANAGEMENT CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of Financial Statements in accordance with IFRS requires the use of estimates and assumptions that may affect the reported amount of assets liabilities, income and expense in the Consolidated and Parent company Financial Statements as well as disclosures on contingent assets and liabilities.

The use of available information and the application of judgement are inherent in the formation of estimates in the following areas: valuation of securities not traded in regulated markets, post-retirement benefits, insurance reserves, impairment of receivables, unaudited tax years and pending litigation. The results of the actual future events may differ materially from the above estimates. The management of the Group is certain that the estimates and the assumptions that have been carried out for the preparation of the Consolidated and Parent company Financial Statements reflect fully the events and the conditions as of 31 December 2020.

Significant accounting estimates and related uncertainty: The Group performs the key estimates and assumptions related to implementation of the IFRS on the below important cases:

3.1 Valuation of insurance provisions

Life insurance

Insurance reserves for life insurance operations (long-duration contracts) are estimated using approved actuarial methods that include assumptions about future investment yields, mortality, lapsation, expenses, options and guarantees, morbidity and terminations. Insurance contract liabilities are estimated based on facts existing at the contract issue date. Deviation from such estimates are anticipated within a margin of safety. Subsequent valuations at each reporting date determine whether the reserves are adequate in the light of the current estimates. The management of the Parent Company observes on a continuing basis the estimates of the outstanding claims in order to reflect the current economic conditions.

Non-Life Insurance

In addition to the case-by-case procedure, a number of statistical techniques are used for the estimation of the ultimate cost of claims incurred and the calculation of the corresponding reserves. These techniques are based on historical data for determining the ultimate cost and on assumptions related to average claim cost, future inflation and changes in the underlying legal framework. The process includes the calculation of the provision for claims that have not been reported to the Group companies until the estimation date.

3.2 Provision for income tax

In accordance with IAS 12, the income tax provision is determined by estimating the tax to be paid to the tax authorities and includes an estimation of current income tax for each year and a provision for additional taxes that may arise in the event of any tax audit. The settlement of income taxes may differ from the corresponding amount recognized in the Financial Statements.

3.3 Deferred tax

Deferred tax assets are recognised in respect of unrealized losses on bonds, shares and mutual funds, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the losses and deductible temporary differences can be set off. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies.

The management of the Parent Company considers that the recovery of the recognized deferred tax assets on December 31, 2020 is highly probable. The aforementioned estimation that future taxable profits will offset any increase of the deferred tax asset is based on the approved by the Board of Directors business plan.

3.4 Impairment of investment securities

The Group follows the guidance of IAS 39 to determine when investment securities are impaired. This determination requires significant judgment. In particular, for investments in equity instruments, the Group evaluates whether there has been a significant or prolonged decline in the fair value below its cost. In making this judgment, the Group considers among other factors, the normal volatility in the security price and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

3.5 Impairment of premium receivables

Provisions for non-performing insurance receivables are calculated as the difference between the receivables' carrying amount and the value of expected cash inflows resulting from assessing uncollected premiums and potential loss that may occur. Assessments are performed based on a documented methodology.

This methodology comprises two key components: individual and collective assessment.

Individually, recoverable assets are assessed by taking into consideration the financial status of the debtor, any securities or guarantees, the possibility of offsetting such receivables against current or future obligations of the Company, the breadth of the debtor's relationship and his past behavior regarding his transactions with the Company and the Group.

The assets to be recovered collectively are assessed on the basis of past trends projected into the future, taking into consideration the change of portfolio quality and size.

3.6 Impairment of property, plant and equipment and investment property

At the end of each period, the Group and the Parent Company assess evidence of impairment for their property, comparing the carrying value of their assets with their fair value, as determined by certified independent evaluators. The fair value is calculated on the basis of the value of similar property in the same area and of future income from lease contracts in force for the specific property. A decline in the fair value below its cost is considered to be evidence of impairment. In the event of investment or vacant property, its carrying value should be adjusted to the fair value, which is considered to be recoverable. As regards property used by the Group itself, the recoverable amount is determined on the basis of the value in use for the Company, while an impairment loss is recognized only if the recoverable amount is less than the carrying amount.

3.7 Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by using valuation methods. These include discounted cash flow and other models based mainly on observable input parameters and to a small extent to non-observable input parameters.

Valuation models are used primarily to value derivatives transacted in the over-the-counter market.

All valuation models are validated before they are used as a basis for financial reporting, and periodically reviewed thereafter, by qualified personnel independent of the area that created the model. Wherever possible, the Group compares valuations derived from models with quoted prices of similar financial instruments and with actual values when realised, in order to further validate and calibrate its models. A variety of factors are incorporated into the Group's models, including actual or estimated market prices and rates, such as time value and volatility, market depth and liquidity and credit risk.

The Group applies its models consistently from one period to the next, ensuring comparability and continuity of valuations over time, but estimating fair value inherently involves a significant degree of judgment. The management of the Group therefore establishes valuation adjustments to cover the risks associated with the estimation of unobservable input parameters and the assumptions within the models themselves.

Although a significant degree of judgment is, in some cases, required in establishing fair values, management believes the fair values recorded in the statement of financial position and the changes in fair values recorded in the income statement are prudent and reflective of the underlying economics, based on the controls and procedural safeguards employed.

3.8 Cost of defined benefit plans

The net cost of defined benefit plans is actuarially determined using assumed discount rates, rates of compensation increase, staff turnover and the expected long-term return on plan assets. The compensation increase is determined by reviewing the Group's salary increases each year. The expected long-term return on plan assets represents management's expectation of the average rate of earnings on the funds invested to provide for the benefits included in the projected benefit obligation.

NOTE 4: INSURANCE AND FINANCIAL RISK MANAGEMENT

4.1 Risk management framework

The Group considers an effective risk management framework to be a key factor in mitigating its exposure to risk and protecting shareholders and customers.

To this end, the Group adopts risk management practices and methodologies, taking into account all relevant guidelines and requirements set by the Regulatory Authority - Bank of Greece - and the competent authorities supervising the Group's entities, as well as by its parent company NBG.

In this context, a Risk Management Committee and an Asset Liability Committee (ALCO), as well as a Risk Management Division have been established.

The risks covered by the risk management framework at a minimum are as follows:

- Insurance risk
- Credit risk
- Market risk
- Operational risk
- Liquidity risk
- Concentration risk
- Reputational risk

Risk management procedures include risk identification, measurement, monitoring, control and reporting.

With the transition to the Solvency II regulatory framework the Group measures risks, taking also into account the provisions of the aforementioned framework.

The risk management framework is complemented by the Group Regulatory Compliance Division, which is in charge of compliance with legal and regulatory requirements applicable, and the Group Internal Audit Division, which reports directly to the Board through the Audit Committee and controls the effectiveness of the risk management framework and control environment.

4.1.1 Risk Management Committee

The Risk Management Committee develops and proposes to the Board of Directors the risk management, as well as the policies that govern the management of the undertaken risks and monitors their implementation and results.

The Risk Management Committee is comprised of 4 non-executive members of the Board, of whom three members are independent, non-executive members. The members and the chairman of the Committee are appointed by the Board of Directors following the recommendations of the Corporate Governance and Nominations Committee.

The Committee is responsible for the effective implementation of the risk management framework and for the assessment of the overall risk exposure of the Company and the Group, taking into account the approved Risk Management Strategy and the approved business plan of the Company and the Group. The Chief Risk Officer (CRO) recommends to the committee.

4.1.2 Risk Management Division

The risk Management Division supports the Risk Management Committee and Management in developing and effectively operating the risk management framework. Specifically, it aims at:

- Monitoring, controlling, assessing and reporting all significant risks.
- Supporting risk taking units by providing them with adequate risk management methodology and tools.
- Proposing risk management policies regarding significant risks undertaken by the Company and the Group.
- Submitting, along with other Units, action plans for the adjustment of risks undertaken within acceptable levels.

4.1.3 Asset – Liability Management

The asset/ liability management policy aims at shaping the balance sheet in such a way so as to mitigate liquidity risk and reduce the exposure to interest rate and other market risks.

In this context, an Assets-Liabilities Committee ("ALCO") has been established, authorized by the Board of Directors of the Company, in order to implement the Group's strategy and policy in terms of structure and management of Assets and Liabilities (Asset Liability Management), taking into account the current financial conditions in the markets, the defined risk limits set and the regulatory framework. This strategy is harmonized with the general asset and liability management policy as outlined by the Asset Liability Committee of the National Bank of Greece ("ALCO of the NBG"). The Committee consists of at least 9 members and meets once every two months or whenever deemed necessary by its Chairman.

Asset and liability management is performed by the Investment Management Division.

4.2 Insurance risk

Insurance contracts issued by the Group include either insurance or financial risk. The risk under any insurance policy is the possibility of the insured event resulting in a claim. By the very nature of an insurance policy, risk is based on fortuity and is therefore unpredictable.

The principal risk that the Group may face under its insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This could occur because the frequency and/or severity of claims is greater than estimated. Depending on the insurance product, this risk is influenced by macroeconomic changes, changes in customer behaviour, changes in public health, pandemics and catastrophic events such as earthquakes, industrial disasters, fires, riots or terrorism.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by the careful selection and implementation of the Group's underwriting policy, reinsurance strategy and internal guidelines, within an overall risk management framework. Pricing is based on assumptions and statistics and the Group's empirical data, taking into consideration current trends and market conditions and past experience.

For more information on exposure to insurance risk as a result of the Covid-19 pandemic, please refer to Note 4.9.

Reinsurance arrangements include facultative, treaty (proportional or other) and catastrophe coverage.

4.2.1 Life insurance contracts

Life insurance contracts written by the Group include whole life, endowment, term assurance, term assurance with survival benefit, pension, Unit-Linked and rider benefits attached to insurance contracts.

4.2.1.1 Traditional Life insurance contacts

These contracts insure events associated with policyholders' life (for example, death or survival).

Guaranteed benefits paid on occurrence of the specified insurance event are either fixed or linked to the financial loss suffered by the policyholder.

The main risks that the Group is exposed to under Life insurance contracts are the following:

- *Mortality risk*: risk of loss arising due to policyholder actual death experience being different than expected.
- *Longevity risk*: risk of loss arising due to the annuitant living longer than expected.
- *Expense risk*: risk of loss arising from expense experience being different than expected.
- *Lapse/Surrender risk*: risk of loss arising due to policyholder behaviour (lapses and surrenders) being different than expected.

Group has also significant exposure to contracts with guaranteed return.

Key assumptions

Life insurance policy estimates are initially made at inception of the policy, when the Group determines the key assumptions applicable to the type of life insurance policy, such as future deaths, voluntary terminations, investment returns and administration expenses. Subsequently, new estimates are developed at each reporting date to determine whether the liabilities are adequate in light of the current experience.

The key assumptions to which the estimation of liabilities is particularly sensitive are the following:

- *Mortality*: Assumptions are based on appropriate standard industry and national tables, according to the type of contract written, reflecting the recent historical experience of the Group and thus reflecting the best estimate for that year. Assumptions are differentiated by sex and type of insurance plan.
- *Expenses*: Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force contracts. The current level of expenses, as at 31 December 2020, is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.
- *Lapse and surrender rates*: Lapses relate to the termination of contracts due to non-payment of premiums. Surrenders relate to the voluntary termination of contracts by policyholders. Policy termination assumptions are determined using historical statistical measures based on the Group's experience and vary by product type.

- *Discount rate:* The liability adequacy test is based on the estimate of future cash flows. Future cash flows are discounted using the risk free curve, published by EIOPA, plus a spread known as illiquidity premium. The illiquidity premium is defined as the parallel shift of the risk-free curve that achieves the matching of liabilities and assets, less by the fundamental spread published by EIOPA.
- *Rate that option to surrender is exercised at the beginning of retirement*: The percentage of policyholders in individual insurance programs which elect for a lump-sum benefit (surrender value) instead of a monthly pension benefit, which is estimated based on Company's past experience.

Liability adequacy test

Life business comprises of the following three main categories depending on the nature of the cover:

i. *Individual traditional contracts (whole life, endowment, pure endowment, term, pension plans etc.):*

The test was based on the projection of the future cash flows using current assumptions in terms of mortality, lapses, proportion of policyholders receiving a lump sum benefit on a monthly basis at the beginning of the retirement, interest rate and expenses for the expected remaining term of insurance contracts. The aforementioned test resulted in additional reserves.

ii. *Unit-Linked contracts:*

Analysis considered both risks associated to parameters (mortality, lapses, interest rate, expenses) and risks associated to guaranteed return at the end of the policy terms. Despite the increase in the value of the funds during the last year an additional liability was necessary to cover the guaranteed return to policyholders.

iii. Pension beneficiaries that stem from Deposit Administration Funds ("DAF"):

The process followed was similar to that of individual traditional contracts. The test produced a liability that exceeded reserves to cover longevity risk.

Sensitivity Analysis

The sensitivity analysis set out below is calculated for those factors which are considered significant (discount rate and lapse rates) as regards the effect of their change in the recorded reserves.

The results of the sensitivity analysis refer to the liabilities which relate to the portfolio of individual traditional contracts, to benefits to pensioners who previously held DAF contracts as well as to the portfolio of Unit Linked contracts.

2020	Change in assumptions	Increase/(Decrease) on Insurance Liabilities *(€ thousands)*
Discount Rate	+0.50%	(45,622)
	-0.50%	50,734
Lapse / Surrender Rates	increase by +10%	(7,312)
	decrease by -10%	7,900
Mortality Rates	increase by +10%	(1,302)
	decrease by -10%	1,511
Operating Expenses	increase by +10%	3,766

2019	Change in assumptions	Increase/(Decrease) on Insurance Liabilities *(€ thousands)*
Discount Rate	+0.50%	(47,705)
	-0.50%	52,749
Lapse / Surrender Rates	increase by +10%	(8,309)
	decrease by -10%	8,906
Mortality Rates	increase by +10%	(1,298)
	decrease by -10%	1,496
Operating Expenses	increase by +10%	5,721

4.2.1.2 Riders on Life insurance products

Life insurance contracts may include personal accident and hospitalization riders, which protect the Group's clients from the consequences of disability or hospital treatment due to an accident or illness of the policyholder or their dependents.

The main risks that the Group is exposed to under Life insurance contracts are the following:

- *Morbidity risk:* risk of loss arising due to policyholder health experience being different than expected.
- *Expense risk:* risk of loss arising from expense experience being different than expected.
- *Lapse/Surrender risk:* risk of loss arising due to policyholder behaviour (lapses and surrenders) being different than expected.

Key assumptions

The key assumptions (apart from lapse / surrender risk, expense risk and discount rate) to which the estimation of liabilities is particularly sensitive are as follows:

- *Morbidity rates*: Rates of hospitalization, by age and type of coverage, derived from the historical experience.
- *Disability*: Disability percentages for life riders with benefits in the event of disability of the policyholder are based mainly on the corresponding rates of reinsurance contracts currently in force.

Liability adequacy test

Life business comprises of the following two main categories depending on the nature of the cover:

i. Hospitalisation riders:

The test was based on current assumptions for discount rate, morbidity ratios, medical claim inflation, lapse rate, expenses and annual premium increase. The aforementioned test did not result in additional reserves.

ii. Other riders:

The test was based on current assumptions for discount rate, disability rates, lapses and expenses. The test resulted in additional reserves.

The liability adequacy test for health insurance contracts (health riders) was based on the estimation of the present value of the portfolio's future cash flows. The test did not result in additional technical reserves as it did not exceed Unearned Premium Reserve (UPR) that was already recorded.

Sensitivity analysis

The sensitivity analysis set out below is calculated for those factors which are considered significant as regards the effect of their change in Company's technical reserves.

2020	Change in assumptions	Increase/(Decrease) on insurance Liabilities *(€ thousands)*
Disability Rates	increase by +10%	2,485
	decrease by -10%	(2,492)
Morbidity Rates	increase by +5%	31,224
	decrease by -5%	-

2019	Change in assumptions	Increase/(Decrease) on Insurance Liabilities *(€ thousands)*
Disability Rates	increase by +10%	2,761
	decrease by -10%	(2,769)
Morbidity Rates	increase by +5%	29,959
	decrease by -5%	-

4.2.2 Non-life Insurance

The Group provides products that cover a large range of risks such as personal, commercial, industrial risks and other risks related to property damage and third party liability.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The diversity of risks is also improved by careful selection and implementation of underwriting policy, reinsurance strategy and internal guidelines, within an overall risk management framework. Pricing is based on past experience taking into consideration current trends and market conditions.

For specific risks arising from an unexpected number of claims or unusually large claims, appropriate proactive practices are applied to all operating levels of the Group:

Underwriting process: The criteria for the acceptance of insurance risk are such that a geographical dispersion of risks and their diversification to different activity sectors are ensured. Furthermore where necessary, policy limits and claim deductibles are applied in order to reduce the Group's share of the risk. In addition, in many cases insurance contracts include exclusion clauses for risks whose probability of occurrence and financial consequences are difficult to estimate (such as general third party liability or environmental risks with discernable causing events).

Claims handling: The Group's policy for claims handling is focused on the timely settlement of claims and the prevention of fraudulent cases being accepted by the Group. This is achieved by appropriate information systems, reliable claim assessment procedures and qualified personnel with a high degree of ethical standing.

Provisions for Outstanding Claims: In addition to the claim-by-claim procedure, a number of statistical and actuarial techniques are employed for the estimation of the ultimate cost of claims incurred and the calculation of the corresponding reserves. These techniques are based on historic data for the determination of the final cost and on assumptions regarding the average claims' cost, future inflation, changes in legal framework, as well as on expert judgment. The process entails a significant degree of subjectivity, particularly with regards to the estimation of the incurred claims reserve for bodily injury, loss of life, legal cases and damage of property. The process includes the creation of reserves which have not been reported to the Group companies at the reporting date.

