Ethniki Holdings S.à r.l.

Group Solvency & Financial Condition Report

2022

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Contents

Disclosure Framework

In this report, Ethniki Holdings S.à r.l. is defined as the "Participant" and the following companies

- "THE ETHNIKI" Hellenic General Insurance Company S.A., (hereinafter: "Ethniki Insurance") with its registered seat in Greece
- Garanta Asigurari S.A. (hererinafter: "Garanta"), with its registered seat in Romania,
- Ethniki Insurance (Cyprus) Ltd. (hereinafter: "Ethniki Cyprus Life Insurance"), with its registered seat in Cyprus,
- Ethniki General Insurance (Cyprus) Ltd. (hereinafter: "Ethniki Cyprus Non-Life Insurance"), with its registered seat in Cyprus.

are each individually also defined as the "related undertakings".

The Group of Companies headed by the participant is defined as the "Ethniki Holdings S.à r.l. Group" or "the Group".

The content of the Group Solvency and Financial Condition Report ("the Report") is determined in Executive Committee Act 77/12.2.2016 of the Bank of Greece (hereinafter "BoG"), which is the Group Regulator, and Articles 359 through 364 of the Delegated Regulation (EU) 2015/35. The structure of the Report is determined by Annex XX of the Delegated Regulation (EU) 2015/35 and is depicted in Chapters 1 through 5.

The Executive Summary and Independent Auditors' report form an integral part of this Report and are published along with it.

Annex I of this Report includes the templates included in Article 5 of the European Commission Implementing Regulation (EU) 2015/2452 of 02.12.2015. Quantitative template S.05.02.01 "Premiums, claims and expenses by country" is not submitted since in year 2022 more than 90% of Group's gross premiums were written in Greece. Quantitative templates S.25.02.22 and S.25.03.22 specifying information on Solvency Capital Requirement are not submitted given that the former is applicable for groups using standard formula and a partial internal model, whereas the latter is applicable for groups using a full internal model.

Amounts in the Report Tables are presented in thousands of Euros, whereas amounts outside of the Tables are presented in millions of Euros, unless otherwise stated.

For the calculation of Group Solvency, the Participant consolidates Ethniki Insurance by applying method 1 ("full consolidation method").

The Participant consolidates Garanta, Ethniki Cyprus Life and Ethniki Cyprus Non-Life by applying method 2 ("deduction and aggregation method"), which is stipulated in Article 191 of Law 4364/2016, in accordance with the decision No. 184/4/25.04.2016 of the Credit and Insurance Committee ("CIC") of the BoG.

In accordance with Decision No. 269/5/09.05.2018 of the Committee of Credit and Insurance Issues ("CIIC") of BoG, Ethniki Insurance applied the reduction of the transitional measure on technical provisions, in accordance with the provisions of Article 275 of Greek Law 4364/2016. In addition, Ethniki Insurance uses the transitional measure for the equity risk sub-module, for the type 1 equity that it held in its portfolio on 1 January 2016.

Ethniki Cyprus Life Insurance as of 01.01.2019 calculates its technical provisions, by using the risk free curve. Ethniki Cyprus Life Insurance holds 100% of Ethniki Cyprus Non-Life Insurance, which has used the risk free curve for the calculation of its technical provisions.

Garanta calculates its technical provisions by using the risk free curve.

The BoG, as Supervisory Authority, in accordance with Article 41 of Greek Law 4364/2016 and Article 54 of EC 138/2009, may request a modification or revision of the Group published reports or disclosure of any additional information, as well as any other actions to be taken by Management.

The Report for the year ended 31 December 2022 has been approved by the Participant's Board of Directors ("BoD") on 16 May 2023.

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Summary

Set out below is the executive summary of the Group's Report, which includes key figures and information on the Business and Performance, System of Governance, Risk Profile, Valuation for solvency purposes, Capital Management, exposure to International Banking Sector and Voluntary Exit Scheme (VES).

Key Figures

The following table depicts the key figures of the Group for the financial years 2022:

Solvency II Key Figures	31.12.2022
(€ thousands)	
Investments	3.303.762
Other Assets	437.476
Total Assets	**3.741.238**
Technical provisions	2.685.175
Other liabilities	487.760
Excess of assets over liabilities	**568.303**
Subordinated liabilities	175.000
Total Own Funds	**743.303**
Eligible own funds to meet SCR	
Tier 1	494.837
Tier 2	127.025
Tier 3	37.305
Total Eligible Own Funds to meet SCR	**659.167**
Capital Requirement	
Solvency Capital Requirement (SCR)	328.660
Solvency Ratio (SCR Coverage Ratio)[1]	**201%**
Minimum Capital Requirement (MCR)	98.878
Eligible own funds to meet MCR	
Tier 1	494.837
Tier 2	19.776
Total eligible own funds to meet MCR	**514.613**
Solvency Ratio (MCR Coverage Ratio)[2]	**520%**

[1] Solvency Ratio (to meet SCR) = Total eligible own funds to meet SCR / Solvency Capital Requirement (SCR)

[2] Solvency Ratio (to meet MCR) = Total eligible own funds to meet MCR / Minimum Capital Requirement (MCR)

For the period prior to the purchase by the Participant of 100% of the share capital of Ethniki Insurance from the National Bank of Greece, the Participant did not engage in insurance business, thus no Solvency II figures are available.

As indicated in the above Table, on 31.12.2022 the Group's eligible own funds exceed both the Solvency Capital Requirement ("SCR") and the Minimum Capital Requirement ("MCR").

Business and Performance

The Participant was incorporated on 8 December 2020 as a Société à responsabilité limitée for an unlimited period, as a wholly owned subsidiary of Ethniki Holdings Ltd, with its registered seat in Jersey. The ultimate shareholders of the Participant are limited partnerships with CVC Capital Partners VII Limited acting as General Partner. The Participant has its registered address at 20, Avenue Monterey, L-2163 Luxembourg, and is registered at the Luxembourg Commercial Register under number B 250223.

On 26 March 2021, the Participant entered into a share purchase agreement as purchaser together with the National Bank of Greece ("NBG") as seller in order to acquire 196.017.480 shares in Ethniki Insurance, comprising the 100% of the issued share capital of the company.

The transaction included the purchase by the NBG of 9,99% of the share capital of the Participant. The above transfer followed the approval of the European Commission on February 24, 2022, as well as the supervisory authorities of the countries in which the Group operates.

The transaction was closed on 31 March 2022.

Following the above transaction, the Group, apart from Luxembourg, is also present in Greece through Ethniki Insurance, in Cyprus through Ethniki Cyprus Life Insurance, Ethniki Cyprus Non-Life Insurance, and in Romania through Garanta.

In light of the above, the analysis of the business performance includes results of the Participant for the full financial year 2022 and of the related undertakings for the period from 1.4.2022 to 31.12.2022.

In 2022, the Group's technical Result amounted to €46,6m 2022, stemming from Life business €4,6m, as well as from Property €19,0m, Motor €13,9m and Other Non-Life €9,2m. Total production for 2022 in terms of GWP and related income reached €525,5m, stemming mainly from Life business €365,8m, followed by strong performance in Property €63,4m, Motor €60,4m and Other Non-Life €35,9m.

The Group maintains a strong capital base that allows insurance participating undertakings to offer efficient services and a wide product base to their policyholders.

System of Corporate Governance

The Group has an effective System of Governance, which ensures sound and prudent management and fosters continuity, consistency and proper operation.

For the purposes of chapter 2 only, Ethniki Insurance, Ethniki Cyprus Life Insurance, Ethniki Cyprus Non-Life Insurance and Garanta are defined as the "Ethniki Insurance" sub-Group or the "Sub-Group".

The BoD of Ethniki Insurance and its related undertakings, supported by the BoD Committees, is responsible for setting the strategic direction, supervising the senior management and exercising adequate control of the Sub-Group, aiming at the maximization of its long-term value, the advocacy of general corporate and Sub-Group interest and the promotion of internal affairs, in accordance with the legal and regulatory framework.

The Sub-Group's System of Governance includes:

1. Policies and Procedures, approved by the BoDs of Ethniki Insurance and its related undertakings, such as the Corporate Governance Code, the Fit & Proper Policy, the Remuneration Policy and the Outsourcing Policy.
2. An Internal Control System ("ICS") aiming at ensuring, to the extent possible, that internal control mechanisms are implemented as designed, are adequate and promote the consistent implementation of business strategy, the timely identification and effective management of risks undertaken, and the provision of reliable financial management information. In this context, ICS includes, inter alia, allocating responsibilities to Staff, establishing and recording procedures and safeguards, carrying out regular and ad hoc audits by the competent Units,
3. A Risk management system, aiming at the timely identification, adequate assessment and effective monitoring, management and reporting of existing and emerging risks, throughout the range of the Sub-Group business activities. For the effective operation of the Risk Management System, Risk Management Strategies and Policies are adopted and Own Risk & Solvency Assessment ("ORSA") is performed,
4. Four key functions: Internal Audit, Actuarial, Risk Management and Compliance function, which operate on the basis of approved Charters are supervised by the Committees of the BoD or / and directly by the BoD.

Diagram: Illustration of System of Governance

The participation of four members of the BoD of Ethniki Insurance in the BoD of the Participant, ensures the governance is applied consistently, not only at the sub-Group, but also at the entire Group level.

Risk Profile

Ethniki Insurance Risk Management Division monitors the risk profile both at stand-alone and Group level through coordinated procedures for the identification, evaluation, management and reporting of the risks undertaken with the involvement of all business units.

In this framework, the following risks have been identified and managed through the development of policies and respective procedures:

Market Risk	Credit Risk	Insurance Risk	Operational Risk
Liquidity Risk	Asset - Liability Mismatch Risk	Concentration Risk	Reputation Risk

Business environment both in Greece and worldwide, was characterized by increased uncertainty in 2022, which was reinforced by geopolitical instability.

Due to the current conditions in Greece and globally, the main strategic risks that affected the Group's activities are those stemming from the unstable financial and operating business environment (macroeconomic risks at European and Greek level), rising interest rates and inflationary pressures linked to geopolitical instability in Eastern Europe. At the same time, the Group closely monitors developments in the field of cyber security, where there is an increase in the complexity and frequency of cyber-attacks.

For the calculation of Group Solvency, for Ethniki Insurance the full consolidation method is followed and for the Ethniki Cyprus Life Insurance, Ethniki Cyprus Non-Life Insurance and Garanta the alternative method is followed ("deduction and aggregation method") and is based on the following:

i. The use of transitional measures and volatility adjustment to the relevant risk free interest rate term structure for Ethniki Insurance ("adjusted curve")
ii. The use of risk free curve for Ethniki Cyprus Life Insurance
iii. The use of risk free curve for Ethniki Cyprus Non-Life Insurance
iv. The use of risk free curve for Garanta

The quantitative assessment of the Solvency Capital Requirement that stems from the risks undertaken is performed with the use of the standard formula. The suitability of this method, in relation to the Group's risk profile, has been evaluated within the framework of the annual ORSA.