Reinsurance Policy: The selection of the optimal reinsurance coverage varies depending on the nature of the risks involved, the Group's solvency and its capacity to absorb losses arising from extreme events. The structure of the reinsurance program ensures the protection against high frequency of claims, exceptional claims or concentration of claims. The Group places particular emphasis on the coverage of catastrophic events, arising from natural perils, such as earthquakes by selecting reinsurance programs that cover events with a small probability of incurrence.

Liability adequacy test

For all lines of businesses a liability adequacy test is performed for the adequacy of the technical provisions. With regards to the motor line of business (the largest line of business), historical data was examined on a per nature of claim basis, for each accident year after 2000 and the following methods were applied in order to estimate the ultimate cost for each accident year: cumulative payments, incurred claims, average claim cost projections and the Bornhuetter-Ferguson, Cape Cod και Benktander methods of which the results were selected for the estimation of the total cost for each accident year.

Claims development tables

The tables below present the development of the incurred claims cost for each accident year from 2014 to 2020. In addition, the corresponding amounts of the cumulative actual claims payments are included, in order for there to be a distinction between actual payments and reserves. Outstanding claims estimates for years prior to 2014 are presented for reconciliation reasons. Note that for Motor TPL, where additional reserves, resulted from the LAT performed (for both IBNR claims and adverse future deviation of the case estimates for reported claims) are included in the estimates presented.

For the Fire business (the second largest property and casualty line of business after Motor), the total cost per year is the sum of the cumulative payments and the reserves per case (no additional reserves resulted from the LAT performed).

The Motor and Fire lines of business account for over 85% of the outstanding claim reserves balances.

Motor TPL claims development	(€ thousands)								
Accident year	**Reserves prior to 2014**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Total**
Accident year	-	60,735	49,720	47,832	40,213	45,080	43,006	34,886	
One year later	-	53,301	51,943	45,799	50,398	52,258	46,747		
Two years later	-	52,013	51,094	47,687	50,701	53,165			
Three years later	-	53,678	51,049	48,298	50,860				
Four years later	-	52,525	50,736	47,011					
Five years later	-	49,363	50,079						
Six years later	-	39,645							
Current estimate of cumulative claims		**39,645**	**50,079**	**47,011**	**50,860**	**53,165**	**46,747**	**34,886**	**322,391**
Accident year	-	(12,398)	(11,494)	(10,832)	(10,198)	(9,994)	(9,353)	(8,318)	
One year later	-	(20,576)	(18,386)	(19,605)	(17,048)	(17,093)	(14,975)		
Two years later	-	(23,299)	(21,134)	(21,950)	(19,772)	(19,795)			
Three years later	-	(25,846)	(22,719)	(23,585)	(20,944)				
Four years later	-	(29,396)	(25,259)	(25,550)					
Five years later	-	(29,438)	(26,465)						
Six years later	-	(31,561)							
Cumulative payments		**(31,561)**	**(26,465)**	**(25,550)**	**(20,944)**	**(19,795)**	**(14,975)**	**(8,318)**	
Total outstanding claims reserve	**56,299**	**8,084**	**23,613**	**21,461**	**29,916**	**33,370**	**31,772**	**26,568**	**231,083**

Fire claims development	(€ thousands)								
Accident year	**Reserves prior to 2014**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**Total**
Accident year	-	14,890	36,378	17,467	14,246	14,086	9,852	7,669	
One year later	-	13,175	34,477	21,241	22,263	18,618	8,786		
Two years later	-	20,125	13,540	21,629	22,112	18,511			
Three years later	-	31,571	13,890	22,230	20,821				
Four years later	-	31,448	12,458	21,098					
Five years later	-	31,108	12,413						
Six years later	-	31,122							
Current estimate of cumulative claims		**31,122**	**12,413**	**21,098**	**20,821**	**18,511**	**8,786**	**7,669**	**120,420**
Accident year	-	(6,154)	(4,679)	(12,306)	(2,759)	(8,651)	(3,259)	(1,805)	
One year later	-	(9,976)	(10,957)	(15,386)	(7,231)	(11,773)	(5,949)		
Two years later	-	(11,270)	(11,391)	(17,786)	(8,152)	(12,049)	-		
Three years later	-	(30,414)	(11,478)	(19,308)	(10,429)				
Four years later	-	(30,518)	(11,587)	(20,784)					
Five years later	-	(30,529)	(11,589)						
Six years later	-	(30,583)							
Cumulative payments		**(30,583)**	**(11,589)**	**(20,784)**	**(10,429)**	**(12,049)**	**(5,949)**	**(1,805)**	
Total outstanding claims reserve	**3,455**	**539**	**823**	**313**	**10,392**	**6,462**	**2,837**	**5,864**	**30,686**

4.3 Credit Risk

Credit Risk Concentration

The Group doesn't have significant credit risk concentration from its counterparties. Maximum exposure to credit risk is reflected by the amount of each asset. The main counterparties by whom the Group is exposed to credit risk are reinsurers who may be unable to cover their share of insurance claims already paid to beneficiaries, policyholders and other partners of the Group (agents and others) who may be unable to pay insurance premiums due, the issuers of bonds on which the Group has invested as well as the banks in which it holds time deposits. With the transition to the new Solvency II supervisory framework, the Group measures the counterparty default risk according to the provisions of SII framework, which also take into account the concentration of this risk per counterparty.

The solvency capital requirements for counterparty default risk at 31.12.2020 amounts to 3.1% of the total Solvency capital requirement after risk diversification (2019: 3.2%).

The Group's policy is to enter into transactions which fulfil high standards and are based on a high level of creditworthiness.

Exposure to credit risk

The following table sets out the maximum exposure of the Group and the Parent Company to credit risk by asset, as recognized in the statement of financial position (without taking into account any guarantees or/and collaterals as they are reported on the statement of financial position). Among domestic government bonds, the parent company possess Greek Government Bonds (GGBs) amounting to €649,059 thousands and €535,326 thousands for 2020 and 2019 respectively and has short term placements in Greek Treasury Bills (T-bills) amounting to €467,701 thousands and €572,698 thousands for 2020 and 2019 respectively. Despite the fluctuation in the credit spread of the GGBs observed on 30.04.2020 the effect of the credit risk on the Group and Parent company is limited.

	Note	GROUP		PARENT COMPANY	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019
		(€ thousands)		*(€ thousands)*	
Available-for-sale securities					
- Debt securities (Bonds)					
- Greek Government	26	1,116,760	1,108,024	1,116,760	1,108,024
- Foreign Government	26	1,106,794	872,401	1,096,072	864,267
- Greek Corporate-listed	26	119,571	132,798	119,571	132,798
- Foreign Corporate-listed	26	303,891	255,785	303,891	255,785
- Mutual funds					
- Greek	26	200,330	203,727	200,330	203,727
- EU	26	185,589	102,909	185,589	102,909
FVTPL securities					
- Trading Securities					
Debt securities (Bonds)					
-Foreign Government	27	19,616	15,829	-	-
- Total FVTPL securities excl. Trading securities and Unit - Linked					
Mutual funds					
- Foreign	27	6,274	3,832	-	-
- Derivative financial instruments	27	907	716	907	716
Securities classified as loans and receivables					
- Greek Corporate – Listed	28	-	7,392	-	7,392
- Foreign Government	28	41,153	41,281	41,153	41,281
Insurance premium receivables and other receivables	30	117,890	122,973	107,266	112,650
Reinsurance receivables	31	81,321	83,203	64,351	66,137
Cash and cash equivalents					
-Greek banks	32	56,888	108,001	51,670	102,330
- Non Greek banks	32	9,540	11,958	-	-
Total credit risk		**3,366,524**	**3,070,829**	**3,287,560**	**2,998,016**

The table below presents an analysis of debt securities as at 31 December 2020 and 31 December 2019 by credit rating and investment category, based on Standard and Poor's (S&P) or an equivalent rating agency in case there is no available rating by the (S & P). Category AAA is the highest rating. The “Not Rated” category includes mainly Greek Treasury Bills and the mutual funds.

GROUP

31 December 2020 — *Credit rating*	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC**	**CC**	**C**	**Not Rated**	**Total**
						(€ thousands)					
Available-for-sale securities											
- Debt securities (Bonds)	44,134	289,933	146,784	767,416	693,239	-	2,631	6,620	-	696,259	**2,647,016**
- Equities	-	-	-	-	-	-	-	-	-	44,171	**44,171**
- Mutual funds	-	-	-	-	-	-	-	-	-	385,919	**385,919**
Securities at fair value through profit or loss											
Trading securities											
- Debt securities (Bonds)	-	-	-	19,396	-	220	-	-	-	-	**19,616**
- Equities	-	-	-	-	-	3	-	-	-	6	**9**
Mutual funds	-	5,116	-	660	-	498	-	-	-	-	**6,274**
- Unit Linked (Contracts that the policyholder bears the risk)	-	-	1,753	25,917	95,001	342,072	-	-	-	105,298	**570,041**
- Derivative financial instruments	-	-	-	-	907	-	-	-	-	-	**907**
Securities classified as loans and receivables	-	-	-	-	41,153	-	-	-	-	-	**41,153**
Insurance premium and other receivables	-	-	-	-	-	-	-	-	-	49,009	**49,009**
Loans receivables	-	-	-	-	-	-	-	-	-	15,995	**15,995**
Reinsurance receivables	-	39,568	38,085	369	-	-	-	-	-	3,299	**81,321**
Cash and Cash Equivalent	-	-	2,157	-	-	43,447	16,637	-	-	4,187	**66,428**
Total credit risk	**44,134**	**334,617**	**188,779**	**813,758**	**830,300**	**386,240**	**19,268**	**6,620**	**-**	**1,304,143**	**3,927,858**

31 December 2019 — *Credit rating*	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC**	**CC**	**C**	**Not Rated**	**Total**
						(€ thousands)					
Available-for-sale securities											
- Debt securities (Bonds)	41,115	267,838	147,945	587,576	576,091	-	8,619	-	-	739,824	**2,369,008**
- Equities	-	-	-	-	-	-	-	-	-	38,613	**38,613**
- Mutual funds	-	-	-	-	-	-	-	-	-	306,636	**306,636**
Securities at fair value through profit or loss											
Trading securities											
- Debt securities (Bonds)	-	-	219	15,409	-	201	-	-	-	-	**15,829**
- Equities	-	-	-	-	-	5	-	-	-	7	**12**
Mutual funds	-	2,682	-	654	-	496	-	-	-	-	**3,832**
- Unit Linked (Contracts that the policyholder bears the risk)	-	2,038	690	22,609	94,196	341,194	-	-	-	130,400	**591,127**
- Derivative financial instruments	-	-	-	-	-	716	-	-	-	-	**716**
Securities classified as loans and receivables	-	-	-	7,392	41,281	-	-	-	-	-	**48,673**
Insurance premium and other receivables	-	-	-	-	-	-	-	-	-	43,936	**43,936**
Loans receivables	-	-	-	-	-	-	-	-	-	16,784	**16,784**
Reinsurance receivables	-	37,582	41,753	154	-	-	-	-	-	3,714	**83,203**
Cash and Cash Equivalent	-	-	1,919	-	-	103,930	6,565	-	-	7,545	**119,959**
Total credit risk	**41,115**	**310,140**	**192,526**	**633,794**	**711,568**	**446,542**	**15,184**	**-**	**-**	**1,287,459**	**3,638,328**

31 December 2020 — Credit rating	PARENT COMPANY AAA	AA	A	BBB	BB	B	CCC	CC	C	Not Rated	Total
	(€ thousands)										
Available-for-sale securities											
- Debt securities (Bonds)	44,134	289,933	146,784	756,694	693,239	-	2,631	6,620	-	696,259	**2,636,294**
- Equities	-	-	-	-	-	-	-	-	-	44,171	**44,171**
- Mutual funds	-	-	-	-	-	-	-	-	-	385,919	**385,919**
Securities at fair value through profit or loss											
Trading securities											
- Debt securities (Bonds)	-	-	-	-	-	-	-	-	-	-	**-**
- Equities	-	-	-	-	-	-	-	-	-	-	**-**
Mutual funds	-	-	-	-	-	-	-	-	-	-	**-**
- Unit Linked (Contracts that the policyholder bears the risk)	-	-	-	5,665	94,450	334,755	-	-	-	100,749	**535,619**
- Derivative financial instruments	-	-	-	-	907	-	-	-	-	-	**907**
Securities classified as loans and receivables	-	-	-	-	41,153	-	-	-	-	-	**41,153**
Insurance premium and other receivables	-	-	-	-	-	-	-	-	-	39,509	**39,509**
Loans receivables	-	-	-	-	-	-	-	-	-	15,995	**15,995**
Reinsurance receivables	-	30,109	31,171	369	-	-	-	-	-	2,702	**64,351**
Cash and Cash Equivalent	-	-	737	-	-	33,256	16,637	-	-	1,040	**51,670**
Total credit risk	**44,134**	**320,042**	**178,692**	**762,728**	**829,749**	**368,011**	**19,268**	**6,620**	**-**	**1,286,344**	**3,815,588**

31 December 2019 — Credit rating	AAA	AA	A	BBB	BB	B	CCC	CC	C	Not Rated	Total
	(€ thousands)										
Available-for-sale securities											
- Debt securities (Bonds)	41,115	267,838	147,945	579,442	576,091	-	8,619	-	-	739,824	**2,360,874**
- Equities	-	-	-	-	-	-	-	-	-	38,613	**38,613**
- Mutual funds	-	-	-	-	-	-	-	-	-	306,636	**306,636**
Securities at fair value through profit or loss											
Trading securities											
- Debt securities (Bonds)	-	-	-	-	-	-	-	-	-	-	**-**
- Equities	-	-	-	-	-	-	-	-	-	-	**-**
Mutual funds	-	-	-	-	-	-	-	-	-	-	**-**
- Unit Linked (Contracts that the policyholder bears the risk)	-	-	-	5,382	93,276	334,733	-	-	-	126,832	**560,223**
- Derivative financial instruments	-	-	-	-	-	716	-	-	-	-	**716**
Securities classified as loans and receivables	-	-	-	7,392	41,281	-	-	-	-	-	**48,673**
Insurance premium and other receivables	-	-	-	-	-	-	-	-	-	34,815	**34,815**
Loans receivables	-	-	-	-	-	-	-	-	-	16,784	**16,784**
Reinsurance receivables	-	28,084	34,659	154	-	-	-	-	-	3,240	**66,137**
Cash and Cash Equivalent	-	-	737	-	-	93,994	6,565	-	-	1,034	**102,330**
Total credit risk	**41,115**	**295,922**	**183,341**	**592,370**	**710,648**	**429,443**	**15,184**	**-**	**-**	**1,267,778**	**3,535,801**

The following table provides information on the exposure of the Group and the Parent Company to credit risk and based on the maturity analysis of receivables net of any provision for impairment.

	<180 days	181 - 360 days	>360 days	Total past due, non impaired receivables	<180 days	181 - 360 days	>360 days	Total past due, non impaired receivables
	(€ thousands)				(€ thousands)			
Insurance premium and other receivables	43,949	2,815	2,245	**49,009**	38,313	1,220	4,403	**43,936**
Loans receivables	433	163	15,399	**15,995**	409	105	16,270	**16,784**
Reinsurance receivables	18,854	(386)	62,853	**81,321**	19,567	550	63,086	**83,203**
Total	**63,236**	**2,592**	**80,497**	**146,325**	**58,288**	**1,875**	**83,759**	**143,923**

PARENT COMPANY	31/12/2020				31/12/2019			
	<180 days	181 - 360 days	>360 days	Total past due, non impaired receivables	<180 days	181 - 360 days	>360 days	Total past due, non impaired receivables
		(€ thousands)				*(€ thousands)*		
Insurance premium and other receivables	37,168	958	1,383	**39,509**	32,608	(95)	2,302	**34,815**
Loans receivables	433	163	15,399	**15,995**	409	105	16,270	**16,784**
Reinsurance receivables	9,220	(2,659)	57,790	**64,351**	9,816	(1,698)	58,019	**66,137**
Total	**46,821**	**(1,538)**	**74,572**	**119,855**	**42,833**	**(1,688)**	**76,591**	**117,736**

Past due balances under "Insurance premium receivables", “Loans” and "Reinsurance receivables" set out above, are presented net of the corresponding provision for impairment (see Notes 30 and 31, accordingly) which has been calculated taking into consideration any property restricted in favour of the Company. Financial and non-financial assets are reviewed for impairment in line with the Group's accounting principles, as detailed under Note 2. Loans are collateralized by real estate and other financial and non-financial assets.

4.4 Liquidity risk

Liquidity risk concerns the time matching between assets and liabilities in order the cash equivalent and the cash inflows that arise from the insurance premiums and the liquidation of financial assets to be sufficient to cover the claims of the policyholders and other obligations of the Group.

The Group manages liquidity risk by monitoring cash flows on an ongoing basis. It calculates and monitors the expected cash flows, and takes the appropriate measures to maintain cash and unused credit limits granted by banks. The following table presents an analysis of the maturity of financial liabilities of the Group and the Parent Company.

GROUP					
31 December 2020	**Up to 1 year**	**1 to 3 yrs**	**4 to 8 yrs** *(€ thousands)*	**Over 8 yrs**	**Total**
Mathematical reserves, technical insurance provisions and investment contracts	381,580	414,133	781,691	1,188,039	**2,765,443**
Financial and other liabilities	71,901	1,230	51,540	-	**124,671**
Reinsurance liabilities	21,464	21	93	-	**21,578**
Total	**474,945**	**415,384**	**833,324**	**1,188,039**	**2,911,692**

31 December 2019	**Up to 1 year**	**1 to 3 yrs**	**4 to 8 yrs** *(€ thousands)*	**Over 8 yrs**	**Total**
Mathematical reserves, technical insurance provisions and investment contracts	416,048	287,382	821,311	1,167,116	**2,691,857**
Financial and other liabilities	77,268	1,083	49,210	-	**127,561**
Reinsurance liabilities	31,638	36	57	-	**31,731**
Total	**524,954**	**288,501**	**870,578**	**1,167,116**	**2,851,149**

PARENT COMPANY

31 December 2020	**Up to 1 year**	**1 to 3 yrs**	**4 to 8 yrs** (*€ thousands*)	**Over 8 yrs**	**Total**
Mathematical reserves, technical insurance provisions and investment contracts	356,576	409,699	728,794	1,188,040	**2,683,109**
Financial and other liabilities	66,240	1,230	50,232	-	**117,702**
Reinsurance liabilities	21,357	21	93	-	**21,471**
Total	**444,173**	**410,950**	**779,119**	**1,188,040**	**2,822,282**

31 December 2019	**Up to 1 year**	**1 to 3 yrs**	**4 to 8 yrs** (*€ thousands*)	**Over 8 yrs**	**Total**
Mathematical reserves, technical insurance provisions and investment contracts	393,767	282,106	811,021	1,128,684	**2,615,578**
Financial and other liabilities	72,358	888	48,746	-	**121,992**
Reinsurance liabilities	31,772	36	57	-	**31,865**
Total	**497,897**	**283,030**	**859,824**	**1,128,684**	**2,769,435**

The table below sets out the maturity of the financial assets of the Group and the Parent company. The maturity analysis is based on the remaining contractual term for DAC and on expected contractual collection for receivables. Unit Linked contracts cannot be categorized into short-term and long-term receivables as their liquidation depends on the policyholders who bear the risk.

GROUP

31 December 2020	***Current assets****	***Non-current assets*** (*€ thousands*)	***Unit-Linked***	***Total assets***
Deferred acquisition costs (DAC)	14,504	29,004	-	**43,508**
Available-for-sale securities	476,587	2,600,519	-	**3,077,106**
Securities at fair value through profit or loss	5,293	21,513	570,041	**596,847**
Securities classified as loans and receivables	-	41,153	-	**41,153**
Insurance premium and other receivables	88,127	29,763	-	**117,890**
Reinsurance receivables	17,527	63,794	-	**81,321**
Cash and cash equivalents	66,547	-	-	**66,547**
Total	**668,585**	**2,785,746**	**570,041**	**4,024,372**

31 December 2019	Current assets*	Non-current assets	Unit-Linked	Total assets
		(€ thousands)		
Deferred acquisition costs (DAC)	13,878	26,005	-	**39,883**
Available-for-sale securities	630,514	2,083,743	-	**2,714,257**
Securities at fair value through profit or loss	7	20,382	591,127	**611,516**
Securities classified as loans and receivables	7,392	41,281	-	**48,673**
Insurance premium and other receivables	88,832	34,141	-	**122,973**
Reinsurance receivables	20,330	62,873	-	**83,203**
Cash and cash equivalents	120,113	-	-	**120,113**
Total	**881,066**	**2,268,425**	**591,127**	**3,740,618**

*Expected recovery or maturity within 12 months from the reporting date of the Financial Statements.

Short-term and long-term receivables refer to assets regarding life insurance, non-life insurance and DAF investment contracts.

The Unit Linked contracts are categorized at fair value through P&L as their liquidation depends on the policyholders who bear the investment risk.

PARENT COMPANY

31 December 2020	Current assets*	Non-current assets	Unit-Linked	Total assets
		(€ thousands)		
Deferred acquisition costs (DAC)	11,520	29,004	-	**40,524**
Available-for-sale securities	476,587	2,589,797	-	**3,066,384**
Securities at fair value through profit or loss	-	907	535,619	**536,526**
Securities classified as loans and receivables	-	41,153	-	**41,153**
Insurance premium and other receivables	78,591	28,675	-	**107,266**
Reinsurance receivables	5,404	58,947	-	**64,351**
Cash and cash equivalents	51,675	-	-	**51,675**
Total	**623,777**	**2,748,483**	**535,619**	**3,907,879**

31 December 2019	Current assets*	Non-current assets	Unit-Linked	Total assets
		(€ thousands)		
Deferred acquisition costs (DAC)	11,143	25,984	-	**37,127**
Available-for-sale securities	627,964	2,078,159	-	**2,706,123**
Securities at fair value through profit or loss	-	716	560,223	**560,939**
Securities classified as loans and receivables	7,392	41,281	-	**48,673**
Insurance premium and other receivables	81,233	31,417	-	**112,650**
Reinsurance receivables	8,117	58,020	-	**66,137**
Cash and cash equivalents	102,334	-	-	**102,334**
Total	**838,183**	**2,235,577**	**560,223**	**3,633,983**

*Expected recovery or maturity within 12 months from the reporting date of the Financial Statements.

Short-term and long-term receivables refer to assets regarding life insurance, non-life insurance and DAF investment contracts.

4.5 Market Risk

Market risk concerns the possibility of losses due to changes in the level or volatility of market indicators, such as share prices, interest rates and foreign exchange rates with direct impact on fair value risk. The Group and the Parent Company apply techniques to measure market risk, such as Value-at-Risk measurement, sensitivity analysis, and interest rate risk analysis.

4.5.1 Foreign exchange risk

Foreign exchange risk is the risk that the fair value or the future cash flows of a financial asset may change due to fluctuations on the exchange rate.

The Group's exposure to foreign exchange risk is limited since its commercial transactions in other currencies are not extensive. However, it is exposed to foreign exchange risk due to reinsurance contracts including a foreign currency clause, and due to the operating activities of GARANTA S.A., but such exposure is not considered significant at Group level, due to the minor effect of the foreign currency risk in the total assets and liabilities respectively. The receivables of the Parent Company on foreign currency consist of the 0.2% of the total assets (2019:0.3%). The respective percentage for the Group amounts to 0.7% (2019: 0.8%).
In order to contain foreign exchange risk on liabilities, the Group matches assets and liabilities from insurance and investment contracts by currency.
In accordance with Group, the Group's exposure to foreign exchange risks regularly monitored by Management.

4.5.2 Interest rate risk

Interest rate risk is the potential for investment losses that result from a change in interest rates. The Group's exposure to interest rate risk is minor, since it does not hold significant long-term financial liabilities. However, the Group monitors the impact of interest rate risk. The Group's policy includes investing a significant part of its portfolio in bonds and debt securities.

The Group monitors regularly the effect of interest rate risk. The policy of the Group is to possess an investment portfolio in which the maturity and the yield of the bonds match with the insurance reserve.

The Management constantly monitors the trend of the interest rates and the financial needs of the Group in order to succeed the match between the assets and the liabilities.

Sensitivity analysis of bonds and debt securities to a vertical change of the yield curve:

Parent Company **31 December 2020**	**Up to 1 year**	**1 to 2 yrs**	**2 to 5 yrs**	**Over 5 yrs**
	(€ thousands)			
	+ 25 bps. - Impact on valuation: increase / (decrease)			
Bonds - Impact on Equity	(424)	(41)	(2,222)	(54,295)
	- 25 bps. - Impact on valuation: increase / (decrease)			
Bonds - Impact on Equity	431	42	2,287	57,282

31 December 2019	Up to 1 year	1 to 2 yrs	2 to 5 yrs	Over 5 yrs
		(€ thousands)		
	+ 25 bps. - Impact on valuation: increase / (decrease)			
Bonds - Impact on Equity	(268)	(59)	(2,688)	(39,679)
	- 25 bps. - Impact on valuation: increase / (decrease)			
Bonds - Impact on Equity	278	61	2,725	41,900

The increased impact of changes in interest rates on bonds reflects the increase of the Parent Company's investment portfolio of bonds with a maturity of over five years due to the new net sales during the year. This change in the asset mix was decided by the ALCO in order to march maturity of investments to that of insurance reserves.
The above sensitivity analysis refers to AFS bonds and debt securities at 31 December 2020, a change in the value of which would affect Equity.

4.5.3 Equity risk

Equity risk is the risk of reduction in the value of an investment due to the reduction in its share price. The Group eliminates its exposure to equity risk by setting limits through its investment policy.

Sensitivity analysis of holdings of shares in fluctuations of prices:

Index 31.12.2020	Change of variables	Impact on Equity *(€ thousands)*
GI ASE	+5%	1,417
GI ASE	-5%	(1,417)

Index 31.12.2019	Change of variables	Impact on Equity *(€ thousands)*
GI ASE	+5%	934
GI ASE	-5%	(934)

The method of sensitivity analysis remains the same as the previous financial year.

4.5.4 Risk of guarantees

Traditional insurance contracts offer a guaranteed return based on a technical interest rate; Unit-Linked Life Insurance contracts also provide guaranteed benefits at maturity. The negative deviation between the guaranteed benefit/ technical interest rate and the achieved return reflects the risk of guarantees.

The ALCO systematically monitors this risk and takes measures to reduce it.

4.6 Concentration risk

Concentration risk for the Group relates mainly to financial assets (market risk concentration) as well as to insurance premium receivables, reinsurance receivables, loans and other receivables (default risk concentration). The Group manages concentration risk by setting limits and guidelines in its Investment policy, by diversification of its insurance contract portfolio and by entering into treaties only with highly rated reinsurers. From the transition to the new Solvency II supervisory framework and onwards, the Group measures concentration risk according to the provisions of that framework. There are no solvency capital requirements for the concentration risk at 31.12.2020 in relation to the total capital requirement (2019: 0.0%).

4.7 Operational risk

Operational risk concerns the possibility of internal processes and systems of the Company not operating properly, which may lead to quantitative and qualitative losses. To reduce operational risk, the Company has developed adequate control and reporting procedures to detect, assess, manage and record operational risk. These procedures include the detailed documentation of internal processes and controls, the division of responsibilities, the continuous training of employees, the reconciliation and approval processes, as well as the supervision by the Internal Audit Division. When the effect of operational risk is significant, the Company has developed a plan to minimise operational risk within the acceptable limits for the Company, in compliance with its risk appetite. It is noted that the control framework applied by the Company, is improved on a constant and ongoing basis.

4.8 Capital management

The minimum limit of share capital and total equity of the Group's companies is determined by the regulatory authorities and the company law of each country in which the Group is active. Total equity is monitored by the Group regularly, at least on a quarterly basis, and compared to the required minimum limits, taking into consideration the developments within each Group company or in the external environment that may affect available funds to a great extent.

The Group regularly monitors on a quarterly basis the capital requirement according to the Solvency II regulatory framework by examining the solvency capital requirements (SCR) and the minimum capital requirements (MCR) in relation with the boundaries that are set internally by the company and externally by the European and national regulatory frameworks.

Additionally, the Group determines the classification of the own funds according to the provisions of the supervisory framework by examining whether they meet the criteria for each Tier of own funds and by applying the appropriate quantitative limits for the eligibility of own funds.

4.9 Covid-19 Pandemic

The spread of the Covid-19 pandemic has negatively affected global economic activity with the Greek economy facing continuing challenges, which are exacerbated due to its heavy reliance on services and on tourism.

In the light of the developments caused by the pandemic, the Parent Company and the Group recognize the challenges associated with the economic recession, closely monitor the evolution of key financial figures and reassess the potential impact on their risk profile, strategy and business plan.

In particular for the Parent Company and the Group, the possible effects of the pandemic are focused on the following areas:

- Premiums and operating profitability
- Insurance claims
- Market Value of Investment Portfolio
- Regulatory Own Funds and Solvency
- Liquidity
- Business continuity

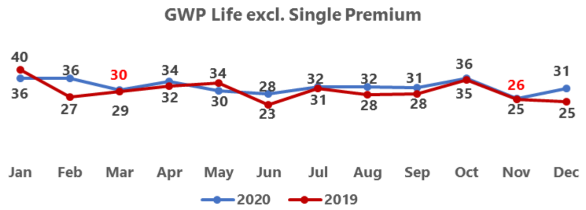
The Parent Company and the Group deals with success the above risks.

More specifically:

- **Premiums and operating profitability**

Premiums

The Covid-19 pandemic and the implementation of the restrictive measures by the Greek government, in March 2020 and November 2020 and for as long as they were in force, interrupted the increasing production of Life insurance premiums for the Parent Company and the Group, as shown in the diagram below. However, the total production was higher than the previous year by 6.9% and 7.2% respectively (excluding single premium products).



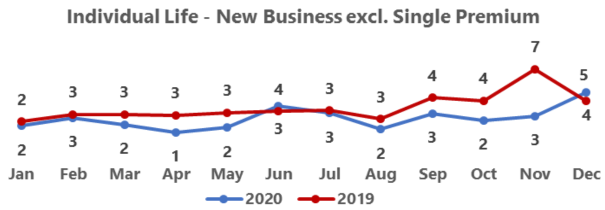
Single premium products of the Parent Company and the Group decreased by 48.1% and 47.3%, respectively, compared to the previous year. The decrease in gross written premium of the guaranteed single premium products is in line with management's intentions and planning to replace such products with non-guaranteed Unit-Linked products.

Non-Life Business, of the Parent Company and the Group, increased by 4.3% and 3.3%, respectively.

However, the Parent Company and the Group recognize the risks associated with the expected economic downturn and continuously assess the potential impact on their business plan.

New Business

Parent Company's Life and Health new business, excluding single-premium products, decreased during the first wave of the pandemic, with a partial recovery since then, as presented in the below chart.



With regards to contract surrenders of the Parent Company and the Group, there has been no increase within the year due to Covid-19.

Operating profitability

During the first half of 2020 the most significant negative impact on profitability for the Parent Company and the Group stemmed from a) the decline of the yield curve which is used to discount insurance reserves, which adversely affected traditional life insurance reserves, but also from b) valuation losses of assets relating to guaranteed Unit-Linked products, which adversely affected the results to the extent that the related assets did not meet the guaranteed return.

During the second half of 2020 there was stabilization of the yield curve as well as positive valuations of assets relating to Unit-Linked contracts. Furthermore, there has been a positive effect on profitability from the decrease in the loss ratio of the motor and health lines of business, due, respectively, to the restrictions in circulation imposed as a measure to deal with the pandemic and due to the increased hygiene measures and social distancing which has led to a decrease in other infectious diseases. The aforementioned positive effects on the motor business are considered temporary and are expected to reverse once restrictions on circulation are lifted, but the increased hygiene consciousness is expected to continue in the mid-term, thus benefiting Parent Company's and Group's profits in the forthcoming future.

As a result of the above, profit before tax for the Parent Company and the Group amounted to €85.7 million and €87.9 million respectively for 2020, compared to €81.7 million and €82.3 million for 2019.

- **Insurance Claims**

Life insurance:

There are no products offering coverage against pandemic / epidemic. Life insurance contracts of the Parent Company and the Group do not exclude the coverage of those risks.

Non-Life insurance:

In Non-life insurance, the total risk exposure as well as the own retention for claims reported to date relating to Covid-19 pandemic are negligible.

- **Market value of investment portfolio**

The increased risk posed by Covid-19 outbreak had prompted investors to seek safe havens in bonds with high credit ratings, resulting in a fall in the risk-free interest rate curve and an increase in the credit spreads of government and corporate bonds with lower credit ratings.

The fluctuations of the credit spread of the Greek government bonds, which form a significant portion of the fixed income portfolio, had been accompanied by corresponding fluctuations in equity and mutual fund portfolios of Parent Company and Group. However, the measures taken by the ECB in mid-March 2020, to include Greek government bonds in QE program, as well as optimism on the evolution of the pandemic, have fully reversed any unrealized valuation losses that the Parent Company and the Group had suffered in their fixed income, equity and mutual fund portfolios.

As a result, the total valuation gains of financial assets, which are not Unit-Linked assets, of the Parent Company and the Group amounted to €156 million and €158 million, respectively, for the financial year 2020. More specifically, valuation gains from bonds amounted to €157 million for the Parent Company and €159 million for the Group, valuation gains from mutual funds amounted to €4 million both for the Parent Company and for the Group, while valuation losses from equities amounted to €5 million both for the Parent Company and for the Group. Valuation gains of assets covering Unit-Linked with guarantees for the same period amounted to €2 million, both for the Parent Company and the Group.

As at 31 December 2020, the total market value of the investment portfolio, including Unit-Linked products, amounted to €3.710 million for the Parent Company and to €3.797 million for the Group, compared to €3.458 million and €3.534 million as at 31 December 2019, respectively.

- **Regulatory Own Funds and Solvency**

The capital adequacy of the Parent Company and the Group in the first quarter of 2020 was mainly affected by valuation losses of investment portfolio, driven by the increase in credit spreads of south European government bonds.

However, as aforementioned, this trend was reversed by the end of the year with a positive effect on the capital adequacy of the Parent Company and the Group as the valuation gains of the financial assets portfolio increased by €126 million at 31 December 2020 compared to 31 December 2019.

The above gains was offset by the increase in technical provisions due to the decrease in the risk-free curve (average thirty years) by 48 bps on 31 December 2020 compared to 31 December 2019, as a result of which the solvency capital requirement ratio as at 31 December 2020 remained at the same level as of 31 December 2019, both at a Parent Company and Group level.

- **Liquidity**

The Parent Company and the Group did not experience any liquidity issues in 2020. The daily average premium collections for the Parent Company during March - December 2020, increased by 6.1% compared to the corresponding period of 2019 (increase by 6.0% for the Group), excluding premium collections from "Efapax ETHNIKIS+" product. The ability of the Parent Company and the Group to pay claims and other short term liabilities (i.e. payroll, suppliers, taxes, etc.) has not been affected by Covid-19.