The Solvency Capital Requirement as at 31.12.2022, with the use of the volatility adjustment on the relevant risk free interest rate term structure ("adjusted curve") and the transitional measures on technical provisions and on the equity risk sub-module ("transitional measures"), amounts to €328,7m.

The solvency capital requirements of the Participant as well as its related undertakings are presented in the following tables:

Solvency Capital Requirements as at 31.12.2022:

Solvency Capital Requirements (€ in thousands) 31.12.2022	Companies consolidated under method 1[(1)]	Ethniki Cyprus Life Insurance[(2)]	Ethniki Cyprus Non-Life Insurance[(2)]	Garanta[(2)]
Market Risk	181.200	4.631	2.206	1.524
Credit Risk	36.492	1.481	1.855	2.340
Life underwriting risk	95.477	6.559	-	442
Health underwriting risk	51.400	560	1.609	540
Non-Life underwriting risk	64.887	-	2.871	4.120
Diversification	*(146.390)*	*(3.536)*	*(2.801)*	*(2.498)*
BSCR	**283.067**	**9.695**	**5.739**	**6.469**

Operational Risk	22.736	581	586	321
LAC	-	-	-	(534)
Solvency Capital Requirements (method 1)	**305.803**	**10.276**	**6.325**	**6.256**
Solvency Capital Requirements (method 2)	**22.857**			
Group Solvency Capital Requirements	**328.660**			

(1): The Participant and Ethniki Insurance
(2):Consolidated under method 2

For related undertakings consolidated under method 2, the SCR and individual risks correspond to the indirect stake of the Participant in each related undertaking.

For the period prior to the purchase by the Participant of 100% of the share capital of Ethniki Insurance from the National Bank of Greece, the Participant did not engage in insurance business, thus no Solvency II figures are available.

The Group has performed a sensitivity analysis, in order to estimate the effect of changes in risk factors on its own funds as at 31.12.2022. The sensitivity analysis was performed with:

a. The use of transitional measures and adjusted curve for Ethniki Insurance.
b. The use of risk free curve of the part of Ethniki Cyprus Life Insurance.
c. The use of risk free curve of the part of Ethniki Cyprus Non-Life Insurance.
d. The use of risk free curve of the part of Garanta.

The results of the sensitivity analysis are summarized in the table below:

Scenarios	Value	Change (amounts in € thousands):	Capital Adequacy ratio
Change in interest rates	0.50%	19.096	**206%**
Change in interest rates	-0.50%	-25.025	**193%**
Change in bonds credit spreads	50 bps	-79.676	**176%**
Change in bonds credit spreads	-50 bps	85.175	**226%**
Change in equity prices	25%	34.470	**211%**
Change in equity prices	-25%	-34.470	**190%**
Change in property values	25%	63.356	**220%**
Change in property values	-25%	-63.356	**181%**

A description of the results and parameters of the sensitivity analysis is set out in Chapter 3. "Risk Profile".

Valuation for Solvency Purposes

The Group measures assets and liabilities and calculate technical provisions in accordance with Chapter VI, section 1 and 2 of Directive 2009/138/EC of the European Parliament and of the Council.

For the calculation of Group Solvency, the Participant consolidates Ethniki Insurance by applying method 1 ("full consolidation method").

The Participant consolidates Garanta, Ethniki Cyprus Life and Ethniki Cyprus Non-Life by applying method 2 ("deduction and aggregation method"), which is stipulated in Article 191 of Law 4364/2016, in accordance with the decision No. 184/4/25.04.2016 of the Credit and Insurance Committee ("CIC") of the BoG.

Capital Management

Through capital management, the Group aims to optimize the balance between risk and return, while ensuring that its funds are adequate to cover capital requirements. In order to achieve this task, a Capital Management Policy has been established, which is in line with the risk appetite and strategy.

To effectively monitor the capital position of the Group, capital adequacy limits on the Solvency ratio (with the use of the adjusted curve and the transitional measures) are set out in the Policy.

According to the decision No. 269/5/09.05.2018 of the Committee of Credit and Insurance Issues ("CIIC") of the BoG and in accordance with the provisions of article 275 of Greek Law 4364/2016, the transitional measure was set at €205,8m. The reduction of the technical provisions concerns the liability of the health legacy portfolio with a restriction on premium adjustment and is amortized linearly over a sixteen (16) year period. As at 31.12.2022 the unamortized value of the transitional measure on technical provisions amounting to €128,6m (i.e. 10/16 of the initial amount of the transitional measure of €205,8m) and for 2023 will amount to €115,7m (i.e. 9/16 of €205,8m).

The Solvency Capital Requirement coverage ratio with the use of the volatility adjustment on the relevant risk free interest rate term structure and transitional measures reached 201% as at 31.12.2022, and the eligible own funds to cover the SCR reached €659,2m.

The Solvency Capital Requirement coverage ratio excluding the use of the transitional measure on technical provisions but using the volatility adjustment and the transitional measure for the equity risk sub-module, amounts to 161% as at 31.12.2022, and the eligible own funds to cover SCR reached €530,6m.

The Solvency Capital Requirement coverage ratio with the use of Risk Free Rate, amounts to 150% as at 31.12.2022, and the eligible own funds to cover SCR reached €493,4m.

Solvency Ratio (€ thousands)	With VA and using transitional measures on technical provisions 31.12.2022	With VA and excluding transitional measures on technical provisions 31.12.2022	With Risk Free Rate 31.12.2022
Eligible own funds to cover the SCR	659.167	530.565	493.373
SCR	328.660	328.660	329.571
Solvency Ratio	201%	161%	150%

On 1 January 2022 the transitional measure on technical provisions was amortized by €12,8m.

Exposure to the International Banking Sector

The Group has zero direct exposure to SVB or Credit Suisse instruments either through money market, bonds or equity financial instruments and continues to monitor the impact from further banking stresses on the sector and on the wider economy as well.

Total banking sector exposure as a percentage of the total portfolio remains small. While the Group maintains some global banking exposure, this is allocated to large systemic banks, which have high liquidity ratios and are well capitalized, reducing the risk of any adverse impacts.

Voluntary Exit Scheme (VES)

The Board of Directors of Ethniki Insurance, in its meeting on 4 April 2023, approved a Voluntary Exit Scheme for the employees and salaried lawyers of the Company, provided that they have a minimum of 30 years of age and at least 7 full years of service in the Company. The deadline for submitting applications for participation in the VES was 5 May 2023, with an estimated cost of €5,2m.

The VES will offer development opportunities for the remaining personnel and further enhance the competitiveness of Ethniki Insurance through the rationalization of its cost base.

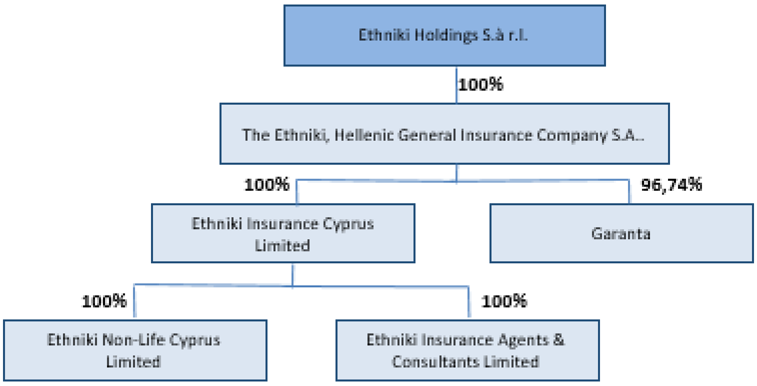
1. Business & Performance

1.1. Activity

1.1.1. The Group

The Group comprises of the Participant and its related undertakings: Ethniki Insurance in Greece, Ethniki Cyprus Life Insurance and Ethniki Cyprus Non-Life Insurance in Cyprus and Garanta in Romania.

The Group structure is depicted in the diagram below.



The Table below provides information on the Group's insurance undertakings, regarding the country of activity, Participant's shareholding and the Competent Supervisory Authority:

					31.12.2022
	Participant	Ethniki Insurance	Ethniki Cyprus Life Insurance	Ethniki Cyprus Non-Life Insurance	Garanta
Country of activity	Luxembourg	Greece	Cyprus	Cyprus	Romania
Shareholding %	-	100%	100%	100%	96,74%
Supervisory Authority	BoG	BoG	Insurance Companies Control Service (Cyprus)	Insurance Companies Control Service (Cyprus)	Autoritatea de Supraveghere Financiara

1.1.2. The Participant

The Participant was incorporated on 8 December 2020 as a Société à responsabilité limitée for an unlimited period, as a wholly owned subsidiary of Ethniki Holdings Ltd, with its registered seat in Jersey. The ultimate shareholders of the Participant are limited partnerships with CVC Capital Partners VII Limited acting as General Partner. The Participant has its registered address at 20, Avenue Monterey, L-2163 Luxembourg, and is registered at the Luxembourg Commercial Register under number B 250223.

The object of the Participant is the holding of participations, in any form whatsoever, in Luxembourg and outside of Luxembourg, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stocks, bonds, debentures, notes and other securities of any kind, and the ownership, administration, development and management of its portfolio.

The Participant may also hold interests in partnerships and act as general partner of such partnerships. The Participant may borrow in any form and proceed to the issuance of bonds (by private placement or to the public), which may be convertible and to the issuance of debentures. The Participant may also enter into any guarantee, pledge or any other form of security for the performance of any contracts or obligations of the Participant or of group companies.

In general, it may grant assistance to affiliated companies, take any controlling and supervisory measures and carry out any operation, which it may deem useful in the accomplishment and development of its purposes. The Participant may further carry out any commercial, industrial or financial operations, as well as any transactions on real estate or on movable property.

On 26 March 2021, the Participant entered into a share purchase agreement as purchaser together with the National Bank of Greece ("NBG"), as seller, in order to acquire 196.017.480 shares in Ethniki Insurance, comprising the 100% of the issued share capital of the company.

The transaction included the purchase by the NBG of 9,99% of the share capital of the Participant. The above transfer followed the approval of the European Commission on February 24, 2022, as well as the supervisory authorities of the countries in which the Group operates.

The transaction was closed on 31 March 2022.

1.1.3. The Related undertakings

Insurance Companies

Ethniki Insurance (Greece)

Ethniki Insurance is the oldest insurance undertaking in Greece and conducts business continuously for over 130 years. It was established in 15 June 1891 and its headquarters are located on Syngrou Ave. 103-105, 11745, Athens (Reg. 12840/05/B/86/20), tel.: +30 210 90 99 000, website: www.ethniki-asfalistiki.gr. Pursuant to its Articles of Association, its purpose is to carry out insurance, reinsurance and other financial activities allowed for insurance companies under the applicable Greek and EU law, and operates in line with the provisions of Greek Law 4548/2018 "Law on Société Anonyme Companies" as well as Greek Law 4364/2016 on the undertaking of Insurance and Reinsurance business, and the provisions of the legal and regulatory framework governing its operation and activities. Ethniki Insurance offers a full range of retail and business insurance services.

Ethniki Insurance conducts its business throughout Greece via its Sales Network, which comprises 134 Sales Offices, 1.693 Insurance Agents and 1.264 Insurance Brokers. The network is supported by 11 branches located in Athens, Agrinio, Heraklion, Thessaloniki, Kavala, Corinth, Lamia, Larissa, Patras, Rhodes and Chania. The company's products are also available via the extensive network of NBG Branches, as well as through direct selling.

Ethniki Cyprus Life Insurance and Ethniki Cyprus Non-Life Insurance (Cyprus)

The two companies offer a full range of Life insurance, as well as Non-life insurance in all lines of business. The distribution network is supported by 7 branches and 2 Sales Offices, located in all major cities of Cyprus (Nicosia, Limassol, Larnaca, Paphos, Ammochostos), 120 Insurance Agents and 53 cooperating Insurance Brokers.

Garanta (Romania)

Garanta carries out insurance and reinsurance activities and offers a full range of retail and business insurance services. The company conducts its business through 19 branches in the following Romanian cities: Bucharest, Bacau, Brasov, Cluj-Napoca, Craiova, Constanta, Deva, Iasi, Pitesti, Ploiesti, Oradea, Sibiu, Timisoara and Targoviste. Its distribution network includes 152 Insurance Brokers, 4 Insurance Agents, whereas its insurance products are also available via Bancassurance channel through Banca Romaneasca, Alpha Bank Romania and First Bank Romania.

Garanta was founded in October 1997, with a goal to invest in the Romanian Insurance Market, with Ethniki Insurance as its majority equity holder with an equity stake of 94,96%.

During 2022, Ethniki Insurance increased its stake in Garanta by participating in two capital increases of €1,0m and €2,1m, resulting in Ethniki Insurance having a 96,74% stake in Garanta as at 31.12.2022.

The size of this specific related undertaking is relatively small compared to the size of the Group. Total assets of the related undertaking for 2022 are 0,8% of Group assets and equity is 1,9% the Group equity.

During the last quarter of 2022, Ethniki Insurance decided to dispose of its stake in the related undertaking and has commenced a process to find prospective investors.

The investment in Garanta has been measured in accordance with applicable Solvency II valuation principles. This value is higher than that determined under IFRS 5: "Non-Current Assets Held for Sale" by €9,2m since the investment in the said undertaking has been impaired based on non-binding offers received.

The sales process is not completed. The sale consideration is expected to be lower that the value of the related undertaking in the Group's Solvency II Balance Sheet.

Other Companies

The Participant on 31.12.2022 held a stake through its related undertakings (Ethniki Insurance, Ethniki Cyprus Life Insurance, Ethniki Cyprus Non-Life Insurance) in the following company:

National Insurance Agents and Consultants Ltd

National Insurance Agents and Consultants Ltd is a subsidiary of Ethniki Cyprus Life Insurance which holds 100% of its share capital. The purpose of the company is to carry out insurance broker services. The company has ceased its operations.

1.1.4. BoD Members

The Boards of Directors of the Participant and its related undertakings in the consolidation are the following:

Participant's BoD

The Board of Directors of the Participant as at the approval date of this report, consists of the following members:

Carmen André
Alexandros Fotakidis
Georgia Oikonomitsiou
Robert Gauci
Matthew Bryant
Stavros Karagrigoriou

The Board of Directors of the Participant on 31.12.2022 consisted of the following members: Carmen André, Georgia Oikonomitsiou, Alex Fotakidis. The BoD composition has been amended subsequently in 2023.

Ethniki Insurance BoD

The Board of Directors of Ethniki Insurance on 31.12.2022 consisted of the following members:

Andrzej Piotr Klesyk son of Henryk	President, Independent Non-Executive Member
Stavros Konstantas, son of Stamatios	CEO, Executive Member
Tassos Anastasiou, son of Loukis	Executive Member
Stavros Karagrigoriou, son of Efstratios	Executive Member
Matthew George Alfred Bryant, son of David	Non-Executive Member
Alexandros Fotakidis, son of Panagiotis	Non-Executive Member
Christina Theofilidi, daughter of Theofilos	Non-Executive Member
Konstantinos Rokas, son of Ioannis-Evangelos	Non-Executive Member
Peter William James Rutland, son of James	Non-Executive Member
Stuart Jeffrey Davies, son of Thomas	Independent Non-Executive Member
Vasileios Mastrokalos, son of Gerasimos-Anargyros	Independent Non-Executive Member

The Ordinary General Meeting of the Shareholders No. 173/14.4.2022 resolved in the election of a new BoD. The tenure of the BoD Members is for three years, i.e. until 14/4/2025, and shall be extended until the first Ordinary General Meeting of the company's Shareholders, which shall convene upon the expiry of the BoD's tenure. Messrs. Christophoros B. Sardelis, Panagiotis A. Dasmanoglou, Angeliki I. Skandaliari, Nikolaos E. Fragkos, Nikolaos G. Milios, Petros I. Lirintzis and Chistodoulos D. Christodoulou stepped down from the BoD.

The Extraordinary General meeting of the Shareholders No. 174/6.10.2022 resolved that the BoD shall comprise of twelve Members. Following the above resolution, Mr. Robert Constantin Gauci, son of Hervé Marc, was elected new BoD Member.

At the BoD meeting No. 2322/13.12.2022, the stepping down of the CEO and BoD Member, Mr. Stavros Konstantas, on 31.12.2022 was brought to the attention of the Body.

At its meeting No. 2324/2.1.2023, the BoD unanimously approved the "Fit & Proper" assessment of the new CEO, Mr. Robert Constantin Gauci, and reconstituted into Body Corporate.

Ethniki Cyprus Life Insurance and Ethniki Cyprus Non-Life Insurance BoD

The Board of Directors of Ethniki Cyprus Life Insurance and Ethniki Cyprus Non-Life Insurance on 31.12.2022 consisted of the following members:

Stavros Konstantas	Chair (until 31.12.2022)
Eleftherios Vasiliou	CEO
Stavros Karagrigoriou	Non-Executive Member
Angeliki Skandaliari	Non-Executive Member (until 30.4.2022)
Christos Christodoulou	Non-Executive Member
Andreas Theophanous	Independent Non-Executive Member
Christoforos Loutsios	Independent Non-Executive Member
Tassos Anastasiou	Non-Executive Member (as of 1.5.2022)

As new Chair of the Board was appointed Mr. Tassos Anastasiou on 01.01.2023.

Garanta BoD

The Board of Directors of Garanta on 31.12.2022 consisted of the following members

-	Chair
Petru Rares	Vice Chair
Theodoros Bardis	CEO
Elena Petculescu	Non-Executive Member
Sotiris Sofopoulos	Non-Executive Member
Paul Mitroi	Independent Non-Executive Member

The stepping down of the Company's Chair, Mr. Stavros Konstantas, was brought to the attention of the Garanta General Assembly on 31.10.2022.

In the meeting of the BoD held on 12.01.2023 it was decided that Mr. Theodoros Bardis's mandate as General Manager (CEO) would no longer be extended. His mandate ended on 13.01.2023. On April 27, 2023 the Garanta General Assembly withdrew also his mandate as Board Director. At the same BoD meeting Mr. Marian Baches was appointed as new General Manager (CEO). His appointment approved by the Supervisor in Romania on 13.03.2023.

On 31.10.2022, the Ordinary General Assembly of the Shareholder approved the renewal of Mr. Ioannis Kougionas' mandate as an Independent Non-Executive Member for a period of two (2) years, respectively for the period 19.12.2022 up to 18.12.2024. This decision produced effects only after obtaining approval by the Supervisor in Romania which was granted on 01.02.2023.

1.1.5. Supervisory Authority & External Auditor

The BoG, with registered office at 21, Eleftherios Venizelos Street, Athens, tel. +30 210 32 01 111, and website http://www.bankofgreece.gr, is the competent Supervisory Authority of the Group.

The Group Statutory Auditor for the Participant is: PwC Société Coopérative, 2 rue Gerhard Mercator, 2182 Luxembourg with tel: +352 4948481.

For the purposes of this Report, Price Waterhouse Coopers SA with registered office at Kifisias Avenue, 260, Halandri, tel.: +30 210 68 74 400, website: http://www.pwc.com/gr, who is the statutory auditor of Ethniki Insurance, has been engaged to audit the Group SFCR for submission to the BoG.

1.2. Insurance Activity Results

On 26 March 2021, the Participant entered into a share purchase agreement as purchaser together with the National Bank of Greece ("NBG"), as seller, in order to acquire 196,017,480 shares in Ethniki Insurance, comprising the 100% of the issued share capital of the company.

The transaction included the purchase by the NBG of 9,99% of the share capital of the Participant. The above transfer followed the approval of the European Commission on February 24, 2022, as well as the supervisory authorities of the countries in which the Group operates.

The transaction was closed on 31 March 2022.

The analysis of the business performance includes results of the Participant for the full financial year 2022 and of the related undertakings for the period from 1.4.2022 to 31.12.2022.

In 2022, the Group's technical Result amounted to €46,6m 2022, stemming from Life business €4,6m, as well as from Property €19,0m, Motor €13,9m and Other Non-Life €9,2m. Total production for 2022 in terms of GWP and related income reached €525,5m, stemming mainly from Life business €365,8m, followed by strong performance in Property €63,4, Motor €60,4m and Other Non-Life €35,9m.

The Group's Insurance activity results by line of business for 2022 are presented in the following table:

Group's 2022 Technical Result as per LoB	Life	Motor	Property	Other Non Life	Total
''000					
Gross written premiums and related income	365.792	60.439	63.364	35.899	525.494
Gross earned premiums and related income	373.684	59.927	56.811	37.336	527.758
Less: Ceded premiums	(6.227)	(3.811)	(31.985)	(16.421)	(58.444)
Net earned premiums and related income	**367.457**	**56.116**	**24.826**	**20.915**	**469.314**
Investment income	(30.882)	-	-	-	(30.882)
Incurred claims	(284.817)	(32.607)	(1.583)	(7.564)	(326.571)
Earned commissions (net amount)	(48.814)	(9.640)	(4.280)	(4.122)	(66.857)
Change in mathematical Insurance provisions	1.642	-	-	-	1.642
Technical Result	**4.587**	**13.868**	**18.964**	**9.228**	**46.647**

Comparatives for the year 2021 are not available, given that the Participant did not engage in any insurance business, thus Technical Result figures are not relevant for this reporting period.