Moreover, the Parent Company and the Group hold a significant amount of bank deposits and Treasury Bills of Greek Government ("EGED"). As at 31 December 2020, cash and cash equivalents amounted to €51.7 million for the Parent Company and €66.5 million for the Group and treasury bills amounted to €468 million both for the Parent Company and for the Group; in a total market value of the investment portfolio €3,710 million for the Parent Company and €3,797 million for the Group. The above amount of cash and cash equivalents and EGED is considered sufficient to absorb any potential increased liquidity needs.

- **Business continuity**

The Parent Company and the Group adapted quickly and effectively to the new situation and the challenges posed by the Covid-19 pandemic. The primary concern is to ensure the health and safety of the human resources and the associates of the Group, as well as the proper and timely coverage to the extent of possible of all the needs of its policyholders.

Within this framework, the Parent Company has put into effect a revised Business Continuity Plan ("BCP"), which adequately responds to the pandemic scenario, taking into account the crucial parameters and details regarding Covid-19 pandemic. The basic actions taken are the following:

- Minimizing physical presence in Company's premises through the provision of a safe environment to work remotely, by supplying more than 70% of the workforce with personal laptops.
- Targeted adjustments in work flows, in order to make communication and customer service more efficient without physical presence in the Parent Company's premises. Among these, replacing the physical signature on printed material, by using electronic form for Personal Statement through "gov.gr" website.
- Decentralization of call center services, by exploiting of the three already available for use facilities and decongestion of employment locations.
- Limiting the insurance intermediaries' service through call center and forwarding them to electronic communications channel, in order to provide them the maximum amount of time to meet the policyholders' increased needs.

Corresponding plans were implemented in the other companies of the Group.

As human resources are the most important assets of the Parent Company and the Group, a number of actions have been implemented to protect it such as personal hygiene and protective equipment, avoidance of business trips and meetings and protection of vulnerable groups.

4.10 Climate change

Climate risks are recognized as a threat to society, with potential adverse implications for financial stability and the viability of insurers. Climate change is under way, affecting the economy and posing material financial risks. The effects of weather-related natural catastrophes are being amplified by climate change and are causing significant financial losses worldwide. Efforts to transition to a low-carbon economy, for the protection of the environment and the limitation of global warming, creates new risks and new opportunities for companies and financial institutions.

Climate risks include but are not limited to:

- Physical risks that arise from weather and climate-related events, like rising sea levels due to melting ice caps, and
- Transition risks that arise as society adjusts to a low-carbon economy, including the risk that investments may lose value

Physical risks consist of:

- acute risks, which are event-driven (e.g. hurricanes, wildfires)
- chronic risks, which are longer-term in nature (ag. Changes in weather patterns that affect water availability)

Transition risks arise from responses to climate changes, leading to policy, legal, technology, market and reputational risks. A critical component of transition risks is the energy sector as the world moves away from a fossil-fuel driven energy system towards renewable energy.

As the climate change effects are long-term and constantly evolving, the quantification of these risks is difficult.

NOTE 5: BUSINESS SEGMENTS

The Group presents information for the following business segments (primary information). The following business segments reflect Management's understanding and assessment of business operations.

Life insurance: This segment relates mainly to life insurance contracts issued by the Group which include whole life, endowment, term assurance, term assurance with survival benefit, pension, Unit-Linked, rider benefits attached to life insurance contracts and investment contracts.

Non-life insurance – Motor insurance: This segment includes insurance contracts covering Third Party Liability (TPL), own vehicle damage, legal expenses and roadside assistance.

Non-life insurance – Fire insurance: This segment includes contracts covering fire, earthquake, theft risk and loss of profit.

Non-life insurance – Other Sectors: This segment includes contracts covering risks for cargo, general third party liability, marine hull, marine crew and other.

The Group operates in Greece, Romania and Cyprus.

None of the policyholders, whether individuals or legal entities (neither on a separate nor on a consolidated basis) contributes more than 10% of total premiums to the Parent Company and the Group.

The information as presented by business segment in the previous year has been restated for comparability purposes.

GROUP				31/12/2020		
	Note	LIFE	MOTOR	FIRE	OTHER	TOTAL
				(€ thousands)		
Gross earned premiums and related income	6	324,862	84,505	78,433	37,018	524,818
Less: Ceded premiums to reinsurers	7	(5,582)	(7,376)	(40,448)	(16,337)	(69,743)
Net earned premiums and related income		**319,280**	**77,129**	**37,985**	**20,681**	**455,075**
Investment income	8,9,10	90,635	8,351	1,084	1,024	101,094
Impairment of financial assets	11	(9,093)	(740)	(413)	(181)	(10,427)
Total investment income		**81,542**	**7,611**	**671**	**843**	**90,667**
Other income	12	5,685	653	280	313	6,931
		406,507	**85,393**	**38,936**	**21,837**	**552,673**
Policyholder benefits and claims incurred	13	(294,949)	(26,032)	(1,412)	(10,424)	(332,817)
Commission expenses	14	(56,152)	(12,641)	(1,748)	(3,536)	(74,077)
Movement in mathematical insurance reserves	15	45,148	-	-	-	45,148
General and administrative expenses		(54,404)	(24,315)	(14,187)	(10,130)	(103,036)
Profit before tax		**46,150**	**22,405**	**21,589**	**(2,253)**	**87,891**
Liabilities from insurance and investment contracts						
Mathematical reserves and technical insurance provisions	36	1,122,191	290,389	55,077	68,361	1,536,019
Investment contracts liabilities	37	1,229,424	-	-	-	1,229,424
Total		**2,351,615**	**290,389**	**55,077**	**68,361**	**2,765,443**

GROUP	Note	LIFE	MOTOR	FIRE	OTHER	TOTAL
			31/12/2019 (€ thousands)			
Gross earned premiums and related income	6	307,442	84,005	74,398	35,264	501,109
Less: Ceded premiums to reinsurers	7	(6,405)	(5,489)	(37,520)	(12,352)	(61,766)
Net earned premiums and related income		**301,037**	**78,516**	**36,878**	**22,912**	**439,343**
Investment income	8,9,10	175,379	13,093	1,965	1,671	192,108
Impairment of financial assets	11	(1,039)	-	-	-	(1,039)
Total investment income		**174,340**	**13,093**	**1,965**	**1,671**	**191,069**
Other income	12	5,003	360	112	121	5,596
		480,380	**91,969**	**38,955**	**24,704**	**636,008**
Policyholder benefits and claims incurred	13	(321,285)	(42,240)	(5,942)	(11,461)	(380,928)
Commission expenses	14	(53,910)	(12,776)	(2,993)	(3,241)	(72,920)
Movement in mathematical insurance reserves	15	25,815	-	-	-	25,815
General and administrative expenses		(54,131)	(27,707)	(14,968)	(13,752)	(110,558)
Profit/ (Loss) before tax and voluntary retirement scheme		**76,869**	**9,246**	**15,052**	**(3,750)**	**97,417**
Voluntary retirement scheme						(15,073)
Profit before tax						**82,344**
Liabilities from insurance and investment contracts						
Mathematical reserves and technical insurance provisions	36	1,176,523	303,860	60,196	64,171	1,604,750
Investment contracts liabilities	37	1,087,107	-	-	-	1,087,107
Total		**2,263,630**	**303,860**	**60,196**	**64,171**	**2,691,857**

PARENT COMPANY	Note	LIFE	MOTOR	FIRE	OTHER	TOTAL
			31/12/2020 (€ thousands)			
Gross earned premiums and related income	6	310,341	74,366	72,673	26,073	483,453
Less: Ceded premiums to reinsurers	7	(3,876)	(5,133)	(36,759)	(15,640)	(61,408)
Net earned premiums and related income		**306,465**	**69,233**	**35,914**	**10,433**	**422,045**
Investment income	8,9,10	86,549	7,937	787	718	95,991
Impairment of financial assets	11	(9,093)	(740)	(413)	(181)	(10,427)
Total investment income		**77,456**	**7,197**	**374**	**537**	**85,564**
Other income	12	5,646	393	68	116	6,223
		389,567	**76,823**	**36,356**	**11,086**	**513,832**
Policyholder benefits and claims incurred	13	(289,973)	(21,482)	(1,142)	(5,866)	(318,463)
Commission expenses	14	(54,526)	(11,181)	(2,010)	(1,432)	(69,149)
Movement in mathematical insurance reserves	15	52,238	-	-	-	52,238
General and administrative expenses		(51,657)	(21,085)	(12,098)	(7,885)	(92,725)
Profit before tax		**45,649**	**23,075**	**21,106**	**(4,097)**	**85,733**
Liabilities from insurance and investment contracts						
Mathematical reserves and technical insurance provisions	36	1,067,244	276,355	49,451	60,634	1,453,685
Investment contracts liabilities	37	1,229,424	-	-	-	1,229,424
Total		**2,296,668**	**276,355**	**49,451**	**60,634**	**2,683,109**

PARENT COMPANY	Note	LIFE	MOTOR	FIRE	OTHER	TOTAL
				31/12/2019		
				(€ thousands)		
Gross earned premiums and related income	6	294,831	74,195	68,806	23,380	461,212
Less: Ceded premiums to reinsurers	7	(4,883)	(3,402)	(33,898)	(11,377)	(53,560)
Net earned premiums and related income		**289,948**	**70,793**	**34,908**	**12,003**	**407,652**
Investment income	8,9,10	168,936	12,539	1,590	1,168	184,233
Impairment of financial assets	11	(1,039)	-	-	-	(1,039)
Total investment income		**167,897**	**12,539**	**1,590**	**1,168**	**183,194**
Other income	12	4,939	126	18	20	5,103
		462,784	**83,458**	**36,516**	**13,191**	**595,949**
Policyholder benefits and claims incurred	13	(316,511)	(36,247)	(5,568)	(4,668)	(362,994)
Commission expenses	14	(52,846)	(11,355)	(3,338)	(1,201)	(68,740)
Movement in mathematical insurance reserves	15	33,818	-	-	-	33,818
General and administrative expenses		(51,760)	(24,127)	(13,668)	(11,711)	(101,266)
Profit/ (Loss) before tax and voluntary retirement scheme		**75,485**	**11,729**	**13,942**	**(4,389)**	**96,767**
Voluntary retirement scheme						(15,073)
Profit before tax						**81,694**
Liabilities from insurance and investment contracts						
Mathematical reserves and technical insurance provisions	36	1,128,563	290,159	54,564	55,185	1,528,471
Investment contracts liabilities	37	1,087,107	-	-	-	1,087,107
Total		**2,215,670**	**290,159**	**54,564**	**55,185**	**2,615,578**

Impairment losses of financial assets refer mainly to equity securities and mutual funds held by the Parent Company, which have a significant or prolonged decline in their fair value.

NOTE 6: EARNED (GROSS) PREMIUMS & RELATED INCOME

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
		(€ thousands)		
Written premiums and related income	325,558	309,692	311,067	297,067
Movement in unearned premium reserve	(696)	(2,250)	(726)	(2,236)
Earned life insurance premiums	**324,862**	**307,442**	**310,341**	**294,831**
Written premiums and related income	84,519	84,738	74,058	74,512
Movement in unearned premium reserve	(14)	(733)	308	(317)
Earned motor insurance premiums	**84,505**	**84,005**	**74,366**	**74,195**
Written premiums and related income	79,012	75,277	73,228	69,491
Movement in unearned premium reserve	(579)	(879)	(555)	(685)
Earned fire insurance premiums	**78,433**	**74,398**	**72,673**	**68,806**
Written premiums and related income	38,899	35,884	27,925	24,030
Movement in unearned premium reserve	(1,881)	(620)	(1,852)	(650)
Earned premiums from other lines of business	**37,018**	**35,264**	**26,073**	**23,380**
Total gross earned premiums and related income	**524,818**	**501,109**	**483,453**	**461,212**

Written premiums for year 2020, of the Group and the Parent Company, include premiums from assumed reinsurance of €51 thousands and €140 thousands respectively. The respective amounts for year 2019, were €68 thousands and €170 thousands, respectively.
Earned life insurance premiums do not include premiums from investment contracts amounting to (€160,759) thousands for 2020 and (€264,633) thousands for 2019 respectively, which are included in “interest, dividends and other investment income ” (see Note 8).

NOTE 7: CEDED PREMIUMS TO REINSURERS

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
		(€ thousands)		
Ceded premiums to reinsurers	(6,330)	(6,068)	(4,646)	(4,553)
Movement in unearned premium reserve	748	(337)	770	(330)
Ceded life insurance premiums	**(5,582)**	**(6,405)**	**(3,876)**	**(4,883)**
Ceded premiums to reinsurers	(7,503)	(5,766)	(5,184)	(3,583)
Movement in unearned premium reserve	127	277	51	181
Ceded motor insurance premiums	**(7,376)**	**(5,489)**	**(5,133)**	**(3,402)**
Ceded premiums to reinsurers	(41,487)	(38,193)	(37,765)	(34,464)
Movement in unearned premium reserve	1,039	673	1,006	566
Ceded fire insurance premiums	**(40,448)**	**(37,520)**	**(36,759)**	**(33,898)**
Ceded premiums to reinsurers	(15,523)	(13,103)	(14,809)	(12,161)
Movement in unearned premium reserve	(814)	751	(831)	784
Ceded premiums – Other lines of business	**(16,337)**	**(12,352)**	**(15,640)**	**(11,377)**
Total ceded premiums to reinsurers	**(69,743)**	**(61,766)**	**(61,408)**	**(53,560)**

NOTE 8: INTEREST, DIVIDENDS AND OTHER INVESTMENT INCOME

	GROUP		COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Trading securities				
Dividends	29	38	-	-
Interest income	420	314	-	-
	449	**352**	**-**	**-**
Available-for-sale securities				
Dividends	4,150	871	4,150	871
Interest income	44,357	42,596	44,018	42,336
	48,507	**43,467**	**48,168**	**43,207**
Held-to-maturity securities				
Interest income	-	5,691	-	5,691
	-	**5,691**	**-**	**5,691**
Securities classified as loans and receivables				
Interest income	2,573	3,782	2,573	3,782
	2,573	**3,782**	**2,573**	**3,782**
Other investments				
Rental income	3,891	4,218	3,877	4,210
Interest on deposits and other interest income	1,114	3,213	1,054	2,995
Dividends	-	23	-	23
	5,005	**7,454**	**4,931**	**7,228**
Return attributable to investment contract holders	**(13,943)**	**(10,812)**	**(13,943)**	**(10,812)**
Total interest, dividends and other investment income	**42,591**	**49,934**	**41,729**	**49,096**

Line item “Return attributable to investment contract holders” refers to DAF contracts, legacy unit –linked portfolio and endowment contracts with premium return in case of death.

NOTE 9: GAINS/ (LOSSES) ON DISPOSAL OF INVESTMENTS

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
		(€ thousands)		
Available-for-sale securities				
Equities	2,014	4,004	2,014	4,004
Debt securities (bonds)	23,690	71,646	23,690	71,646
Mutual funds	14,260	11,659	14,260	11,659
Subtotal	**39,964**	**87,309**	**39,964**	**87,309**
Held to maturity securities				
Debt securities (bonds)	-	3,642	-	3,642
Subtotal	**-**	**3,642**	**-**	**3,642**
Loans and receivables				
Debt securities (bonds)	-	394	-	394
Subtotal	**-**	**394**	**-**	**394**
Realized gains on Investments	**39,964**	**91,345**	**39,964**	**91,345**

During 2020, the Parent Company recognised significant gains of €39,964 thousands, mainly due to the disposal of Greek Government Bonds and to a lesser extent of Foreign Government Bonds, mutual funds and equities (see Note 26).

NOTE 10: UNREALISED GAINS/(LOSSES) ON INVESTMENTS

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
		(€ thousands)		
Trading				
Equities	(13)	(1)	-	-
Debt securities (bonds)	1,688	1,992	-	-
Derivatives	191	24	191	24
Subtotal	**1,866**	**2,015**	**191**	**24**
Other investments				
Mutual funds	107	394	-	-
Unit-Linked valuation differences	16,566	48,420	14,107	43,768
Subtotal	**16,673**	**48,814**	**14,107**	**43,768**
Total unrealized gains from investments	**18,539**	**50,829**	**14,298**	**43,792**

Investment valuations relating to Unit-Linked products remained at a positive level, although being reduced in 2020 compared to 2019 due to the effects of Covid-19 pandemic.

NOTE 11: IMPAIRMENT OF FINANCIAL ASSETS

Impairment losses on available for sale equity securities and mutual funds for the Group and the Parent Company are analysed as follows:

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)		*(€ thousands)*	
Impairment charge for securities				
Debt securities (bonds)	(1,427)	-	(1,427)	-
Equity securities	(6,655)	(1,039)	(6,655)	(1,039)
Mutual Funds	(2,345)	-	(2,345)	-
Total impairment loss on financial assets	**(10,427)**	**(1,039)**	**(10,427)**	**(1,039)**

The higher impairment losses on financial assets in the first quarter of 2020, are mainly attributed to the valuation losses as a result of Covid-19 pandemic.

NOTE 12: OTHER INCOME

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Gains on foreign exchange differences	251	247	70	6
Unit-Linked fees	3,842	4,847	3,842	4,847
Other fees from third parties	24	26	24	26
Gain on disposal of fixed assets	1,510	9	1,503	9
Other fees from third parties	1,304	467	784	215
Total other income	**6,931**	**5,596**	**6,223**	**5,103**

On June 18, 2020, the Parent Company sold the property at 7 Stadiou Street, Athens for a price of € 170 thousands. The gain on the sale amounted to €42 thousands and is included in “Gain on disposal of fixed assets” (see note 20).