1.2.1. Life Insurance

Technical Result for Life insurance amounted to gains of €4,6m in 2022 and total production for 2022 in terms of GWP and related income reached €365,8m.

1.2.2. Non-Life Insurance

Technical Result for Non-Life insurance amounted to €42,1m, mainly stemming from Property €19,0m, Motor €13,9m and Other Non-Life €9,2m. Total production for 2022 in terms of GWP and related income reached €159,7m, with main contributor Property €63,4, followed by strong performance in Motor €60,4m and Other Non-Life €35,9m.

1.3. Investment Income

The analysis of investment income includes results of the Participant for the full financial year 2022 and of the related undertakings for the period from 1.4.2022 to 31.12.2022.

Investment income of the Group (before impairment) amounted to €43,8m in 2022.

The above results are summarized in the following table.

Investment Income *(€ thousands)*	**31.12.2022**
Equities	8.196
Bonds, Deposits & Loans	79.652
Mutual Funds (M/Fs)	(34.908)
Derivatives	-
Rental Income	3.132
Gains from sales of investment property	5.587
Unit-Linked valuation differences	(17.552)
Investment Income before impairment	**44.107**
Investment impairment	(1.834)
Investment Income	**42.273**

Investment Income not included in technical result	73.154
Investment Income included in technical result	(30.882)
Investment Income	**42.273**

Comparatives for the year 2021 are not available, given that the Participant did not engage in any insurance business, thus Investment Income figures are not relevant for this reporting period.

Investment strategy is defined within the desired investment risk appetite, which is part of the general risk appetite framework for all activities of the Group. The outcome is the Strategic Asset Allocation (SAA), whose main points are primarily the existence of adequate liquidity to cover liabilities, but also the choice of investments with common characteristics with the matching insurance liabilities that they cover, the use of sustainability criteria in investment decision making, the reduction of volatility and the diversification within categories and sectors, in order to reduce total investment risk.

1.4. Operating Expenses

The breakdown of the Group's operating expenses for 2022 and 2021 is provided in the table below:

(€ thousands)	31.12.2022	31.12.2021
Personnel costs	41.718	-
General and administrative expenses	71.820	28
Depreciation & impairment of assets	6.563	-
Financial expenses	774	1
Total general and administrative expenses	**120.875**	**29**

Comparatives for the year 2021 include only some expenses given that the Participant did not engage in any insurance business.

1.5. Other Information

Participation in the Subsidiary in Romania - Garanta Asigurari

Garanta was founded in October 1997, with a goal to invest in Romanian Insurance Market, with Ethniki Insurance as majority equity holder with an equity stake of 94,96%.

During 2022, Ethniki Insurance increased its stake in Garanta by participating in two capital increases of €1,0m and €2,1m, resulting in Ethniki Insurance having a 96,74% stake in Garanta as at 31.12.2022.

The size of this specific related undertaking is relatively small compared to the size of the Group. Total assets of the related undertaking for 2022 are 0,8% of Group assets and equity is 1,9% the Group equity.

During the last quarter of 2022, Ethniki Insurance decided to dispose of its stake in the related undertaking and has commenced a process to find prospective investors.

The investment in Garanta has been measured in accordance with applicable Solvency II valuation principles. This value is higher than that determined under IFRS 5: "Non-Current Assets Held for Sale" by €9,2m since the investment in the said undertaking has been impaired based on non-binding offers received.

The sales process is not completed. The sale consideration is expected to be lower that the value of the related undertaking in the -Group's Solvency II Balance Sheet.

Exposure to the International Banking Sector

The Group has zero direct exposure to SVB or Credit Suisse instruments either through money market, bonds or equity financial instruments and continues to monitor the impact from further banking stresses on the sector and on the wider economy as well.

Total banking sector exposure as a percentage of the total portfolio remains small. While the Group maintains some global banking exposure, this is allocated to large systemic banks, which have high liquidity ratios and are well capitalized, reducing the risk of any adverse impacts.

Voluntary Exit Scheme (VES)

The Board of Directors of Ethniki Insurance, in its meeting on 4 April 2023, approved a Voluntary Exit Scheme for the employees and salaried lawyers of the Company, provided that they have a minimum of 30 years of age and at least 7 full years of service in the Company. The deadline for submitting applications for participation in the VES was 5 May 2023, with an estimated cost of €5,2m.

The VES will offer development opportunities for the remaining personnel and further enhance the competitiveness of Ethniki Insurance through the rationalization of its cost base.

2. System of Governance

General information about the System of Governance

For the purposes of this chapter only, Ethniki Insurance, Ethniki Cyprus Life Insurance, Ethniki Cyprus Non-Life Insurance and Garanta are defined as the "Ethniki Insurance" sub-Group or the "Sub-Group".

Ethniki Insurance has an effective Corporate Governance System which ensures sound and prudent management and promotes continuity, consistency and proper operation of the Sub-Group.

The core principles of the Sub-Group's Corporate Governance System are defined in the Corporate Governance Code. The Code is in line with the requirements of the Greek and European legal and regulatory framework and international best practices, aiming at the long-term strengthening of corporate value, the safeguarding of the interests of policyholders, employees and in general all stakeholders.

The Corporate Governance Code defines the following:

1. the main duties and responsibilities of the BoD,
2. its size and structure,
3. the role and duties of the Chair of the BoD and the CEO,
4. the establishment and operation of the BoD Committees,
5. the mode of operation of the BoD,
6. the rights and obligations of its members,
7. the method of selection of candidates and the election of its members.

The Code makes special reference to the required qualifications and the independence of the BoD members.

The following Codes – Policies concerning Ethniki Insurance and its Sub-Group are part of the Corporate Governance framework:

1. Conflict of Interest Prevention Policy
2. Code of Ethics
3. Fit and Proper Policy
4. Outsourcing Policy
5. Remuneration Policy

The operation of the Executive Committee, which is a Management Body and its purpose is to coordinate the smooth operation of Ethniki Insurance, monitor the implementation of the BoD resolutions and support the work of the CEO, also contributes to the achievement of the objectives of the Corporate Governance System.

The participation of four members of the BoD of Ethniki Insurance in the BoD of the Participant, ensures the governance is applied consistently, not only at the sub-Group, but also at the entire Group level.

2.1.1. Main Duties of BoD

The BoD of Ethniki Insurance, with the support of its competent Committees and Bodies, has the following main duties:

1. the general responsibility for its operation, including the corporate governance and the corporate values.
2. approval of the strategic objectives of Ethniki Insurance,
3. ensuring the effectiveness of the Risk Management system at Sub-Group level,

4. ensuring that the composition, organization, Policies and Procedures of the BoD fully meet the legal and regulatory framework governing Ethniki Insurance and the international best practices of Corporate Governance,
5. review and approval of the Report at Sub-Group level and quarterly results prior to their publication and active participation in ORSA, providing guidance and coordinating how it is conducted,
6. ensuring the effectiveness of the Ethniki's Insurance Internal Control System, including the financial audit of Ethniki and its related undertakings as well as ensuring the evaluation of the Internal Control System and ensuring the independence and effectiveness of Ethniki's Insurance four key functions,
7. ensuring the efficient operation of the governance system, with a clear allocation and appropriate segregation of duties and an effective mechanism for the transmission of information,
8. the approval, updating and supervision of the implementation of Corporate Governance Policies, which are applied at Sub-Group level.

The duties of the BoDs of the related undertakings, at Company level, are similar, as per each Sub-Group Company's Corporate Governance Code.

The abovementioned BoD duties at the Participant (Ethniki Holdings S.à r.l.) level apply mutatis mutandis, depending on the size and the organization, as well as on the nature, scale and complexity of their business activities.

2.1.2. Responsibilities of BoD

The BoD of each Sub-Group company manages the company, represents it at all times and before all and is competent to resolve on any matter concerning the operation of Ethniki Insurance, except for those which, according to law and / or the Articles of Association of the company, fall within the exclusive competence of the General Meeting of Shareholders.

However, within its jurisdiction, each BoD of the Sub-Group has delegated all the responsibilities of its management and representative authority to the CEO, who binds each company with only his signature except for some restrictions. The BoD of each Sub-Group company approves and reviews on an annual basis the above delegation of responsibilities and powers.

As there is no CEO at Ethniki Holdings S.à r.l. level, the Participant is bound by the joint signature of two directors (gérants).

2.1.3. Structure of the BoD

Ethniki's Insurance BoD is comprised of at least seven members, with a maximum of fifteen. At least two-thirds of the BoDs of the Sub-Group are non-executive members.

The composition of BoD, on 31.12.2022, is analyzed in Chapter 1.1.4.

2.1.4. BoD Committees

The BoD Committees have defined responsibilities, allocated to them by the BoD. The Committees are supported by the Management and Executives of Ethniki Insurance and its related undertakings and / or external advisors with specialized knowledge in the issues under consideration. The Committees carry out assessments and audits and then make relevant suggestions to the BoD. They also supervise, on a case-by-case basis, the implementation of these decisions.

In particular, BoD has established and is supported in its operation by the following Committees:

1. Audit Committee
2. Remuneration and Nomination Committee
3. Risk Committee

Each Committee operates according to an approved Charter, which, where applicable, is in line with the provisions of the regulatory framework. The Charters define the purpose, the duties and responsibilities of the Members, the operation and meetings procedures of the Committees, as well as the reports submitted to the BoD for its information.

The BoD of each related undertaking is supported by the following Committees: (a) Audit Committee, (b) Risk Management Committee, (c) Human Resources, Remuneration and Corporate Governance Committee. The Charters of the above Committees are governed by principles similar to those governing the Sub-Group's Charters.

No BoD Committee has been established at Ethniki Holdings S.à r.l. level.

The purpose, the required skills of the Members and the responsibilities of each Committee, according to the approved Charters, are summarized as follows:

1. Audit Committee

The Audit Committee assists the BoD of Ethniki Insurance and its related undertakings in the review of the diligent preparation regarding the following:

i. reviewing the financial statements and other related information for disclosure,
ii. monitoring and controlling the independence, adequacy and efficiency of the work and activities of Ethniki's Insurance Internal Audit Division,
iii. monitoring and controlling the independence, objectivity and integrity of the audit and non-audit services provided by the external auditor,
iv. monitoring and controlling the adequacy and effectiveness of the activities of the Compliance and Corporate Governance Division,
v. monitoring the adequacy and efficiency of the Internal Control System ("ICS"),
vi. monitoring complaints from Staff and third parties (whistleblowing) and ensuring compliance with ethics.