On December 23, 2020, the Parent Company sold the property at 40 Amalias Street, Athens for a price of € 5,599 thousands. The gain on the sale amounted to € 1,461 thousands and is included in “Gain on disposal of fixed assets” (see note 20).

NOTE 13: POLICYHOLDER BENEFITS AND CLAIMS INCURRED

GROUP	TOTAL	REINSURER SHARE	GROUP SHARE	TOTAL	REINSURER SHARE	GROUP SHARE
		31/12/2020			31/12/2019	
		(€ thousands)			(€ thousands)	
Life insurance	(299,094)	1,356	(297,738)	(321,193)	1,041	(320,152)
Non-life insurance - Motor	(40,339)	1,275	(39,064)	(45,798)	1,242	(44,556)
Non-life insurance - Fire	(10,841)	7,300	(3,541)	(11,917)	6,971	(4,946)
Non-life insurance - Other lines	(11,460)	3,491	(7,969)	(13,563)	5,353	(8,210)
Paid claims	**(361,734)**	**13,422**	**(348,312)**	**(392,471)**	**14,607**	**(377,864)**
Life insurance	4,304	(1,515)	2,789	(411)	(722)	(1,133)
Non-life insurance - Motor	13,241	(209)	13,032	1,336	980	2,316
Non-life insurance - Fire	3,707	(1,578)	2,129	787	(1,783)	(996)
Non-life insurance - Other lines	4,270	(6,725)	(2,455)	3,328	(6,579)	(3,251)
Change in outstanding claims	**25,522**	**(10,027)**	**15,495**	**5,040**	**(8,104)**	**(3,064)**
Total policyholder benefits and claims incurred	**(336,212)**	**3,395**	**(332,817)**	**(387,431)**	**6,503**	**(380,928)**

PARENT COMPANY	TOTAL	REINSURER SHARE	COMPANY SHARE	TOTAL	REINSURER SHARE	COMPANY SHARE
		31/12/2020			31/12/2019	
		(€ thousands)			(€ thousands)	
Life insurance	(292,927)	225	(292,702)	(316,120)	702	(315,418)
Non-life insurance - Motor	(34,411)	(29)	(34,440)	(39,299)	(129)	(39,428)
Non-life insurance - Fire	(10,068)	6,708	(3,360)	(10,966)	6,422	(4,544)
Non-life insurance - Other lines	(5,622)	3,345	(2,277)	(7,121)	5,170	(1,951)
Paid claims	**(343,028)**	**10,249**	**(332,779)**	**(373,506)**	**12,165**	**(361,341)**
Life insurance	3,228	(499)	2,729	(594)	(499)	(1,093)
Non-life insurance - Motor	13,325	(367)	12,958	3,548	(367)	3,181
Non-life insurance - Fire	3,758	(1,540)	2,218	516	(1,540)	(1,024)
Non-life insurance - Other lines	3,003	(6,592)	(3,589)	3,875	(6,592)	(2,717)
Change in outstanding claims	**23,314**	**(8,998)**	**14,316**	**7,345**	**(8,998)**	**(1,653)**
Total policyholder benefits and claims incurred	**(319,714)**	**1,251**	**(318,463)**	**(366,161)**	**3,167**	**(362,994)**

The decrease in paid life claims is mainly attributed to lower surrenders of the portfolio of contracts where the policyholders bear the investment risk, while the decrease in paid car claims is mainly due to the fall of the loss ratio, as a result of traffic restrictions imposed as a measure to confront the pandemic.

NOTE 14: COMMISSION EXPENSES

GROUP	COMMISSION EXPENSE	COMMISSION INCOME FROM REINSURERS	TOTAL	COMMISSION EXPENSE	COMMISSION INCOME FROM REINSURERS	TOTAL
		31/12/2020			31/12/2019	
		(€ thousands)			*(€ thousands)*	
Life insurance	(58,181)	2,029	(56,152)	(56,637)	2,727	(53,910)
Non-life insurance - Motor	(12,810)	169	(12,641)	(12,879)	103	(12,776)
Non-life insurance - Fire	(11,813)	10,065	(1,748)	(12,098)	9,105	(2,993)
Non-life insurance - Other lines	(5,201)	1,665	(3,536)	(5,464)	2,223	(3,241)
Total commission expenses	**(88,005)**	**13,928**	**(74,077)**	**(87,078)**	**14,158**	**(72,920)**

PARENT COMPANY	COMMISSION EXPENSE	COMMISSION INCOME FROM REINSURERS	TOTAL	COMMISSION EXPENSE	COMMISSION INCOME FROM REINSURERS	TOTAL
		31/12/2020			31/12/2019	
		(€ thousands)			*(€ thousands)*	
Life insurance	(55,752)	1,226	(54,526)	(54,578)	1,732	(52,846)
Non-life insurance - Motor	(11,181)	-	(11,181)	(11,355)	-	(11,355)
Non-life insurance - Fire	(10,713)	8,703	(2,010)	(11,153)	7,815	(3,338)
Non-life insurance - Other lines	(2,850)	1,418	(1,432)	(3,030)	1,829	(1,201)
Total commission expenses	**(80,496)**	**11,347**	**(69,149)**	**(80,116)**	**11,376**	**(68,740)**

NOTE 15: MOVEMENT IN MATHEMATICAL INSURANCE RESERVES

GROUP	TOTAL	REINSURERS' SHARE	GROUP SHARE	TOTAL	REINSURERS' SHARE	GROUP SHARE
		31/12/2020 *(€ thousands)*			31/12/2019 *(€ thousands)*	
Movement in mathematical insurance reserves	44,150	998	45,148	24,203	1,612	25,815
Total movement in mathematical insurance reserves	**44,150**	**998**	**45,148**	**24,203**	**1,612**	**25,815**

PARENT COMPANY	TOTAL	REINSURERS' SHARE	COMPANY SHARE	TOTAL	REINSURERS' SHARE	COMPANY SHARE
		31/12/2020 *(€ thousands)*			31/12/2019 *(€ thousands)*	
Movement in mathematical insurance reserves	52,249	(11)	52,238	33,816	2	33,818
Total movement in mathematical insurance reserves	**52,249**	**(11)**	**52,238**	**33,816**	**2**	**33,818**

The decrease in mathematical insurance reserves is mainly due to the reduction of the closed portfolio of the Unit-Linked contracts of the Parent due to maturities and surrenders. These contracts are no longer available for sale.

NOTE 16: GENERAL AND ADMINISTRATIVE EXPENSES

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Personnel costs	(50,012)	(67,653)	(43,455)	(61,216)
Third party fees	(13,836)	(15,738)	(13,199)	(15,160)
Advertising and promotion	(2,752)	(3,401)	(2,598)	(3,219)
Taxes / duties	(1,821)	(1,846)	(1,650)	(1,676)
Depreciation & impairment of assets	(9,359)	(3,175)	(8,515)	(2,359)
Telecommunications-Postage	(5,493)	(6,800)	(5,363)	(6,683)
Rentals	(315)	(736)	(306)	(871)
Transport and travel expenses	(448)	(1,124)	(353)	(986)
Stationery	(499)	(440)	(380)	(348)
Repairs and maintenance	(2,322)	(2,379)	(2,083)	(2,177)
Insurance premiums	(478)	(465)	(434)	(419)
Provision for non-performing receivables	(689)	(6,116)	(719)	(6,244)
Provision for ligitation	(604)	112	(191)	152
Value of granted contracts	(3,812)	(6,988)	(3,812)	(6,988)
Other	(5,458)	(3,353)	(4,754)	(2,798)
Total general and administrative expenses	**(97,898)**	**(120,102)**	**(87,812)**	**(110,992)**

Personnel costs are analyzed as follows:

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Wages and salaries	(35,146)	(49,015)	(29,357)	(43,326)
Obligatory social security contributions	(10,390)	(10,849)	(9,960)	(10,424)
Defined benefit plan costs	(1,967)	(5,351)	(1,967)	(5,351)
Premiums of company's employees DAF contracts	(2,509)	(2,438)	(2,171)	(2,115)
Total personnel costs	**(50,012)**	**(67,653)**	**(43,455)**	**(61,216)**

Line item "Premiums of company's employees DAF contracts" includes contributions of the Parent Company for year 2020 of €749 thousands (€726 thousands for 2019), relating to the group policy of the personnel's defined contribution.

During 2020, the Group had an average of 901 employees, while the Parent Company had an average of 673. (2019: 918 employees for the Group, and 700 employees for the Parent Company).

In 2019, a voluntary exit scheme was completed by the Parent Company, under which 117 employees participated, for an overall cost of €15.1 million (€12.7 million severance indemnities and an additional €2.4 million for benefits under DAF contracts).

NOTE 17: FINANCE COSTS

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Interest on subordinated loan	(3,914)	(3,916)	(3,914)	(3,916)
Interest expense to reinsurers	(502)	(742)	(502)	(742)
Other	(626)	(766)	(428)	(645)
Total finance costs	**(5,042)**	**(5,424)**	**(4,844)**	**(5,303)**

NOTE 18: INCOME TAX EXPENSE

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Current tax - current year	(15,953)	(2,247)	(15,331)	(2,247)
Current tax - previous years	1,634	(1,286)	1,634	(1,112)
Deferred tax	(5,152)	(20,951)	(5,337)	(21,125)
Total income tax	**(19,471)**	**(24,484)**	**(19,034)**	**(24,484)**

	GROUP		PARENT COMPANY	
	ΟΜΙΛΟΣ	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Profit before tax	**87,891**	**82,344**	**85,733**	**81,694**
Tax calculated based on the current tax rate	**(21,094)**	**(19,763)**	**(20,576)**	**(19,607)**
Effect of tax rate change in Greece	-	(6,294)	-	(6,294)
Effect of different tax rates in other countries	(349)	(76)	-	-
Income not subject to taxation	1,968	2,595	1,968	2,595
Non tax - deductible expenses	(2,058)	(40)	(2,058)	(40)
Previous years' income tax	1,634	(1,112)	1,634	(1,112)
Other differences	428	206	(2)	(26)
Tax calculated based on the effective tax rate	**(19,471)**	**(24,484)**	**(19,034)**	**(24,484)**
Applicable tax rate	24%	24%	24%	24%
Effective tax rate	22%	30%	22%	30%

The income tax rate of the Parent Company for 2020 is set to 24%.

The unaudited tax years per Group Company are set out in the table below:

COMPANY	COUNTRY OF OPERATIONS	UNAUDITED TAX YEARS
ETHNIKI HELLENIC GENERAL INSURANCE S.A.	GREECE	2015 - 2020
ETHNIKI GENERAL INSURANCE CYPRUS LTD	CYPRUS	2012 - 2020
ETHNIKI INSURANCE CYPRUS LTD	CYPRUS	2012 - 2020
NATIONAL INSURANCE AGENTS & CONSULTANTS LTD	CYPRUS	2008 - 2020
SOCIETATE COMERCIALA GARANTA ASIGURARI S.A.	ROMANIA	2003 - 2020

NOTE 19: TAX IMPACT ON OTHER COMPREHENSIVE INCOME

GROUP		31/12/2020			31/12/2019	
	Gross	Tax	Net	Gross	Tax	Net
			(€ thousands)			
Available-for-sale securities	126,443	(28,499)	97,944	261,569	(56,341)	205,228
Post retirement benefit plans	(3,624)	870	(2,754)	(5,064)	1,150	(3,914)
Currency translation differences	24	-	24	(392)	-	(392)
Other comprehensive income of period	**122,843**	**(27,629)**	**95,214**	**256,113**	**(55,191)**	**200,922**

PARENT COMPANY		31/12/2020			31/12/2019	
	Gross	Tax	Net	Gross	Tax	Net
			(€ thousands)			
Available-for-sale securities	126,056	(28,439)	97,617	261,285	(56,295)	204,990
Post retirement benefit plans	(3,624)	870	(2,754)	(5,064)	1,150	(3,914)
Other comprehensive income of period	**122,432**	**(27,569)**	**94,863**	**256,221**	**(55,145)**	**201,076**

The “available-for-sale securities” line item of the Group and the Parent Company does not include for 2020 the amount of €10,427 thousands (2019: €1,039 thousands) relating to the impairment losses of available-for-sale securities (equities, mutual funds and bonds), which have been included in the statement of total comprehensive income of the corresponding period (see Note 11).

NOTE 20: PROPERTY AND EQUIPMENT / ASSETS HELD FOR SALE

TANGIBLE ASSETS

GROUP	Land	Buildings	Right of use assets	Vehicles & equipment	Leasehold improvements	Assets under construction	Total
				(€ thousands)			
Cost							
Balance at 1/1/2019	**60,003**	**96,268**	**3,196**	**27,534**	**1,748**	**1,706**	**190,455**
Additions	-	787	96	868	78	741	2,570
Transfers	(2,965)	4,071	-	-	-	-	1,106
Disposals & write offs	-	(38)	-	(113)	-	-	(151)
Balance at 31/12/2019	**57,038**	**101,088**	**3,292**	**28,289**	**1,826**	**2,447**	**193,980**
Accumulated depreciation and impairment							
Balance at 1/1/2019	**(876)**	**(40,577)**	**-**	**(26,263)**	**(1,507)**	**-**	**(69,222)**
Disposals & write offs	-	1	-	96	-	-	97
Transfers' Depreciation charge	161	315	-	-	-	-	476
Depreciation charge	-	(2,283)	(999)	(463)	(94)	-	(3,839)
Impairment charge	(499)	356	-	-	-	-	(143)
Balance at 31/12/2019	**(1,214)**	**(42,188)**	**(999)**	**(26,630)**	**(1,601)**	**-**	**(72,632)**
Net book value at 31/12/2019	**55,824**	**58,900**	**2,293**	**1,659**	**225**	**2,447**	**121,348**
Cost							
Balance at 1/1/2020	**57,038**	**101,088**	**3,292**	**28,289**	**1,826**	**2,447**	**193,980**
Additions	-	322	923	1,828	22	198	3,293
Transfers	25	214	-	-	-	(20)	219
Disposals & write offs	-	-	(186)	(25)	(192)	-	(403)
Balance at 31/12/2020	**57,063**	**101,624**	**4,029**	**30,092**	**1,656**	**2,625**	**197,089**
Accumulated depreciation and impairment							
Balance at 1/1/2020	**(1,214)**	**(42,188)**	**(999)**	**(26,630)**	**(1,601)**	**-**	**(72,631)**
Disposals & write offs	-	-	251	20	154	-	425
Transfers' Depreciation charge	-	(71)	-	-	-	-	(71)
Depreciation charge	-	(2,487)	(1,137)	(793)	(72)	-	(4,489)
Impairment charge	356	383	-	-	-	-	739
Balance at 31/12/2020	**(858)**	**(44,363)**	**(1,885)**	**(27,403)**	**(1,519)**	**-**	**(76,028)**
Net book value at 31/12/2020	**56,205**	**57,261**	**2,144**	**2,689**	**137**	**2,625**	**121,061**

PARENT COMPANY	Land	Buildings	Right of use assets	Vehicles & equipment	Leasehold improvements	Assets under construction	Total
				(€ thousands)			
Cost							
Balance at 1/1/2019	**59,093**	**90,007**	**1,916**	**24,525**	**1,617**	**1,706**	**178,864**
Additions	-	675	96	775	48	741	2,335
Transfers	(2,965)	4,071	-	-	-	-	1,106
Disposals & write offs	-	(38)	-	(71)	-	-	(109)
Balance at 31/12/2019	**56,128**	**94,715**	**2,012**	**25,229**	**1,665**	**2,447**	**182,196**
Accumulated depreciation and impairment							
Balance at 1/1/2019	**(811)**	**(38,576)**	**-**	**(23,728)**	**(1,450)**	**-**	**(64,565)**
Disposals & write offs	-	-	-	54	-	-	54
Transfers' Depreciation charge	162	315	-	-	-	-	477
Depreciation charge	-	(2,120)	(604)	(344)	(80)	-	(3,148)
Impairment charge	(499)	356	-	-	-	-	(143)
Balance at 31/12/2019	**(1,148)**	**(40,025)**	**(604)**	**(24,018)**	**(1,530)**	**-**	**(67,325)**
	-						
Net book value at 31/12/2019	**54,980**	**54,690**	**1,408**	**1,211**	**135**	**2,447**	**114,871**
Cost							
Balance at 1/1/2020	**56,128**	**94,715**	**2,012**	**25,229**	**1,665**	**2,447**	**182,196**
Additions	-	306	807	1,650	9	198	2,970
Transfers	25	85	-	-	-	(20)	90
Disposals & write offs	-	-	(182)	-	(192)	-	(374)
Balance at 31/12/2020	**56,153**	**95,106**	**2,637**	**26,879**	**1,482**	**2,625**	**184,882**
Accumulated depreciation and impairment							
Balance at 1/1/2020	**(1,148)**	**(40,025)**	**(604)**	**(24,018)**	**(1,530)**	**-**	**(67,325)**
Disposals & write offs	-	-	106	-	154	-	260
Transfers' Depreciation charge	-	(70)	-	-	-	-	(70)
Depreciation charge	-	(2,320)	(680)	(666)	(57)	-	(3,723)
Impairment charge	352	385	-	-	-	-	737
Balance at 31/12/2020	**(796)**	**(42,030)**	**(1,178)**	**(24,684)**	**(1,433)**	**-**	**(70,121)**
Net book value at 31/12/2020	**55,357**	**53,076**	**1,459**	**2,195**	**49**	**2,625**	**114,761**

Depreciation and impairment are recognized under General and Administrative Expenses in the statement of total comprehensive income.