2. Remuneration & Nomination Committee

The Committee assists the BoD in fulfilling its duties as regards remuneration, staffing – composition, and identification of the right persons to be BoD Members and Senior Executives, in accordance with the applicable from time to time legislation, Ethniki's Insurance Policies and this Charter. The Committee Members are designated based on their skills and experience in corporate governance.

The main responsibilities of the Committee include:

i. Regularly reviewing the Fit and Proper Policy of Ethniki Insurance and recommending any remedial actions to the BoD.
ii. Planning and coordinating the implementation of the nomination procedure of candidate Board members, CEO and General Managers, in accordance with the provisions of the Fit and Proper Policy.
iii. Regularly reviewing the Remuneration Policy of the Ethniki Insurance and the remuneration practices, and recommending any remedial actions to the BoD.

iv. Reviewing the Human Resources Division's annual report and potentially submitting relevant proposals to the BoD.

3. Risk Committee

The Committee assists the BoD in the performance of its duties related to risk management for all the activities of Ethniki Insurance, which is in line with the relevant legal and regulatory framework.

More information about the Risk Committee can be found in Chapter 2.3.3. Operational Framework – Risk Governance Framework.

The competencies of the Committees at company level are similar, under their Charters and in accordance with the nature and the complexity of their work.

2.1.5. Remuneration Policy & Practices

The policy establishes and describes the broader framework governing Ethniki's Insurance remuneration system in accordance with the legal and regulatory provisions in force. It applies to all Ethniki's Insurance Executives and Staff and their total remuneration. In addition, it includes special provisions for the BoD members, persons of the Management or persons exercising other key responsibilities as well as Executives whose professional activities have a material impact on the Ethniki's Insurance Risk Profile. Remuneration includes all forms of payments and benefits, fixed and variable.

Variable remuneration means additional payments or benefits, which are paid at irregular intervals and do not have a fixed character. However, variable remuneration includes but is not limited to any staff performance-related benefits.

The general principles of the Policy are the following:

i. The Policy is based on the principle of equal pay for equal work or for work of equal value regardless of race, color, gender, religion, political views, national or social origin.
ii. The Policy and the remuneration practices are established, implemented and maintained in accordance with the business strategy and risk management strategy of the Ethniki Insurance, the risk profile, objectives, risk management practices and long-term interests and performance of Ethniki Insurance overall and includes measures aiming at avoiding conflicts of interest.
iii. The total variable remuneration should neither limit the ability of Ethniki Insurance and / or its Sub-Group companies to strengthen their capital base nor jeopardize its robustness.
iv. When setting performance targets, observance of the sustainability framework is taken into account. In order to pay any variable remuneration, the achievement of these targets is assessed.
v. It is not allowed to pay guaranteed variable remuneration.

The non-executive members of the BoD receive only fixed remuneration in order to avoid conflicts of interest. When, in exceptional cases, Non-Executive Members receive variable remuneration, said remuneration and its relevant risk alignment are adapted to the supervising, monitoring and control duties granted to them and reflect each person's powers and competences.

In 2022, the Participant and its related undertakings did not pay Staff performance related (variable) remuneration as defined in the Remuneration Policy.

2.1.6. Key Functions

The Sub-Group has Risk Management, Compliance, Actuarial, and Internal Audit Units, whose responsibilities are defined in their respective approved Charters.

The Charters of the Units define, in addition to their duties and responsibilities, issues such as their independence and their reports to the competent Bodies and Supervisory Authorities, as also referred to in this Report.

2.1.7. Related party disclosures

Transactions with Related Parties can be summarized as follows:

(€ thousands)	31.12.2022				31.12.2021			
	Receivables	Liabilities	Income	Expenses	Receivables	Liabilities	Income	Expenses
Companies affiliated with CVC	1.241	-	2.454	18	-	-	-	-
-Insurance contracts	1.241	-	2.454	16	-	-	-	-
-Other transactions				2	-	-	-	-
Total	**1.241**	**-**	**2.454**	**18**	**-**	**-**	**-**	**-**

Transactions with companies affiliated with CVC, which holds an indirect interest in the Participant, relate to the period from 1.4 to 31.12.2022.

Payments to hospital which relate to claims payments to the Group's policyholders, including capitation fees, are not included in the table above.

Transactions with members of the BoD and Management

All transactions with related parties were at arm's length, under the same terms with those provided to third parties or those agreed in employment contracts.

Members of the BoD of both the Participant and Ethniki Insurance, the largest insurance company in the Group, members of the Management team of Ethniki Insurance, as well as their immediate family members or entities controlled or jointly controlled by those persons, have been considered as related parties.. The composition of the Participant's and related undertakings' BoD is presented under Chapter 1.1.4. "BoD Members".

As at 31.12.2022, receivables and payables amounted to €2k and €559k respectively (2021: €4k and €464k), while in 2022 premiums and claims amounted to €36k and €130k respectively (2021: €30k and €75k).

Total compensation in 2022 amounted to €3.229k (2021: €1.847k), including short-term benefits of €3.183k (2021: €1.815k) and post-retirement benefits of €47k (2021: €32k). Provision for compensation in case of retirement amounted to €29k (2021: €114k) and termination of employment benefits amounting to €1.240k.

To secure the obligations related to the potential deferred considerations to be paid by the Participant to NBG on the fifth anniversary of the date that the shares of Ethniki Insurance were transferred to the Participant (see chapter 4.3.9), the Participant entered on 31 March 2022 into a Luxembourg law governed share pledge agreement between Ethniki Holdings Ltd as pledgor, NBG as pledgee and the Participant as the company whose shares are pledged.

As at 31.12.2022, neither the Participant nor the related undertakings have created any provision for non-performing receivables, regarding to amounts due by related parties, due to the non-evidence of existence of such a risk.

2.2. Fit & Proper requirements

The Fit & Proper Policy aims at acquiring and retaining competent persons who will ensure the exercise of sound and efficient management for the benefit of the Sub-Group and all stakeholders. The BoD Members, the General / Deputy General Managers, the Heads of the four Key Functions and the Executives of the Sub-Group whose competencies are laid down in the legal framework fall within the scope of the Policy.

This Policy defines, inter alia:

1. the fit & proper criteria of the aforementioned Persons,
2. the main steps of the assessment of the fit and proper criteria of the above Persons, both at their appointment and on a continuous basis.
3. cases in which the continuation of the fulfillment of the fit and proper criteria is reviewed, on an ad hoc basis
4. Ethniki's Insurance Bodies that are responsible for the implementation of the relevant procedures.

2.2.1. Fit & Proper criteria

The fit & proper criteria established in Ethniki Insurance concern the following:

1. adequate knowledge, professional training and competence, working experience, skills and any other qualifications deemed necessary for the assessment of suitability (fit). More specifically, the BoD members should have, collectively, appropriate professional qualifications, experience and knowledge of insurance and financial markets, business strategy, system of governance, financial and actuarial analysis and regulatory requirements in order to be able to supervise all operations of each Sub-Group Company,
2. honesty, integrity, financial reliability, in accordance with the specific provisions of the Solvency II framework and any other qualifications deemed necessary for the assessment of appropriateness (proper), such as absence of conflicts of interest / pending legal proceedings for criminal offenses / removal of candidates from previous positions etc.

Similar Fit & Proper criteria apply to Ethniki Holdings S.à r.l., mutatis mutandis, depending on the size and the organization, as well as on the nature, scale and complexity of their business activities.

2.2.2. Assessment Procedures

Assessments procedures include:

1. the collection of the required supporting documents,
2. the preparation of Assessment Reports,
3. the proposal to the competent Bodies on the suitability and appropriateness of the candidates, based on the criteria defined in the Fit and Proper Policy and the other related Policies of each Sub-Group Company, such as the Conflict of Interest Prevention Policy, and
4. the final decision on the selection and assignment of the Person who is qualified based on the above-mentioned processes.

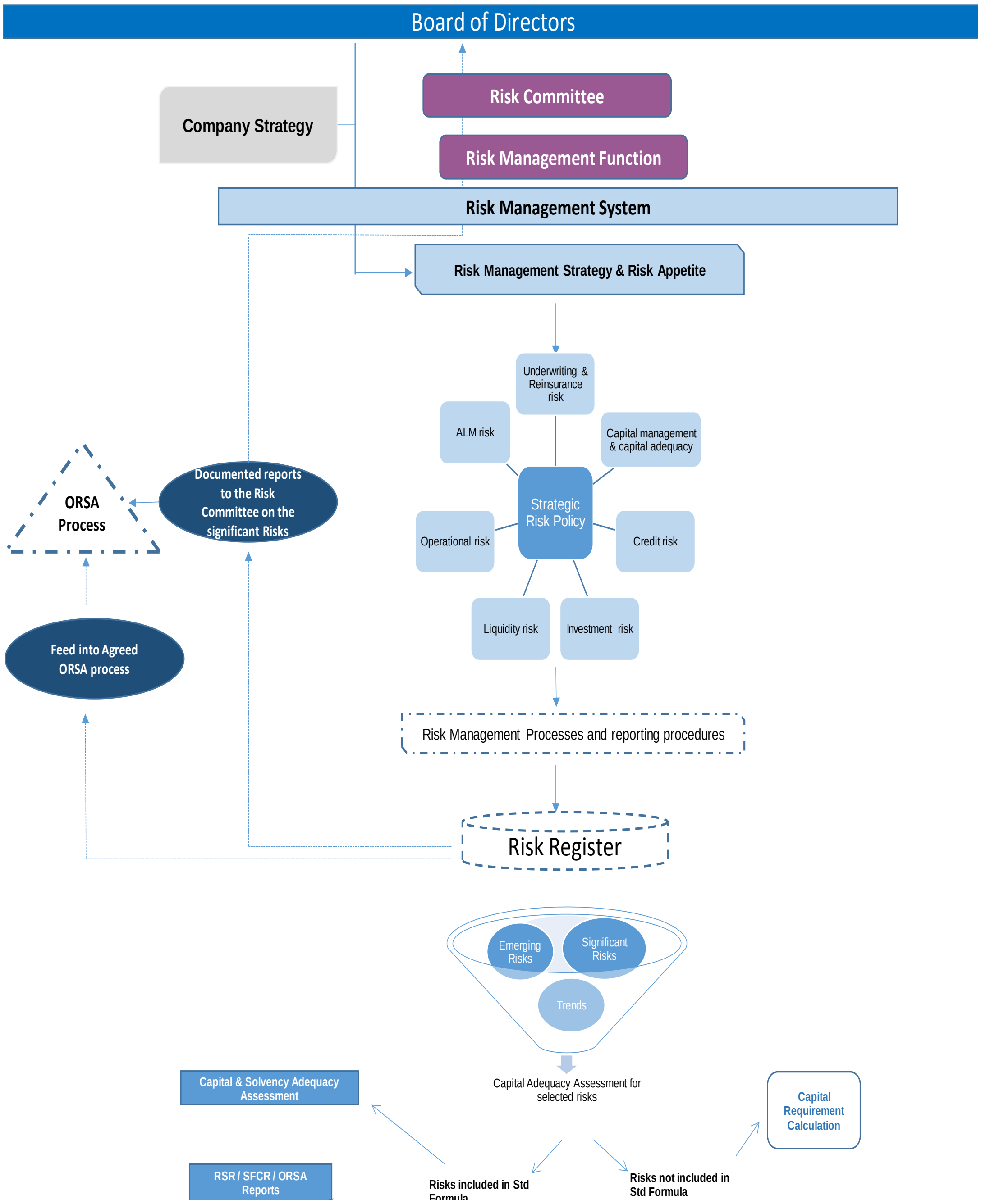
Ethniki Insurance has adopted and implement re-assessment procedures, in order to ensure that individuals who fall within the scope of the Policy, meet, on an ongoing basis, the criteria of the Fit & Proper Policy.