The management of the Parent Company engaged certified independent appraisers to value some of its own-used property (103-105 Syggrou Avenue (building A, secured parking areas), Athens – 310-312 Iera odos str., Egaleo - 5 Agias Glykerias str., Galatsi – 135 Syggrou Avenue, Athens – 19 Leonidiou str., Athens – 36 Kolokynthous str., Athens - 294 Syggrou Avenue, Kallithea – 61 Astypaleas str., Athens – 9 Patron str., Pyrgos – 46 of 28th October str., Tripoli - Kalamaki, Isthmia of Corinth - Frangolada, Argolida - Strifogianni, Almiros – 7-9 Agios Dionysios, Patra).

The estimated fair value of the Parent Company's own-used property as at 31st December 2020 was set at €125,924 thousands, whereas property held for sale was fair valued at €6,285 thousands. The fair value of property held for sale at 97 Ippokratous str. & 8 Kallidromiou str., Athens, was based on the proposed selling price, while the fair value of the municipality of Hellenikon property was set by reference to the Question 31.365/20.06.2017 Preliminary contract.

During 2020 the Parent Company recognised an impairment loss of €37 thousands (€37 thousands for the plot and €-thousands for the buildings) and reversed depreciation of €774 thousands (€389 thousands for the plot and €385 thousands for the buildings).

Adoption of IFRS 16 on 1 January 2019, the assets and liabilities of the Group and Parent Company were increased by €3,196 thousands and €1,916 thousands respectively. Leasing liability obligations were discounted at the incremental borrowing rate (IBR) of the Group, at 1 January 2019. Average discount rate was set at 2.9% (see Note 2.17.3).

On June 18, 2020, the Parent Company sold the property at 7 Stadiou Street, Athens for a price of € 170 thousands. The gain on sale amounted to €42 thousands (see Note 12).

On December 23, 2020, the Parent Company sold the property at 40 Amalias Street, Athens for a price of € 5,599 thousands. The gain on sale amounted to € 1,461 thousands (see Note 12).

ASSETS HELD-FOR-SALE

	GROUP		PARENT COMPANY	
	31/12/2020	**31/12/2019**	**31/12/2020**	**31/12/2019**
	(€ thousands)			
Plot of Elliniko - 35th str	6,120	6,120	6,120	6,120
40 Amalias str. - Athens	-	4,119	-	4,119
7 Stadiou str. - Athens	-	128	-	128
97 Ippokratous & 8 Kall/miou str. - Athens	81	81	81	81
Total assets held for sale	**6,201**	**10,448**	**6,201**	**10,448**

As regards the above mentioned property items, a preliminary contract was signed on 20/06/2017 for property item "Plot of Hellenikon - 35th str." with "KTIRIAKES YPODOMES SA.", providing a gradual settlement of the Company's claims (amounting to €6,120 thousands, plus interest), by a series of installments. The aforementioned claim was paid in full in 2019, however as at 31/12/2020 the legal transfer of the property has not been finalised.

NOTE 21: INVESTMENT PROPERTY

	GROUP				PARENT COMPANY			
	Land	Buildings	Assets under construction	Total	Land	Buildings	Assets under construction	Total
				(€ thousands)				
Cost								
Balance at 1/1/2019	**49,161**	**106,414**	**-**	**155,575**	**49,044**	**105,831**	**-**	**154,875**
Transfers	-	(8,837)	-	(8,837)	-	(8,837)	-	(8,837)
Additions	-	146	-	146	-	120	-	120
Balance at 31/12/2019	**49,161**	**97,723**	**-**	**146,884**	**49,044**	**97,114**	**-**	**146,158**
Accumulated depreciation and impairment								
Balance at 1/1/2019	**(8,081)**	**(63,471)**	**-**	**(71,552)**	**(8,081)**	**(63,199)**	**-**	**(71,280)**
Depreciation charge	-	(2,636)	-	(2,636)	-	(2,628)	-	(2,628)
Disposals	-	2,827	-	2,827	-	2,827	-	2,827
Impairment charge	5,672	3,607	-	9,279	5,672	3,607	-	9,279
Balance at 31/12/2019	**(2,409)**	**(59,673)**	**-**	**(62,082)**	**(2,409)**	**(59,393)**	**-**	**(61,802)**
Net book value at 31/12/2019	**46,752**	**38,050**	**-**	**84,802**	**46,635**	**37,721**	**-**	**84,356**
Cost								
Balance at 1/1/2020	**49,161**	**97,723**	**-**	**146,884**	**49,044**	**97,114**	**-**	**146,158**
Transfers	(25)	(49)	-	(74)	(25)	(85)	-	(110)
Additions	-	32	-	32	-	32	-	32
Balance at 31/12/2020	**49,136**	**97,706**	**-**	**146,842**	**49,019**	**97,061**	**-**	**146,080**
Accumulated depreciation and impairment								
Balance at 1/1/2020	**(2,409)**	**(59,673)**	**-**	**(62,082)**	**(2,409)**	**(59,393)**	**-**	**(61,802)**
Depreciation charge	-	(2,721)	-	(2,721)	-	(2,710)	-	(2,710)
Transfers	-	31	-	31	-	71	-	71
Impairment charge	53	70	-	123	53	39	-	92
Balance at 31/12/2020	**(2,356)**	**(62,293)**	**-**	**(64,649)**	**(2,356)**	**(61,993)**	**-**	**(64,349)**
Net book value at 31/12/2020	**46,780**	**35,413**	**-**	**82,193**	**46,663**	**35,068**	**-**	**81,731**

Depreciation and impairment are recognized under General and Administrative Expenses in the statement of total comprehensive income.

Rental income for the Group and the Parent Company for the year ended 31st December 2020, amounted to €3,891 thousands and €3,877 thousands respectively. For 2019, rental income for the Group and the Parent Company amounted to €4,218 thousands and €4,210 thousands respectively (see Note 8).

The management of the Parent Company had engaged certified independent appraisers to value certain investment property owned by the Group (103-105 Syggrou Ave. (building B, Conference center), Athens – 4 Korai str., Athens – 58 Athinas str, Athens – 8 Karageorgi Servias str., Athens – 14-16 Akti Poseidonos, Piraeus – 20 Themistokleous str., Cholargos – 4 Vassileos Konstantinou str., Argos).

The fair value of the investment property as at 31 December 2020 was determined at €93,339 thousands.

During 2020, the Parent Company recognized a total impairment loss of €3 thousands (€2 thousands for plots and €1 thousand for buildings) and reversed impairment losses of €95 thousands (€56 thousands for plots and €39 thousands for buildings).

NOTE 22: INTAGIBLE ASSETS

	GROUP			PARENT COMPANY		
	Goodwill	Software	Total	Goodwill	Software	Total
			(€ thousands)			
Cost						
Balance at 1/1/2019	**671**	**43,822**	**44,493**	**-**	**42,392**	**42,392**
Additions	-	3,551	3,551	-	3,473	3,473
Disposals & write offs	-	(1)	(1)	-	-	-
Balance at 31/12/2019	**671**	**47,372**	**48,043**	**-**	**45,865**	**45,865**
Accumulated amortization and impairment						
Balance at 1/1/2019	**(187)**	**(33,662)**	**(33,849)**	**-**	**(32,810)**	**(32,810)**
Amortization charge	-	(3,912)	(3,912)	-	(3,797)	(3,797)
Disposals & write offs	-	2	2	-	-	-
Impairment charge	-	(1,825)	(1,825)	-	(1,825)	(1,825)
Balance at 31/12/2019	**(187)**	**(39,397)**	**(39,584)**	**-**	**(38,432)**	**(38,432)**
Net book value at 31/12/2019	**484**	**7,975**	**8,459**	**-**	**7,433**	**7,433**
Cost						
Balance at 1/1/2020	**671**	**47,372**	**48,043**	**-**	**45,865**	**45,865**
Additions	-	4,623	4,623	-	4,501	4,501
Balance at 31/12/2020	**671**	**51,995**	**52,666**	**-**	**50,366**	**50,366**
Accumulated amortization and impairment						
Balance at 1/1/2020	**(187)**	**(39,397)**	**(39,584)**	**-**	**(38,432)**	**(38,432)**
Amortization charge	-	(3,013)	(3,013)	-	(2,911)	(2,911)
Balance at 31/12/2020	**(187)**	**(42,410)**	**(42,597)**	**-**	**(41,343)**	**(41,343)**
Net book value at 31/12/2020	**484**	**9,585**	**10,069**	**-**	**9,023**	**9,023**

Amortization charges for the period are recognized under General and Administrative Expenses in the statement of total comprehensive income.

Goodwill relates to the acquisition of subsidiaries in previous years. The Parent Company estimates the recoverable amount of goodwill, at least annually, to determine whether there is any indication for impairment.

The amount of the contractual commitments for the acquisition of intangible assets as at 31/12/2020 amounts to € 1.0 million (2019: € 0.04).

NOTE 23: DEFERRED ACQUISITION COSTS (DAC)

Commissions and other acquisition costs both of new contracts and renewals that correspond to the subsequent years are analysed by line of business as follows:

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Deferred acquisition costs - Life insurance	33,988	30,697	33,472	30,697
Deferred acquisition costs - Non-life insurance	9,520	9,186	7,052	6,430
Total deferred acquisition costs	**43,508**	**39,883**	**40,524**	**37,127**

MOVEMENT OF ACQUISITION COSTS

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Deferred acquisition costs - Life and Non Life insurance - at beginning of the period	**39,883**	**35,484**	**37,127**	**32,844**
Movement in new production	21,204	21,774	20,976	21,658
Other movements during the period	(17,579)	(17,375)	(17,579)	(17,375)
Deferred acquisition costs - Life and Non Life insurance - at end of the period	**43,508**	**39,883**	**40,524**	**37,127**

NOTE 24: INVESTMENT IN SUBSIDIARIES

		31/12/2020		31/12/2019	
Participation	Country	% of ownership	Carrying value	% of ownership	Carrying value
			(€ thousands)		
Parent Company					
SOCIETATE COMERCIALA GARANTA ASIGURARI S.A.	Romania	94.96%	6,528	94.96%	6,528
ETHNIKI INSURANCE (CYPRUS) LTD	Cyprus	100.00%	5,704	100.00%	5,704
Total investments in subsidiaries			**12,232**		**12,232**

Ethniki Insurance (Cyprus) Ltd holds 99.99% of Ethniki General Insurance (Cyprus) Ltd and 100% of National Insurance Agents & Consultants Ltd both registered in Cyprus. These companies conduct insurance and insurance brokerage activities respectively.

Subsidiaries are consolidated by applying the full consolidation method in accordance with IFRS 10.

NOTE 25: DEFFERED TAX ASSETS / LIABILITIES

GROUP

	Balance at 31/12/2018	Recognized in profit or loss	Recognized in equity	Balance at 31/12/2019	Recognized in profit or loss	Recognized in equity	Balance at 31/12/2020
				(€ thousands)			
Amortisation adjustment for intangible assets	10	3	-	13	3	-	16
Post retirement benefits	953	(271)	1,149	1,831	(416)	870	2,285
Provision for non-performing receivables	13,635	(61)	-	13,574	(1,751)	-	11,823
Revaluation of investment property	(5,146)	(1,016)	-	(6,162)	461	-	(5,701)
Revaluation of own-used property	(3,640)	(1,026)	-	(4,666)	8	-	(4,658)
Special tax reserve - trading securities	(173)	1	-	(172)	(46)	-	(218)
Special tax reserve - securities classified as loans and receivables	243	(236)	-	7	(27)	-	(20)
Special tax reserve - held-to-maturity securities	36,504	(36,504)	-	-	-	-	-
Special tax reserve - available-for-sale securities	(4,086)	23,682	(56,296)	(36,700)	(470)	(28,439)	(65,609)
PSI loss (Greek Law 4046/12)	71,826	(6,552)	-	65,274	(2,967)	-	62,307
Other provisions	1,008	855	-	1,863	(132)	-	1,731
Deferred tax assets	**111,134**	**(21,125)**	**(55,147)**	**34,862**	**(5,337)**	**(27,569)**	**1,956**
Depreciation adjustment for property & equipment	(16)	-	-	(16)	5	-	(11)
Depreciation adjustment for investment property	(24)	-	-	(24)	2	-	(22)
Other provisions	550	(174)	-	376	(253)	-	123
Special tax reserve - available-for-sale securities	17	-	45	62	61	-	123
Deferred tax liabilities	**527**	**(174)**	**45**	**398**	**(185)**	**-**	**213**

PARENT COMPANY

	Balance at 31/12/2018	Recognized in profit or loss	Recognized in equity	Balance at 31/12/2019	Recognized in profit or loss	Recognized in equity	Balance at 31/12/2020
				(€ thousands)			
Amortisation adjustment of intangible assets	10	3	-	13	3	-	16
Post retirement benefits	953	(271)	1,149	1,831	(416)	870	2,285
Provision for non-performing receivables	13,635	(61)	-	13,574	(1,752)	-	11,822
Revaluation of investment property	(5,146)	(1,016)	-	(6,162)	461	-	(5,701)
Revaluation of own-used property	(3,640)	(1,026)	-	(4,666)	8	-	(4,658)
Special tax reserve - trading securities	(173)	1	-	(172)	(46)	-	(218)
Special tax reserve - securities classified as loans and receivables	243	(236)	-	7	(27)	-	(20)
Special tax reserve - held-to-maturity securities	36,504	(36,504)	-	-	-	-	-
Special tax reserve - available-for-sale securities	(4,086)	23,682	(56,296)	(36,700)	(470)	(28,439)	(65,609)
PSI loss (Greek Law 4046/12)	71,826	(6,552)	-	65,274	(2,967)	-	62,307
Other provisions	1,008	855	-	1,863	(131)	-	1,732
Deferred tax assets	**111,134**	**(21,125)**	**(55,147)**	**34,862**	**(5,337)**	**(27,569)**	**1,956**

Based on the Group's accounting principles and the estimates of future taxable profits, the above deferred tax assets, concerning temporary tax deductible differences, are deemed recoverable. Management’s assessment that the deferred tax asset is recoverable is described in Note 3.3.

The impairment loss under Greek Law 4046/2012 that arose as a result of the exchange of Greek Government Bonds (“GGBs”), is considered a tax deductible expense and is amortized in 30 equal annual installments. The unamortized debit difference as at 31st December 2020 amounts to €259,611 thousands.

The Group and the Parent Company have offset deferred tax assets and liabilities per entity on separate basis, as the local tax authorities of each country provide the right to offset the income tax assets and liabilities per entity and only if the deferred tax assets and liabilities relate to the same tax authority.

NOTE 26: AVAILABLE-FOR-SALE SECURITIES

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
DEBT SECURITIES (BONDS)				
Greek Government	1,116,760	1,108,024	1,116,760	1,108,024
Foreign Government	1,106,794	872,401	1,096,072	864,267
Corporate - Listed	423,462	388,583	423,462	388,583
	2,647,016	**2,369,008**	**2,636,294**	**2,360,874**
EQUITIES				
Listed	33,338	25,112	33,338	25,112
Non-listed	10,833	13,501	10,833	13,501
	44,171	**38,613**	**44,171**	**38,613**
MUTUAL FUNDS				
Greek	200,330	203,727	200,330	203,727
Other EU	185,589	102,909	185,589	102,909
	385,919	**306,636**	**385,919**	**306,636**
Total available-for-sale securities	**3,077,106**	**2,714,257**	**3,066,384**	**2,706,123**

Available for sale securities are categorized according to IFRS 13 in the following fair value hierarchy levels:

	GROUP					PARENT COMPANY				
	LEVEL 1	LEVEL 2	LEVEL 3	Fair value not available	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	Fair value not available	TOTAL
					(€ thousands)					
Available for sale										
31.12.2020	1,336,700	1,729,573	10,825	8	**3,077,106**	1,336,699	1,718,852	10,825	8	**3,066,384**
31.12.2019	1,089,148	1,611,608	13,493	8	**2,714,257**	1,089,148	1,603,474	13,493	8	**2,706,123**

The increase, during 2020, of the available for-sale securities portfolio is due to the purchase of securities (mainly bonds and secondarily mutual funds and equities) and also due to revaluation gains attributed to the fall in interest rates (mostly concerning foreign and Greek government bonds) and the shrinkage of credit spreads of Greek government bonds.

During 2020, available for-sale portfolio securities worth of €6,934 thousands were transferred from Level 1 to Level 2. During 2019, available for-sale portfolio securities worth of €37,617 thousands and €24,943 thousands were transferred from Level 2 to Level 1 and from Level 1 to Level 2, respectively.

Non-listed shares are included in the available for-sale portfolio. Non-listed shares relate to investments in specific investment schemes (Private Equity Funds), and are valued according to the Group's equity shareholding percentage. The assessment methodology of the equities in the investment schemes follows the principals of the international accounting standards. These investment funds have a maximum total duration of 10 years, are not listed on regulated markets and invest in bonds issued by small and medium Greek enterprises with prospects for dynamic growth. On 31 December 2020 their fair value amounted to € 9,745 thousands, while on 31 December 2019 amounted to € 13,493 thousands.

The decrease in the value of non-listed shares during year 2020 compared to 2019 is attributed to the return of capital due to liquidation of investment by SOUTHBRIDGE EUROPE MEZZANINE S.C.A. SICAR and to a less extent to valuation losses.

Other non-listed shares valued at cost, amount to € 8 thousands.

In 2008 the Parent Company transferred shares from securities to the available for sale-portfolio to trading securities. On 31 December 2020, the carrying amount and the fair value of securities transferred in 2008, held by the Parent Company, was €1.036 thousands and €1.036 thousands respectively. Dividend income recognized to the rest of other comprehensive income was €33 thousands. Had those securities never been removed and impaired, an additional gain of €78 thousands would have be included in valuation gains of investment portfolio.