2.3. Risk Management System, including the Own Risk & Solvency Assessment

Ethniki Insurance, acknowledging its exposure to risks and the need for their effective management, has developed a risk management system which is supported by a suitable operational framework, in order to avoid and/or reduce any potential loss. The risk management system is aligned with the regulatory requirements. The system and the risk governance framework are briefly presented below.

2.3.1. Description of the Risk Management System

Ethniki's Insurance risk management system is presented in the diagram below. The own risks and solvency assessment procedure, which forms an integral part of the risk management system, is also presented below.



The risk management system is summarized in the following:

1. The BoD defines the risk appetite as well as the total risk tolerance levels and approves the risk management strategy and the risk management policies.
2. The Board Risk Committee supervises and provides guidance in order to ensure the effective implementation of the risk management system.
3. The risk management function evaluates and ensures the design adequacy and the effective operation of the risk management system. It monitors the risks undertaken in relation to the risk appetite and submits relevant reports to the Board Risk Committee and the BoD through the former.

4. The risk management strategy and the risk appetite framework set out the objectives, principles, total risk appetite and the roles of those involved in the system.
5. The specific objectives and the risk tolerance levels are defined in the risk management policies and are in line with the risk appetite. The methods and responsibilities of those involved in risk management are prescribed in the policies.
6. The risk management and reporting procedures, as derived by the relevant policies, are embodied in the Group's procedures and in decision making.
7. The identification, evaluation, management and monitoring of risks are accomplished through the creation and the regular update of a Risk Register with the participation of all the involved parties in the risk management.
8. The Risk Register supports the ORSA procedure through the identification and the evaluation of significant risks, existing and emerging, and is updated through this procedure.

The risk management system is supported by an appropriate operational framework which includes:

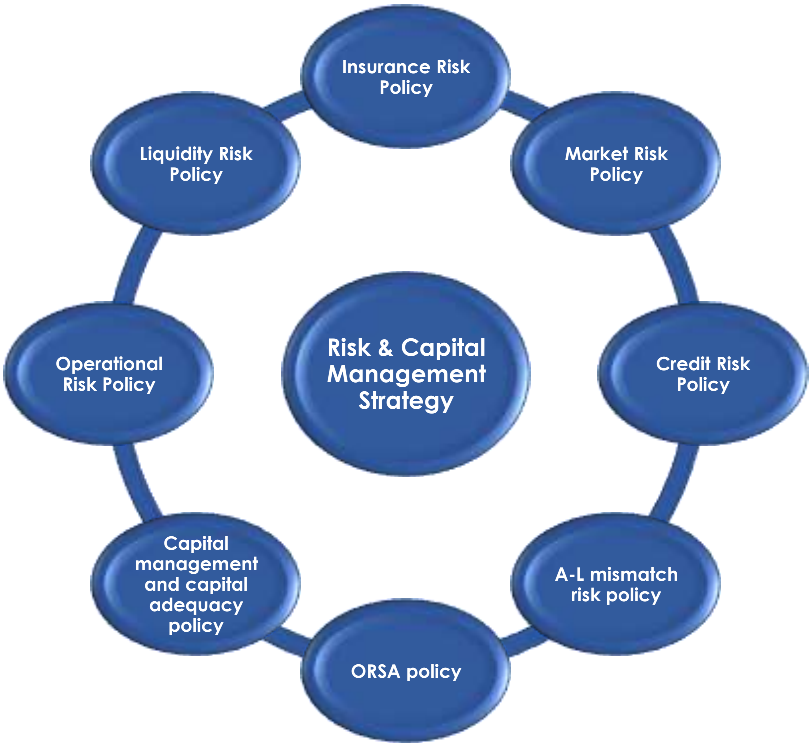
1. The approved by the BoD risk and capital management strategy,
2. The approved by the BoD risk management policies.
3. Along with the appropriate "risk culture".

«Risk Culture»

"Risk culture" is defined as the set of behaviors of individual members and groups in an Organization, which determine the collective ability to identify, understand, discuss openly and act effectively to manage existing and future risks. The risk culture influences the decisions of the Management and the personnel in the daily business activities and in the undertaking of risks.

2.3.2. Strategy and Risk Management Policies

The risk management strategy expresses the Ethniki's Insurance position regarding the risks it deals with and will possibly deal with in the future, and describes the risk appetite, as well as the framework of undertaking and effective management of risks. The strategy is the basis for the development of risk management policies for the individual risk categories. The risk management policies specify the risk tolerance levels, which are set in the risk management strategy, the roles of those involved in the management of the risks and the risk management procedures. The risk management policies are presented in the diagram below.



The risk management policies are the bases for the development of effective procedures for the identification, evaluation, management, monitoring and reporting of risks. At the same time the strategy, the policies and the risk management procedures aim at formulating the appropriate "risk culture" in the Group.

Risk reports

The Management of the Group receives regular, and whenever necessary ad-hoc, information about the type and the level of the risks undertaken. The level of the risks undertaken in relation to the set limits is being monitored and relevant reports are submitted to the Board Risk Committee and through it to the BoD.

The regular reporting is performed quarterly. At the same time, the BoD is informed and involved whenever necessary, in risk management issues which are discussed in the Board Risk Committee and in the Asset – Liability Committee ("ALCO"), as well as about the ORSA results.

2.3.3. Operational Framework – Risk Governance Framework

Risk management function of Ethniki Insurance is organized based on the adopted governance model of the "3 lines of defense", which is described below.

The risk management activities that are exercised by the Units of the 1st line of defense, are monitored by the Board Risk Committee, which has been established by the BoD, with the support of Units in the 2nd line of defense, primarily of the Risk Management Unit, as well as the contribution of the ALCO.

The risk governance framework is completed by the Internal Audit Unit (3rd line of defense). which acts as an independent unit aiming at ensuring compliance with the risk management framework and the effectiveness of the risk management framework and of the control environment and directly reports to the BoD through the Audit Committee.

The risk governance model is briefly the following:

1. **1st line of defense** – the 1st line consists of the Units that undertake risks (operating units) which are responsible for the evaluation and the reduction of risks for a given level of expected return.
2. **2nd line of defense** – the 2nd line consists of those Units that support the Management in risk management. Especially the Risk Management Unit identifies, monitors, controls and evaluates risks, coordinates and supports the risk-taking Units and ensures the availability of suitable methodologies and risk management tools. It reports to the authorized competent bodies of the Group and proposes risk mitigation measures with the assistance of local and specialized Units of the risk management framework.
3. **3rd line of defense** – the 3rd line consists of the Internal Audit Unit which is responsible for the independent evaluation of the level of compliance with the current risk management framework and the evaluation of its effectiveness.

Board of Directors

The BoD is the collective body that has the ultimate responsibility for the establishment and operation of an effective risk management system. The BoD is responsible, among others, for the:

1. Designing of the Group strategy. Part of it, is the design and supervision of the risk management strategy,
2. Development and reinforcement of a suitable "risk culture",
3. Effectiveness of the Group's risk management system,
4. Assignment of responsibilities and authorities among the Group members, having as an ultimate goal the maximization of the Group's value and the protection of the Group's interests by undertaking risks within acceptable limits.

Board Risk Committee (BRC)

The Board Risk Committee supports the BoD tasks and aims at the establishment, preservation, periodical evaluation and improvement of a risk management framework which will cover entire business.

More specific targets of the Committee are:

1. The development of a suitable risk management framework (that includes strategy, policies, procedures, methodologies and systems), which will ensure the existence of effective mechanisms for the identification, evaluation and effective mitigation of all categories of risk that derive from the Group's activities,
2. The coordination of the necessary actions for the effective operation of the risk management system,
3. The supervision of compliance with the risk management framework, the initiation of prompt action for the correction of deviations and the proposal of revisions of the framework to the BoD, when necessary,
4. The development of risk management culture both at a Group and a Group level.

Asset – Liability Committee («ALCO»)

The objective of the ALCO is the design and implementation of the strategy and policy regarding the management of the assets and liabilities, taking into account current market conditions and the defined risk limits. The Committee is the body where issues regarding the management of assets, liabilities and capital requirements are discussed.

Risk Management Function

The Risk Management Function, in cooperation with the "1st line of defense" Units and with the assistance of other supportive or specialized Units, monitors compliance with the risk management framework. The responsibility for the operation of risk management lies with the Group's Management. The Risk Management Department supports the Management in this task.

The Risk Management Unit is an administratively independent from Units with implementing powers. The Head of the Risk Management Unit is appointed and replaced by the BoD. The Head of the Unit is fully and exclusively employed and functionally reports to the BoD, through the Board Risk Committee and hierarchically directly to the CEO.

The Risk Management Unit's responsibilities include:

1. The specification, in cooperation with the competent operating Units, of the risk tolerance limits,
2. Ensuring the existence of written policies for the implementation of the risk management strategy,
3. The definition of early warning criteria for the individual, as well as for the total portfolio,
4. The monitoring of the risk profile and exposure levels against the defined risk limits. The reporting of deviations from the set limits to the Board Risk Committee and the proposal of corrective action for the restoration of the risks undertaken within the acceptable limits,
5. The periodical evaluation of the adequacy of the methods and systems used for the identification, measurement and monitoring of risks and the proposal of corrective action, if necessary,
6. The estimation of the capital requirement and the participation in the development of evaluation methodologies,
7. The coordination of the regular and non-regular ORSA,
8. The coordination and the performance of stress tests.

The Risk Management Unit submits:

1. Quarterly reports regarding the identification, evaluation, management and monitoring of risks,
2. Ad-hoc reports, if considered necessary, for issues such as deviations from the set risk tolerance limits, adequacy of the methods and systems for the identification, measurement and risk monitoring etc.
3. Reports regarding the regular and non-regular ORSA,
4. Reports to the Board Risk Committee regarding the results of the stress tests that were conducted or coordinated by it and proposal of suitable risk management policies that to address such results,
5. An annual report to the CEO and the Board Risk Committee regarding the Risk Management Unit's activities.

2.3.4. Risk Management System and Own Risks & Solvency Assessment ("ORSA")

The procedure for the own risks & solvency assessment is an integral part of the risk management system and it is directly connected with the corporate strategy, the Group's business plan and, therefore, with the capital management procedure. The results from the own risks and solvency assessment form the basis for the development of new risk management policies or/and the revision of the existing ones, as well as for the revision of the risk management strategy and of the business plan, if considered necessary.

The BoD supervises the ORSA procedure, monitors the followed procedure, its results and approves the relevant report. All Units involved are being informed regarding the result of the procedure in order to act on it.

The Board Risk Committee coordinates the procedure and provides guidance to the Units involved in the ORSA procedure, supported mainly by the Risk Management Unit and the Executive Committee. The implementation of any corrective action that resulted from the ORSA procedure is monitored by the Board Risk Committee with the support of the Executive Committee.

The implementation of the ORSA procedure includes briefly the following stages:

1. The preparation of the business plan,
2. The identification and evaluation of the significant own risks, existing and emerging ones, according to the business plan,
3. The estimation of regulatory and total capital requirement according to the business plan,
4. The evaluation of the risk profile according to the business plan and in relation to the risk appetite,
5. The evaluation of the continuous compliance with the capital requirement and the requirements for technical provisions,
6. The design of management actions, if considered necessary, for achieving continuous compliance with the capital requirement, the requirements for technical provisions and the risk appetite:
    i. Revision of the business plan, including the capital required for the smooth operation of the Group.
    ii. Revision of the risk appetite and of the acceptable risk limits.
    iii. Re-evaluation of the regulatory and total solvency capital requirements as a result of the corrective actions.

The regular ORSA of the Group is conducted annually. Apart from the regular assessment, non-regular assessments can also be conducted in cases such as:

1. A major change in the business plan,
2. A major change in the Group's risk profile,
3. Relevant supervisory requirement.

2.4. Internal Control System

The Sub-Group has structured and operates a broader Internal Control System (ICS), consisting of a set of Policies, Procedures, and control mechanisms in order to cover, on an ongoing basis, the monitoring of each of its activities. The ICS is appropriately adapted to the scope, volume, risks and complexity of the work undertaken and fully covers all activities and transactions of Ethniki Insurance and its related undertakings.

2.4.1. Description of Internal Control System

Among the basic procedures of ICS, the following are mentioned:

1. preparation and approval by the Ethniki's Insurance BoD of the multi-annual Business Plan on an annual basis,
2. clear and detailed allocation of responsibilities to Executives and Staff,
3. detailed recording of Job Descriptions for each Sub-Group Company,
4. recording and posting on each Sub-Group company's portal procedures for the work carried out by each Business Unit,
5. establishment and documentation of controls, the implementation of which ensures, to the extent possible, compliance with the recorded procedures. Such controls include:
    i. ensuring that at least two people are involved in each activity (four eyes principle),

ii. effective segregation of duties to avoid cases of incompatible roles, conflict of interest, etc.,

6. consulting involvement of key functions in critical activities,
7. carrying out audits to confirm that access is granted only to authorized persons,
8. carrying out regular and ad hoc audits by the Internal Audit and Compliance Units of Ethniki Insurance and its related undertakings to determine the degree of implementation of rules and procedures.

Similar procedures apply to Ethniki Holdings S.à r.l., mutatis mutandis, depending on the size and the organization, as well as on the nature, scale and complexity of their business activities.

2.4.2. Description of the Implementation of the Compliance Unit

The Compliance Function is an independent function which is managed centrally by each Sub-Group company's Compliance Unit.

Ethniki's Insurance Compliance and Corporate Governance Division:

1. Is responsible for the supervision and the coordination of the Compliance Function in Ethniki Insurance and its related undertakings,
2. reports administratively to the CEO and through the Audit Committee to the BoD of Ethniki Insurance,
3. has access to all documents and files of its Sub-Group.

Priority of the Sub-Group Compliance Units is to ensure the Ethniki's Insurance good reputation and credibility vis-a-vis its customers, Supervisory and other independent Authorities, as well as other stakeholders through:

1. the timely adaptation to new laws and regulations,
2. prevention and deterrence of risks related to potential violation of existing laws and regulations and
3. establishment of an adequate and effective compliance audit environment.

The responsibilities of the Sub-Group Compliance Units include:

1. identifying and regularly assessing compliance risk,
2. establishing and implementing appropriate procedures to timely achieve full and continuous compliance with the current regulatory framework,
3. addressing any kind of consequences as a result of the failure of the failure to comply with the regulatory framework in force and the Codes of Ethics,
4. carrying out sample audits in the context of monitoring the implementation of the institutional framework to prevent any violations of the provisions of the institutional framework in force,
5. communicating with and representing the Sub-Group companies before the Supervisory and other Independent Authorities regarding compliance issues,
6. carrying out audits to prevent situations of conflict of interest by detecting their sources and implementing effective methods and procedures for their prevention,
7. supervising and coordinating any activity related to the obligations to a) prevent and suppress money laundering and terrorism financing,
8. shaping a regulatory compliance culture in the Sub-Group's Staff as a model of corporate behaviour and a measure to strengthen corporate and Sub-Group identity.

Each Sub-Group company's Compliance Unit submits:

1. annual Reports to the BoD and / or the Supervisory Authority which include a review of the previous year's activities, schedule of activities for the current year and general issues of identification and management of the compliance risk, including the method and results of compliance risk assessment, actions of the Company and the Compliance Unit to manage the risk,
2. ad hoc reports, whenever significant issues arise.

In addition, the Compliance Units of the related undertakings submit quarterly reports / information to the respective Unit of Ethniki Insurance.

2.5. Internal Audit Function

The Internal Audit Function is an independent, objective assurance and consulting activity, designed to constitute the 3rd line of defense within the Sub-Group. The on-site Internal Audit Units ("IAUs") are responsible for the Sub-Group Companies' Internal Audit Function. Under the supervision and coordination of the Participant's Internal Audit Division ("IAD"), the IAUs assist the Sub-Group in enhancing its business activities as well as in accomplishing its strategic objectives, by systematically evaluating the adequacy and effectiveness of the processes related to the Sub-Group's internal control system, risk management and corporate governance.

According to their Charters, the IAUs, as administrative Units:

1. are independent of the audited activities and not involved in the selection, implementation and / or operation of specific internal control procedures / measures;
2. perform their assignments on their own initiative, in all areas and activities of the Sub-Group, free from any interference both during the audit planning and during the execution of the audit process and the audit reporting. Their independence is not impaired when, following a respective Management's request, they provide advisory services on risk management and / or internal control matters, provided that they do not assume management responsibility;
3. are staffed by personnel who are exclusively full-time employed, without any executive or operational responsibilities or management duties relating to any other activity of the Sub-Group, except for those related to IAUs.

The Heads of the IAUs:

1. are assigned or relieved of their duties exclusively by the Sub-Group Companies' Boards of Directors, following a relevant proposal by the Audit Committees, in cooperation with the CEOs and the Head of the IAD;
2. report functionally, through the Audit Committees, to the Companies' Boards of Directors and administratively directly to the Companies' CEOs;
3. are not authorized to:
   i. perform any duties related to the operation of the Sub-Group;
   ii. execute or approve accounting entries;
   iii. supervise the activities of any Sub-Group employee not employed by the Internal Audit Function, with the exception of the employees who have been assigned to them or to audit teams or contribute in some way to the operation of the Sub-Group's Internal Audit Function.

In order to provide independent and objective information to the Sub-Group Companies' Management and Boards of Directors, the IAUs, are responsible for:

1. communicating the audit results to the Heads of the audited Units and to the competent bodies within the Sub-Group, through audit reports that include findings, applicable recommendations and the timeframe for the Units' corrective action plans;
2. reporting to the Boards of Directors through the Audit Committees on a quarterly basis or when requested by the Audit Committees, on:
   I. the execution of the Annual Audit Plan, which is based on a risk assessment methodology;
   II. the main findings and recommendations resulting from regular and special / fraud investigations, and
   III. significant audit issues that have not been remediated. When required and by approval of the Heads of the IAUs, extracts from the reports are forwarded to the competent Sub-Group Executives and the competent bodies.
3. submitting to the Audit Committees an annual status report, regarding the activity of the Sub-Group Companies' Internal Audit Function, along with an Annual Audit Plan which includes the audit schedule at Sub-Group Company level;
4. submitting to the Boards of Directors through the Audit Committees an annual report regarding the adequacy and effectiveness of the Internal Control System across the Sub-Group Companies;
5. submitting other periodic reports to the Audit Committees, the Boards of Directors, other competent bodies of the Sub-Group and / or to national, European or other relevant supervisory authorities, as appropriate, and in accordance with the respective regulatory framework requirements.

The IAUs adhere to the provisions of the International Professional Practices Framework (IPPF) for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IIA) and the IIA's Code of Ethics. Furthermore, the IAUs take into consideration and deploy as applicable the IIA's Practice Advisories, Practice Guides and Position Papers, as well as international internal audit best practices published by world leading Institutions and / or Supervisory Authorities.

2.6. Actuarial Function

The Actuarial Function of the Sub-Group is authorized by the BoD to assume with full independence from the rest operating units in the exercise of its duties.

The Actuarial Function is responsible for:

1. Coordinating the calculation of technical provisions.
2. Assesses whether the methodologies and assumptions used in the calculation of the technical provisions are suitable for the specific lines of business of the undertaking and for the way the business is managed, taking into account all available data.
3. Assesses whether the Information Technology Systems used in the calculation of technical provisions sufficiently support the Actuarial and statistical procedures.
4. Assesses the efficiency, the quality and consistency of internal and external data used in the calculation of technical provisions and addresses recommendations for the improvement of internal procedures of the Group regarding the afore mentioned characteristics.
5. Compares the best estimated technical provisions against experience, and reviews the quality of past best estimates and uses the insights gained from this assessment to improve the quality of current calculations.
6. Updates the BoD of the Sub-Group and the Supervisory Authority for the reliability and adequacy on the calculation of technical provisions.
7. Provides an opinion on the overall insurance or re-insurance underwriting policy.
8. Provides an opinion on the suitability of reinsurance treaties of the Sub-Group.