NOTE 27: SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
		(€ thousands)		
TRADING SECURITIES				
Debt securities (bonds)				
Foreign Government	19,616	15,829	-	-
	19,616	**15,829**	**-**	**-**
Equities				
Listed	3	5	-	-
Non-listed	6	7	-	-
	9	**12**	**-**	**-**
Total trading securities	**19,625**	**15,841**	**-**	**-**
UNIT-LINKED				
Mutual Funds	102,022	117,882	100,746	116,615
Debt securities (bonds)	122,337	127,914	100,117	108,875
Equities	3,502	3,048	-	-
Deposits	342,180	342,283	334,756	334,733
Total Unit - Linked	**570,041**	**591,127**	**535,619**	**560,223**
FVTPL SECURITIES excl. TRADING SECURITIES AND UNIT-LINKED				
Mutual funds				
Foreign	6,274	3,832	-	-
Total FVTPL securities excl. trading securities and Unit - Linked	**6,274**	**3,832**	**-**	**-**
Derivative financial instruments	**907**	**716**	**907**	**716**
Total securities at fair value through profit or loss	**596,847**	**611,516**	**536,526**	**560,939**

Securities at fair value through profit or loss are categorized according to IFRS 13 in the following fair value hierarchy levels:

	GROUP				
	LEVEL 1	LEVEL 2	LEVEL 3	Fair value not available	TOTAL
			(€ thousands)		
31.12.2020					
Unit-Linked	114,815	455,226	-	-	570,041
Other FVTPL	6,274	-	-	-	6,274
Trading securities	3	19,616	-	6	19,625
Derivative financial instruments	-	907	-	-	907
Total	**121,092**	**475,749**	**-**	**6**	**596,847**
31.12.2019					
Unit-Linked	130,330	460,797	-	-	591,127
Other FVTPL	3,832	-	-	-	3,832
Trading securities	5	15,829	-	7	15,841
Derivative financial instruments	-	716	-	-	716
Total	**134,167**	**477,342**	**-**	**7**	**611,516**

	PARENT COMPANY				
	LEVEL 1	LEVEL 2	LEVEL 3	Fair value not available	TOTAL
			(€ thousands)		
31.12.2020					
Unit-Linked	106,721	428,898	-	-	535,619
Trading securities	-	-	-	-	-
Derivative financial instruments	-	907	-	-	907
Total	**106,721**	**429,805**	**-**	**-**	**536,526**
31.12.2019					
Unit-Linked	122,074	438,149	-	-	560,223
Trading securities	-	-	-	-	-
Derivative financial instruments	-	716	-	-	716
Total	**122,074**	**438,865**	**-**	**-**	**560,939**

NOTE 28: SECURITIES CLASSIFIED AS LOANS AND RECEIVABLES

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
		(€ thousands)		
DEBT SECURITIES (BONDS)				
Greek Corporate - Listed	-	7,392	-	7,392
Greek Government	41,153	41,281	41,153	41,281
Total securities classified as loans and receivables	**41,153**	**48,673**	**41,153**	**48,673**

The fair value of the securities classified as loans and receivables, and their categorisation according to IFRS 13, for 2020 has as follows: €56,196 thousands in level 2. As at year end 2019, the fair value of the securities classified as loans and receivables was €62,486 thousands and categorized in level 2. The decrease in debt securities in 2020 was due to maturities, whereas there were no securities transfers from Level 1 to Level 2 or 3.

In 2015, the Parent Company, transferred securities from the available for sale portfolio to the portfolio classified as loans and receivables. At the transfer date, the transferred securities were not traded in active markets and the Group has the intention and ability to hold them in the foreseeable future or until maturity. As at 31st December 2020, the carrying amount and the fair value of the securities transferred in 2015, still held by the Parent Company, was nil, as the last bond matured within 2020.

NOTE 29: PORTFOLIO ANALYSIS BY TYPE OF INTEREST RATE

GROUP 31/12/2020	Available for sale	Trading	Held-to-maturity	Loans & receivables	TOTAL
		(€ thousands)			
Fixed interest rate	2,640,981	19,616	-	41,153	2,701,750
Variable interest rate	6,035	-	-	-	6,035
Total	**2,647,016**	**19,616**	**-**	**41,153**	**2,707,785**

GROUP 31/12/2019	Available for sale	Trading	Held-to-maturity	Loans & receivables	TOTAL
		(€ thousands)			
Fixed interest rate	2,369,008	15,829	-	48,673	2,433,510
Total	**2,369,008**	**15,829**	**-**	**48,673**	**2,433,510**

PARENT COMPANY 31/12/2020	Available for sale	Trading	Held-to-maturity	Loans & receivables	TOTAL
		(€ thousands)			
Fixed interest rate	2,630,259	-	-	41,153	2,671,412
Variable interest rate	6,035	-	-	-	6,035
Total	**2,636,294**	**-**	**-**	**41,153**	**2,677,447**

PARENT COMPANY 31/12/2019	Available for sale	Trading	Held-to-maturity	Loans & receivables	TOTAL
		(€ thousands)			
Fixed interest rate	2,360,874	-	-	48,673	2,409,547
Total	**2,360,874**	**-**	**-**	**48,673**	**2,409,547**

The table above includes the analysis of the Group’s and the Parent Company's bond portfolio by type of interest rate (fixed or variable).

NOTE 30: INSURANCE PREMIUM AND OTHER RECEIVABLES

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Insurance premium receivables	110,781	104,839	100,448	94,855
Provision for doubtful Insurance premium receivables	(61,772)	(60,903)	(60,939)	(60,040)
Insurance premium receivables	**49,009**	**43,936**	**39,509**	**34,815**
Staff mortgage loans	10,059	10,680	10,059	10,680
Loans to personnel - agents	4,422	4,492	4,422	4,492
Loans on life insurance contracts	1,665	1,840	1,665	1,840
Provision for doubtful loan receivables	(151)	(228)	(151)	(228)
Loans receivables	**15,995**	**16,784**	**15,995**	**16,784**
Sundry receivables	13,708	22,697	13,136	21,970
Accrued interest	28,026	27,549	27,779	27,328
Receivables from the Hellenic Republic under litigation	326	326	326	326
Claims receivables	9,514	10,763	9,514	10,763
Other income receivables	797	782	492	528
Amicable settlement claims	824	553	824	553
Provision for doubtful other receivables	(309)	(417)	(309)	(417)
Other receivables	**52,886**	**62,253**	**51,762**	**61,051**
Total insurance premium and other receivables	**117,890**	**122,973**	**107,266**	**112,650**

With respect to the loans receivables as described in the above table, the Company has signed collateral agreement which include real estate, financial and other collaterals.

MOVEMENT OF PROVISION FOR DOUBTFUL RECEIVABLES

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Provision for doubtful receivables at beginning of the period	**(61,548)**	**(55,516)**	**(60,685)**	**(54,525)**
Releases	196	128	186	-
Amounts written off during the period	51	43	-	43
Provision for the period	(931)	(6,203)	(900)	(6,203)
Provision for doubtful receivables at end of the period	**(62,232)**	**(61,548)**	**(61,399)**	**(60,685)**

NOTE 31: REINSURANCE RECEIVABLES

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Receivables from reinsurers	83,511	85,374	66,541	68,308
Provision for doubtful receivables from reinsurers	(2,633)	(2,627)	(2,633)	(2,627)
Receivables from cedants	443	457	443	457
Total reinsurance receivables	**81,321**	**83,203**	**64,351**	**66,137**

MOVEMENT OF PROVISION FOR DOUBTFUL REINSURANCE RECEIVABLES

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Provision for reinsurance receivables at beginning of the period	**(2,627)**	**(2,586)**	**(2,627)**	**(2,586)**
Releases	173	105	173	105
Provision for the period	(179)	(146)	(179)	(146)
Provision for reinsurance receivables at end of the period	**(2,633)**	**(2,627)**	**(2,633)**	**(2,627)**

NOTE 32: CASH AND CASH EQUIVALENTS

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Cash in hand	119	154	5	4
Sight deposits	16,120	17,867	10,902	12,196
Time deposits with financial institutions	50,308	102,092	40,768	90,134
Total cash and cash equivalents	**66,547**	**120,113**	**51,675**	**102,334**

The carrying amount of cash and cash equivalents as at 31.12.2020, approximates its fair value.

	31/12/2020				31/12/2019			
	Cash in hand	Sight deposits and repos	Time deposits with financial institutions	TOTAL	Cash in hand	Sight deposits and repos	Time deposits with financial institutions	TOTAL
	(€ thousands)				*(€ thousands)*			
GROUP								
Fixed interest rate	-	4,070	49,999	54,069	-	2,705	102,092	104,797
Non interest bearing	119	12,050	309	12,478	154	15,162	-	15,316
Total	**119**	**16,120**	**50,308**	**66,547**	**154**	**17,867**	**102,092**	**120,113**
PARENT COMPANY								
Fixed interest rate	-	3,907	40,459	44,366	-	2,182	90,134	92,316
Non interest bearing	5	6,995	309	7,309	4	10,014	-	10,018
Total	**5**	**10,902**	**40,768**	**51,675**	**4**	**12,196**	**90,134**	**102,334**

Cash and cash equivalents by type of interest rate is analyzed in the following table:

NOTE 33: SHARE CAPITAL

The share capital of the Parent Company as at 31 December 2020 and 31 December 2019 was €490,044 thousands divided in 196,017,480 registered shares of a nominal value of €2.5 each. The Parent Company is a subsidiary of National Bank of Greece (NBG) which holds 100% of the Company's share capital.

NOTE 34: RESERVES

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Statutory reserve	24,480	24,633	25,074	25,074
Special reserves	2	2	2	2
Extraordinary reserves	1,205	1,205	1,205	1,205
Available-for-sale securities reserve	331,336	233,408	330,730	233,113
Reserve from non taxable income	1,681	1,681	1,681	1,681
Liabilities from defined benefit plans	(10,166)	(7,412)	(10,166)	(7,412)
Currency translation differences	(4,510)	(4,532)	-	-
Other reserves	1,962	1,963	49	49
Total reserves	**345,990**	**250,948**	**348,575**	**253,712**

MOVEMENT OF AVAILABLE-FOR-SALE RESERVE

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Balance at beginning of the period	**233,408**	**28,192**	**233,113**	**28,123**
Net gain/(loss) from changes in fair value	123,350	273,610	123,040	273,388
Net profit transferred to profit or loss	(34,252)	(69,445)	(34,252)	(69,445)
Impairment losses	8,828	790	8,829	790
Effect of tax rate change	-	257	-	257
Other movements	2	4	-	-
Balance at end of the period	**331,336**	**233,408**	**330,730**	**233,113**

Statutory reserve: This reserve is established according to the provisions of Greek Law 4548/2018 and the Legal Decree 400/1970. In accordance with Article 18 of the Legal Decree 400/1970 at least one fifth of the Company's net annual profit is used for the establishment of the statutory reserve. Such obligation ceases when the reserve exceeds four times the share capital. As at 01 January 2016, the Legal Decree 400/1970 was replaced by the Greek Law 4364/2016, which does not provide for the establishment of a statutory reserve. Therefore, the provisions of Greek Law 4548/2018 apply, for the establishment of a statutory reserve at a rate of 5% on annual profit and up to a ratio of 1/3 of the paid share capital.

AFS reserve: This reserve, includes valuation of gains and losses on available for sale securities and is transferred to profit or loss upon sale or the portion relating to impairment losses of their fair value. Any realized gains or losses are taxed with the corporate income tax rate.

Extraordinary reserves: These reserves have been established in the past pursuant to a resolution of the Parent Company's General Meeting, comprise of special reserves from the merger of subsidiaries and can be distributed to the Parent Company's shareholders with no further tax levied following a resolution of the General Meeting.

Obligations from defined benefit plans: This reserve is established in line with IAS 19, as revised, and includes actuarial gains and losses from the Parent Company's defined benefit plans. Changes in the reserve over the year are presented in Note 41.

NOTE 35: RETAINED EARNINGS

Retained earnings of the Parent Company for 2020 include realized gains on the disposal of E.U. bonds, which based on Circular 1032/2015 are exempted from income tax, and according to article 47 par. 1 of the Greek Law 4172/2013, will be taxed upon their distribution or capitalization, as well as profits from the transfer of government bonds that resulted from the application of Decree 1332/2017, which according to Circular 1174/2017 are exempted from income tax and will be taxed upon their distribution or capitalization. The above gains for which taxation has been suspended, amount to €84,310 thousands. The Parent Company does not have the intention to sell them in the foreseeable future therefore no deferred tax liability has been recognised, nevertheless the Company will assess on an annual basis the ability and degree of their distribution.

NOTE 36: MATHEMATICAL RESERVES AND INSURANCE TECHNICAL RESERVES

GROUP	31/12/2020			31/12/2019		
	Group share	Reinsurers' share	Total	Group share	Reinsurers' share	Total
			(€ thousands)			
LIFE INSURANCE RESERVES						
Mathematical reserves, liability adequacy reserves and unearned premium reserve	692,218	10,908	703,126	691,488	9,142	700,630
Outstanding claims reserves	135,955	2,055	138,010	139,662	1,872	141,534
Total life insurance reserves	**828,173**	**12,963**	**841,136**	**831,150**	**11,014**	**842,164**
Unit-Linked reserves	203,839	-	203,839	229,695	-	229,695
Unit-Linked guarantee reserve	77,216	-	77,216	101,895	-	101,895
Total Unit-Linked reserves	**281,055**	**-**	**281,055**	**331,590**	**-**	**331,590**
Total Life reserves	**1,109,228**	**12,963**	**1,122,191**	**1,162,740**	**11,014**	**1,173,754**
NON-LIFE INSURANCE RESERVES						
Unearned premium reserve	52,221	15,447	67,668	52,222	15,172	67,394
Outstanding claims reserves	287,995	58,165	346,160	299,820	61,013	360,833
Total non-life insurance reserves	**340,216**	**73,612**	**413,828**	**352,042**	**76,185**	**428,227**
Total reserves	**1,449,444**	**86,575**	**1,536,019**	**1,514,782**	**87,199**	**1,601,981**

PARENT COMPANY	31/12/2020			31/12/2019		
	Group share	Reinsurers' share	Total	Group share	Reinsurers' share	Total
			(€ thousands)			
LIFE INSURANCE RESERVES						
Mathematical reserves, liability adequacy reserves and unearned premium reserve	645,109	3,774	648,883	651,414	3,016	654,430
Outstanding claims reserves	135,401	1,905	137,306	138,061	1,713	139,774
Total life insurance reserves	**780,510**	**5,679**	**786,189**	**789,475**	**4,729**	**794,204**
Unit-Linked reserves	203,839	-	203,839	229,695	-	229,695
Unit-Linked guarantee reserve	77,216	-	77,216	101,895	-	101,895
Total Unit-Linked reserves	**281,055**	**-**	**281,055**	**331,590**	**-**	**331,590**
Total Life reserves	**1,061,565**	**5,679**	**1,067,244**	**1,121,065**	**4,729**	**1,125,794**
NON-LIFE INSURANCE RESERVES						
Unearned premium reserve	42,616	12,566	55,182	42,875	12,341	55,216
Outstanding claims reserves	278,127	53,132	331,259	288,801	55,891	344,692
Total non-life insurance reserves	**320,743**	**65,698**	**386,441**	**331,676**	**68,232**	**399,908**
Total reserves	**1,382,308**	**71,377**	**1,453,685**	**1,452,741**	**72,961**	**1,525,702**

MOVEMENT OF INSURANCE RESERVES

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Movement of Life insurance reserves				
Life insurance reserves at beginning of the period	**1,173,754**	**1,193,337**	**1,125,794**	**1,154,752**
Additional liabilities and changes for the year	55,328	113,024	43,293	98,915
Reserve release on death, maturity, surrender, lapse etc.	(106,880)	(132,607)	(101,843)	(127,873)
Foreign exchange differences	(11)	-	-	-
Life insurance reserves at end of the period	**1,122,191**	**1,173,754**	**1,067,244**	**1,125,794**
Movement of Non-Life Insurance reserves				
Non-life insurance reserves at beginning of the period	**428,227**	**428,012**	**399,908**	**402,533**
Movement of Unearned Premium Reserve	2,352	2,230	2,107	1,652
Movement of Unexpired Risk Reserve	(2,092)	(57)	(2,141)	(48)
Non-life reserve of current year	64,911	89,707	55,456	79,237
Change in non-life reserves of prior years	(18,421)	(22,981)	(20,330)	(29,147)
Non-life claims paid of current year	(23,322)	(29,539)	(15,088)	(19,081)
Non-life claims paid of prior years	(37,100)	(42,082)	(32,821)	(38,296)
Foreign exchange differences	(78)	(121)	-	-
Other movements	(649)	3,058	(650)	3,058
Non-life insurance reserves at end of the period	**413,828**	**428,227**	**386,441**	**399,908**
Total	**1,536,019**	**1,601,981**	**1,453,685**	**1,525,702**

NOTE 37: INVESTMENT CONTRACT LIABILITIES

GROUP & PARENT COMPANY	31/12/2020	31/12/2019
	(€ thousands)	
Group investment contracts		
Balance at beginning of the period	**172,284**	**157,454**
Contributions	30,146	23,756
Withdrawals	(15,452)	(14,534)
Interest	2,259	2,664
Other movements	(1,625)	2,944
Balance at end of the period	**187,612**	**172,284**
Investment contracts to individuals		
Balance at beginning of the period	**917,592**	**698,520**
Reserve release	(30,204)	(27,471)
New policies	108,342	208,257
Change in reserve	45,356	37,102
Other movements	726	1,184
Balance at end of the period	**1,041,812**	**917,592**
Total investment contract liabilities	**1,229,424**	**1,089,876**

Under “Investment contracts to individuals” are included endowment contracts with premium return in case of death worth of €709,906 thousands (2019: €586,856 thousands) and Unit-Linked contracts worth of €331,906 thousands (2019: €330,736 thousands).

NOTE 38: OTHER LIABILITIES

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Amounts due to brokers and agents	23,769	23,938	22,021	22,263
Payable expenses and deferred income	10,841	11,555	7,685	8,729
Creditors and suppliers	11,032	11,331	9,650	10,646
Taxes and duties	15,559	15,781	15,547	15,771
Amounts collected on behalf of third parties	158	120	158	120
Amounts due to social security organizations	1,885	1,949	1,885	1,949
Provision for third party claims against the Company	1,428	1,236	1,428	1,236
Provision for accrued expenses	4,831	4,617	4,831	4,617
Other liabilities	7,244	7,346	5,944	6,085
Total other liabilities	**76,747**	**77,874**	**69,149**	**71,417**

Group companies are involved (as defendant and plaintiff) in various judicial and arbitration procedures, in the ordinary course of business. The Management and legal advisors of the Parent Company consider that all pending litigations will be settled without a significant adverse impact on the Group's financial position or operating results. The Parent Company has formed provision for all the litigations that considers is more likely than not to incur a loss.

The IFRS 16 adoption on 1 January 2019 resulted in an increase of the Group's and the Parent Company's assets and liabilities. On 1st January 2019 assets increased by €3,196 thousands for the Group and €1,916 thousands for the Parent Company. The effect in the Group's and Parent Company's liabilities is included in "Other liabilities" and amounted to €2,171 thousands (2019: €2,312 thousands) for the Group and to €1,478 thousands (2019: €1,422 thousands) for the Parent Company as at 31st December 2020 (see Note 2.17).

Under the item "Accrued expenses and deferred income" of the above table is included an amount of € 6,120 thousands which relates to deferred income for the property "Plot of Elliniko - 35th Street" (see Note 20).

NOTE 39: BORROWED FUNDS

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Short-term borrowings	31	1,997	31	1,997
Long-term borrowings	50,000	50,000	50,000	50,000
Total borrowed funds	**50,031**	**51,997**	**50,031**	**51,997**

The Parent Company has issued a subordinated loan of an indefinite duration of €50.0m, out of which €45.0m is held by NBG and €5.0m is held by NBG Bank Malta, a 100% subsidiary of NBG. The interest rate of the loan is equal to the 6month EURIBOR plus a margin of 800 basis points. The loan meets the criteria for classification under Equity Category 1, in accordance with the provisions of Solvency II.

NOTE 40: REINSURANCE LIABILITIES

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Amounts payable to reinsurers	20,735	30,772	20,628	30,906
Amounts payable to cedants	843	959	843	959
Total reinsurance liabilities	**21,578**	**31,731**	**21,471**	**31,865**

NOTE 41: EMPLOYEE BENEFIT OBLIGATIONS

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)			
Defined benefit plans of the Parent Company	48,879	44,799	48,879	44,799
Retirement Indemnities	12,023	10,754	12,023	10,754
Subtotal	**60,902**	**55,553**	**60,902**	**55,553**
Defined contribution plans of the Parent Company	17,436	15,775	17,436	15,775
Total employee benefits	**78,338**	**71,328**	**78,338**	**71,328**

According to the terms of DAF contracts No. 2361, 2740 and 3002 issued by the Parent Company, each employee is entitled to receive upon retirement a lump sum benefit, unless retirement is due to partial or total disability caused by accident or illness and the employee has received or shall receive in the future a relevant disability benefit on the basis of a group contract also issued by the Parent Company. These contracts provide protection against permanent total disability due to illness, death and permanent total or partial disability due to accident.
The staff of the Group companies in Greece receives a retirement indemnity in accordance with the prevailing legislation.

In July 2019, the Group completed successfully a voluntary exit scheme of its personnel, in which 117 employees participated. This action increased the contributions and claims of the previous year (see Note 16 for an overall impact on the result) and was included under lines "DAF benefits" and "Indemnities paid by the Company" in the table below, which analyses the obligations of the defined benefit and contribution plans:

	PARENT COMPANY	
	31/12/2020	31/12/2019 as reclassified
	(€ thousands)	
Reconciliation of present value of obligation		
Present value of obligations at beginning of period	55,553	65,332
Service cost	1,415	1,441
Interest cost	523	1,067
Employee contributions	494	543
DAF benefits	(737)	(18,077)
Indemnities paid by the Company	(120)	(15,124)
Increase due to termination of contracts with consensual processes and other	149	15,309
(Gain)/ Loss due to financial assumptions	3,527	4,896
(Gain)/ Loss due to experience adjustments	98	166
Present value of funded obligations at end of period	**60,902**	**55,553**
Reconciliation of amount recognized in other comprehensive income		
Amount recognized in comprehensive income at beginning of period	**(9,752)**	**(4,690)**
Gain/ (Loss) due to changes in assumptions	(3,527)	(4,896)
Gain/ (Loss) due to experience adjustments	(98)	(166)
Total amount recognized in other comprehensive income during the period	**(3,625)**	**(5,062)**
Amount recognized in other comprehensive income at end of period	**(13,377)**	**(9,752)**

Key assumptions		
Discount rate	0.50%	1.00%
Price inflation	1.50%	1.50%
Plan duration (years)	9.88	10.47

The table below set outs the sensitivity analysis to the present value of the accumulated liability, in a change of the basic valuation assumptions.

PARENT COMPANY Sensitivity analysis of actuarial assumptions			
		Law 4093	DAF
Discount rate	Increase by 50 bps	-6.4%	-4.4%
	Decrease by 50 bps	7%	4.7%
Price inflation	Increase by 50 bps	0.3%	0%
	Decrease by 50 bps	-0.3%	0%
Rate of compensation increase	Increase by 50 bps	6.3%	2.4%
	Decrease by 50 bps	-5.8%	-2.3%
Years of service	More than one year	0.7%	0.5%
	Less than one year	-0.7%	-0.6%

Employer contributions to the defined benefit contracts 2361 and 2740 for year 2020 are estimated at €1,353 thousands.

On 12 November 2012, Greek Law 4093/2012 changed the statutory indemnity scale as this was determined by Greek Law 2112/1920, in case of an employee dismissal or normal retirement. The new law restricts the maximum indemnity payable to an employee upon dismissal or retirement, to 12 monthly salaries instead of 24.

In addition, the transitional provisions of the aforementioned law provide that for employees who on 12 November 2012 have completed 17 or more years of service with the same employer, the compensation is limited to 1 additional salary for each completed year and up to 24 pensionable salaries. In case of dismissal, the maximum amount of the additional salary is limited to €2 thousands.

NOTE 42: RELATED PARTY DISCLOSURES

Transactions with the Bank (NBG), NBG's subsidiaries and companies of the Ethniki Insurance Group:

	GROUP							
	31/12/2020				31/12/2019			
	Receivables	Liabilities	Income	Expenses	Receivables	Liabilities	Income	Expenses
	(€ thousands)				(€ thousands)			
NBG Parent Company								
- Time deposits	13,000	-	249	-	23,000	-	1,245	-
- Sight deposits	8,386	-	-	-	11,049	-	-	-
- Insurance services	329,460	4,045	4,289	13,699	327,618	3,191	3,038	14,035
- Other transactions	533	47,318	541	4,521	472	50,454	541	4,700
NBG Group Associates	3,939	6,192	2,160	955	4,733	6,422	2,681	1,006
Total	**355,318**	**57,555**	**7,239**	**19,175**	**366,872**	**60,067**	**7,505**	**19,741**

	PARENT COMPANY							
	31/12/2020				31/12/2019			
	Receivables	Liabilities	Income	Expenses	Receivables	Liabilities	Income	Expenses
	(€ thousands)				(€ thousands)			
Ethniki Insurance Group Companies	1	202	113	32	1	207	110	28
NBG Parent Company	-	-	-	-	-	-	-	-
- Time deposits	13,000	-	249	-	23,000	-	1,245	-
- Sight deposits	8,279	-	-	-	10,960	-	-	-
- Insurance services	329,460	4,045	4,289	13,699	327,618	3,191	3,038	14,035
- Other transactions	533	47,318	541	4,521	472	50,454	541	4,700
NBG Group Associates	69	6,180	1,718	877	62	6,399	1,696	849
Total	**351,342**	**57,745**	**6,910**	**19,129**	**362,113**	**60,251**	**6,630**	**19,612**

a. Transactions with the Bank (NBG), NBG's subsidiaries and companies of the Ethniki Insurance Group:

All the transactions with related parties were conducted in the normal course of business, and with the same terms with those provided to third parties.

Sight deposits in NBG are presented as "cash and cash equivalents", and time deposits in NBG are included in "cash and cash equivalents", only if they have a duration of up to three months or less, otherwise they are presented as insurance premium and other receivables under the line item "Receivables from credit institutions".

The Parent Company and the Group have deposits in NBG and NBG Cyprus Ltd., linked to insurance products of the Parent Company and the Group, amounting to €5,749 thousands and €5,072 thousands respectively for 2020 (2019: €7,250 thousands and €4,066 thousands respectively).

In addition, the Parent Company and its subsidiaries own investments in customised deposit products with NBG, linked to investment products of the Parent Company and its subsidiaries, amounting to €329,006 thousands as at 31st December 2020 (2019: €327,759 thousands). The above balance is included under the line item "Insurance services", which also includes uncollected premiums from other insurance activities. More specifically, the Parent Company has established an internal variable fund (IVF) named "Efapax Ethniki", in order to back the respective group life insurance contracts, as well as to the individual life insurance contracts. The entire IVF is placed on a customized deposit product in NBG.

The subordinated loan of €50.0 million that the Parent Company has issued and is held by NBG and NBG Bank Malta, a 100% subsidiary of NBG (see Note 39), is included under line item "Other transactions".

The Parent Company has capitalized in 2020 a total amount of €1,811 thousands (2019: €3,035 thousands) relating to transactions with its parent company NBG.

The Parent Company manages DAF contracts for the employees of the NBG Group amounting to €71,604 thousands (2019: €70,297 thousands), out of which €68,818 thousands relate to employees of the Parent Company (2019: €63,702 thousands).

b. Transactions with the member of the BoD and the Management:

All transactions with the related parties were conducted in the normal course of business, and with the same terms with those provided to third parties or those agreed in employment contracts.

The Group and the Parent company, in the ordinary course of business, have entered into transactions with the members of the Board of Directors, the General Managers and the Deputy General Managers, as well as with their close relatives or entities controlled or jointly controlled by those persons. The list of the members of the Board of Directors of the Parent Company is presented under Note 1 "General Information".

Specifically, as at 31st December 2020, receivables and liabilities amounted to €4 thousands and €395 thousands respectively (2019: €4 thousands and €326 thousands), while in 2020 premiums and claims amounted to €42 thousands and €27 thousands respectively (2019: €111 thousands and €137 thousands).

Total compensation in 2020 amounted to €2,033 thousands (2019: €2,273 thousands), including short-term benefits of €2,001 thousands (2019: €2,028 thousands) and post-retirement benefits of €32 thousands (2019: €31 thousands).

Provision for compensation in case of retirement amounted to €117 thousands (2019: €106 thousands).

The Parent Company and the Group have not provided or received any guarantees or commitments of any kind concerning related parties.

As at 31 December 2020, as well as at 31 December 2019, neither the Parent Company nor the Group have recognized any provision for non-performing receivables, relating to amounts due from related parties, as related credit risk is considered limited.

NOTE 43: CONTINGENT LIABILITIES

Legal proceedings

Group companies are involved (as defendant and plaintiff) in various judicial and arbitration procedures, in the ordinary course of business. The Management and legal advisors of the Parent Company consider that all pending litigation will be settled without significant adverse impact on the Group's financial position or operating results.
The Parent Company has no contingent liabilities regarding judicial cases for which it has not established a provision (see Note 38).

Guarantees

As at 31 December 2020, the Parent Company had issued guarantees of good performance amounting to €2,196 thousands (2019: €3,273 thousands), which mainly relate to participation in tenders for undertaking new insurance business.

Pending tax audits

Tax authorities have not yet audited all subsidiaries for certain financial years, hence tax obligation for these years may not be considered as final. Additional taxes and penalties may be imposed as a result of such tax audits; although the amount cannot be determined, it is not expected to have a material impact on the financial position of the Company and the Group.

Fiscal years from 2011 to 2016 have been tax audited by Deloitte Certified Public Accountants S.A. in accordance with article 82 of law 2238/1994 subsequently with article 65a of law 4174/2013, and the tax certificates, which were unqualified, were issued on 27 July 2012, 24 September 2013, 09 July 2014, 29 September 2015, 30 September 2016 and 26 October 2017 respectively.

Fiscal years from 2017 to 2019 have been tax audited by PricewaterhouseCoopers S.A. and the tax certificates, which were unqualified, were issued on 31 October 2018, 29 October 2019 and 23 October 2020, respectively.

Fiscal year 2020 will be also tax audited by PricewaterhouseCoopers S.A. and no additional tax liabilities are expected that could significantly affect the financial position of the Company.

On 31 December 2020, the right of the tax authorities to issue a deed for re-calculation of income tax for the years up to and including year 2013, expired. For the years 2014 and onwards, in accordance with Ministerial Decision 1006/2016, there is no exception from tax audit performed by the tax authorities to those entities that have been tax audited by the independent auditor and its tax audit certificate was unqualified.

Therefore the tax authorities may re-audit the tax books, however, it is expected that the financial impact of such future audits will not affect significantly the financial position of the Company and the Group.

Additional information regarding the unaudited tax years of the Parent company and its subsidiaries can be found in Note 18.

NOTE 44: POST BALANCE SHEET EVENTS

Sales process for Ethniki Insurance Group

On 26 March 2021, NBG announced that it has entered into a definitive agreement for the divestment of 90.01% of the Parent Company to CVC Capital Partners' Fund VII.

The equivalent nominal consideration corresponding to 100% of the Parent Company would be €505 million, including an "earn-out" payment of up to €120 million, which will be subject to meeting agreed upon performance targets for the bancassurance channel of NBG by 2026. The transaction includes a 15-year Bancassurance partnership.

The closing of the transaction is subject to standard conditions precedent, the approval by the antitrust and regulatory authorities and the approval of an Extraordinary General Meeting of NGB shareholders. The consent of the Hellenic Financial Stability Fund was granted, as stipulated in the Relationship Framework Agreement.

NOTE 45: AUDIT FEES

Price Waterhouse Coopers SA ("PwC") was the legal statutory auditor for the years ended 31 December 2020 and 31 December 2019. The following table presents the aggregate fees for audit services and other professional services rendered by the Group's principal accounting firm PwC, other member related firms and their respective affiliates.

	GROUP		PARENT COMPANY	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	(€ thousands)		*(€ thousands)*	
Audit of statutory financial statements	280	250	190	190
Audit-related services	282	241	225	188
Other non audit services	276	153	276	153
Total independent auditor's fees	**838**	**644**	**691**	**531**

NOTE 46: RECLASSIFICATIONS

As part of the IFRS 17 Insurance contract implementation project (see Note 2.3.2.1), the management of the Parent Company and the Group, carried out a comprehensive review and assessment of the existing product classification.

During this process, specific endowment contracts with premium return in case of death were identified, which do not expose the insurance company to significant insurance risk or include a right to profit sharing.

IFRS 17 does not change the existing definitions of insurance contract and discretionary participation features, under IFRS 4 accounting standard for insurance contracts (see Note 2.11). As a result of the above, premium income and contractual obligations related to specific insurance contracts have been reclassified from 01.01.2019 and are presented as investment contracts in the following tables.

The reclassifications in the accounts "Insurance premium and other receivables" and "Other liabilities" were made in the context of the more relevant presentation as well as the comparability of the Financial Statements and relate to a provision for the return of premiums.

Statement of total comprehensive income	GROUP 31/12/2019			PARENT COMPANY 31/12/2019		
	Published amounts	Reclassifications	Reclassified amounts	Published amounts	Reclassifications	Reclassified amounts
		(€ thousands)			*(€ thousands)*	
Gross earned premiums and related income	746,081	(244,972)	501,109	706,184	(244,972)	461,212
Interest, dividends and other investment income	45,650	4,284	49,934	44,812	4,284	49,096
Policyholder benefits and claims incurred	(402,221)	21,293	(380,928)	(384,287)	21,293	(362,994)
Commission expenses	(74,385)	1,465	(72,920)	(70,205)	1,465	(68,740)
Movement in mathematical insurance reserves	(192,115)	217,930	25,815	(184,112)	217,930	33,818
Profit before tax	**123,010**	**-**	**123,010**	**112,392**	**-**	**112,392**

Statement of financial position	GROUP 31/12/2019			PARENT COMPANY 31/12/2019		
	Published amounts	Reclassifications	Reclassified amounts	Published amounts	Reclassifications	Reclassified amounts
		(€ thousands)			*(€ thousands)*	
ASSETS						
Deferred acquisition costs (DAC)	54,891	(15,008)	39,883	52,135	(15,008)	37,127
Insurance premium and other receivables	124,273	(1,300)	122,973	113,950	(1,300)	112,650
Total Assets	**179,164**	**(16,308)**	**162,856**	**166,085**	**(16,308)**	**149,777**
LIABILITIES						
Mathematical reserves and technical insurance provisions	2,206,615	(604,634)	1,601,981	2,130,336	(604,634)	1,525,702
Investment contracts liabilities	500,250	589,626	1,089,876	500,250	589,626	1,089,876
Other liabilities	79,174	(1,300)	77,874	72,717	(1,300)	71,417
Total liabilities	**2,786,039**	**(16,308)**	**2,769,731**	**2,703,303**	**(16,308)**	**2,686,995**

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