9. Participates in the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the capital requirements (SCR and MCR) and the assessment of this model.
10. Contributes to the development of the IT application for the calculation of total capital requirements and to the generation of all required information used for public disclosure in the solvency and financial condition report.

The Actuarial Division submits to the Management, to the competent committees as well as to the Supervisory Authority, a report which includes a review of annual activities, in which are described, the results as well as any deficiencies identified that need to be remedied.

2.7. Outsourcing

Outsourcing is an agreement of any form between Ethniki Insurance and a service provider, under which the latter undertakes, directly or by sub-outsourcing, to carry out procedures, provide services or perform activities, which would otherwise have been carried out by Ethniki Insurance or its related undertakings.

The Sub-Group applies an Outsourcing Policy, in line with the Solvency II framework, in order to determine outsourcing of its critical or important functions to service providers.

Critical or important functions are those, a defect or failure in the performance of which would materially impair Ethniki Insurance or its related undertakings' continuing compliance with the conditions of its authorization or other obligations under the legislation governing its supervision, or would affect its financial performance or its soundness or the continuity of insurance services provided to policyholders. Indicatively, critical or important functions are the four key functions, the design and pricing of insurance products, the management of part of or the whole investment portfolio, the settlement of claims and the operations of the central information technology systems.

When outsourcing critical or important functions to third parties, the Sub-Group prioritizes the selection of reliable and specialized in the outsourced activity service providers and the establishment of a secure regulatory environment governing the relevant business relationships.

For this reason and in the context of the aforementioned Policy, procedures have been established so that prior to outsourcing decision-making as well as during the relevant business relationships, the factors that could materially deteriorate the quality of the system of governance or unduly increase the Sub-Group's operational risk or hinder its seamless service to its policyholders are examined. In particular, the Policy defines:

1. the meaning of critical or important operational function,
2. the responsibilities of the Bodies involved in its implementation,
3. the General Principles of outsourcing,
4. the basic steps of the outsourcing procedure, which include the conduct of a feasibility study and the approval by the BoD,
5. the conditions of cooperation with service providers, which indicatively include experience, qualifications, licenses required by the regulatory framework for the performance of work the activities etc.,
6. the signing of a contract between Ethniki Insurance and the service provider, which precisely regulates the rights and obligations of both parties,
7. the procedures for monitoring and managing risks that may arise from outsourcing during the relevant business relationships.

The following is a list of critical functions outsourced by Ethniki Insurance to third service providers and their country of jurisdiction.

Service Provider	Provided Service	Country of jurisdiction
National Bank of Greece S.A. (NBG)	Disaster Recovery Plan	Greece
AWP P&C S.A. (Mondial Assistance)	Road-Travel-Medical Assistance	France
AXA France (Greek Branch) - Credit & Lifestyle Protection.	Payment Protection of NBG's Debtors (claims management	France

Garanta has outsourced to service providers the following critical or important functions, within the meaning of Solvency II:

Service Provider	Provided Service	Country of jurisdiction
Law Office Iordache	AML/CFT Services*	Romania
Ms. Adriana Ceausescu (Infoshare Software Solution International SRL)	Information Systems Security Services (CISO)	Romania

*Moreover, in accordance with the regulatory framework of the related undertaking, the head of Garanta's Regulatory Compliance Function has been appointed as the Competent Executive AML/CFT Officer.

Ethniki Cyprus Life Insurance has not outsourced critical or important functions.

The Participant has not outsourced any crucial or significant activities to service providers.

3. Risk Profile

Risk management consists an integral part of the Group's business operations. More specifically, risk management and control are a prerequisite for the Group to ensure its customers and to create a stable framework for achieving high quality returns for its shareholders. Achieving this goal depends on the right balance between risks taken and expected returns.

In this regard, the Group recognizes the following risks, which it manages through the development and implementation of risk management policies and procedures:

The Group, in order to control and mitigate the risks undertaken uses various risk mitigation techniques, depending on the type as well as the level of the risk and the acceptable risk tolerance limits.

The techniques as well as the risk mitigation processes, are described in the various risk management policies. The Group indicatively:

1. Monitors the risks undertaken, in relation to the acceptable tolerance levels, by having established relevant tolerance limits, as well as early warning limits.
2. Adopts a conservative investment profile and diversifies its investment portfolio by setting relevant quantitative and qualitative limits,
3. Enters into reinsurance agreements with credible reinsurers,
4. Monitors the duration matching of insurance liabilities (provisions) and of the relevant assets. Estimates the cash requirements that may arise from their insurance as well as other liabilities and caters for the existence of adequate liquidity,
5. Has established time limits for the collection of receivables and monitors the compliance with these limits,
6. Implements risk and control self-assessment procedures, as well as procedures for the collection and analysis of operational risk incidents,
7. Develops, when necessary, action plans for restoring risk within the desired limits according to the risk appetite, and monitors the implementation of the approved plans and their effectiveness.

Developments in the Business & Regulatory Environment

Business Environment

The business environment both in Greece and worldwide, was characterized by increased uncertainty, which is reinforced by geopolitical instability. Lately, the Covid-19 pandemic has been in relative remission in terms of its effect on the population, a fact which resulted in many restrictions imposed previously, such as restrictions on citizens' free circulation, being lifted. The Russian-Ukrainian crisis, which is turning into a long-term one, and the intensifying competition between the great powers followed the relative pandemic remission.

The increase in the oil price and in other products, observed since 2021, has intensified after the outbreak of the Russian-Ukrainian crisis and drove inflation to very high levels. This resulted in restrictive monetary policy measures and a rise in interest rates. Inflation gradually increased, but the measures taken to contain it seem to be effective so far, as an overall de-escalation has been observed lately, both in Europe and in Greece.

The low-interest rate trend previously observed has been reversed. In 2022, the European Central Bank (ECB) proceeded with 4 increases in its key interest rates. By way of indication, the refinancing interest rate stands at 3.5%, after a March 2023 increase, versus 0% at the beginning of 2022. The average interest rate for the first 30 years of the risk-free interest rate curve increased from 0.35% at the end of 2021 to 2.9% at the end of 2022, thus lessening the pressure on the insurers' insurance portfolios, especially on their Life products portfolios with high guaranteed interest rates. In order to assess the overall impact, the impact of the rise in bond yields on the insurers' existing investment portfolios should also be considered.

Especially for Greece, the growth observed in 2021continued in 2022, albeit at a slower pace. According to the latest European Commission forecasts, the rate of the GDP change for 2022 is anticipated to stand at 5.5%, while a slower growth pace is expected in the coming years (Source: European Commission Forecasts, February 2023). At the same time, the unemployment rate dropped from 12.9% at the end of 2021 to 11.6% at the end of 2022 (Source: Eurostat). The ECB, after the end of the Pandemic Emergency Purchase Program (PEPP) in March 2022, left open the possibility of reinvesting in Greek Bonds from the PEPP securities, if deemed necessary, at least by the end of 2024. In parallel, the ECB is designing new tools to reduce speculation trends through intervention in the bond market, such as the Transmission Protection Instrument (TPI). In the context of the EU Recovery and Resilience Facility, Greece drew up its national recovery plan entitled "Greece 2.0" to better prepare for future challenges and opportunities and to ensure sustainable growth. The positive outlook of the Greek economy resulted in the upgrading of the country's long-term credit rating. Now Greece is one notch away from the investment grade, which may bring, among other positive developments, a potential interest rate reduction and facilitate the refinancing of Public debt.

However, risks remain high, as the environment remains unstable. Inflation, albeit decreasing, remains high, putting greater pressure on the economically weaker population. As a result, it compresses the household income and it could adversely affect the insurance product distribution, while it also increases the insurers' operating and insurance coverage costs. At the same time, the rise of the interest rates threatens economic growth and may lead to a new generation of bad loans. The Greek Government took measures to mitigate the impact of the increase in inflation and it recently raised minimum wage.

Climate change, its intensity and extent, have a significant impact on shaping the business environment. Its consequences in terms of natural disasters (drought, floods, wildfires, etc.), differ from country to country and represent a challenge for insurers, as they may be requested to pay higher compensation, but may also lead to increased demand for related insurance products and the need to design new ones. The need to reverse climate change and placing the relevant issue high on the agenda of supranational bodies and states, are expected to lead to new consumer behaviors, new investment behaviors and changes in entire industry sectors. The European Union is developing actions, as in the context of the "NextGenerationEU" plan, to make Europe "climate neutral" by 2050. At the same time, developments in the field of medicine are expected to lead to an increase in life expectancy and medical acts cost, especially in developed countries.

The digital transformation of economies and businesses is accelerating, also supported by actions such as the "NextGenerationEU" plan and the "Greece 2.0" plan, and, along with it, the number of electronic transactions is increasing as well. This fact, in addition to opportunities, also poses risks to businesses, since they could deal with an increased cybercrime risk. At the same time, these threats may lead to an increased demand for relevant insurance coverage.

All the above results in a highly uncertain business environment, which offers opportunities but also poses significant risks.

Regulatory Environment

In the year 2022 took place the application of regulations and changes that had been passed or had occurred in the immediately preceding years. Additional regulatory requirements are expected to be implemented within 2023 and the following years, such as:

- Regulatory Technical Standards (as introduced by Delegated Regulation (EU) 2022/1288 and as amended) to specify the details, content and presentation of sustainability information to be disclosed by financial market participants under the Regulation (EU) 2019/2088 (SFDR).
- Regulation (EU) 2020/852 (Taxonomy) & Delegated Acts. Under the framework, insurance undertakings must disclose standardized KPIs in the non-financial statement on how and to what extent their investments and non-life insurance activities qualify as environmentally sustainable (simplified implementation of the framework for the year 2022, full application for FY 2023 onwards).
- Regulation (EU) 2022/2554 on the digital operational resilience of the financial sector (DORA). The new framework sets uniform requirements for the security of the network and information systems of companies active in the financial sector as well as critical third parties that provide them with ICT (Information and Communication Technologies) services. Obligors should start preparing to comply with the new requirements, which apply from 17 January 2025.
- Law 4990/2022 (Official Gazette A' 210/11.11.2022) on the protection of persons who report violations of EU law (whistleblowing) - incorporation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 (L 305) and other urgent arrangements.
- Executive Committee Act 213/1/05.12.2022 for the adoption of the revised Guidelines of the European Insurance and Occupational Pensions Authority (EIOPA) regarding contract limits (insurance or reinsurance).
- Executive Committee Act 213/2/05.12.2022 for the adoption of the revised Guidelines of the European Insurance and Occupational Pensions Authority (EIOPA) regarding the valuation of technical provisions.

The Group takes constantly measures for its adequate compliance to the requirements of the new regulatory framework, such as indicatively deviation analysis, by drawing up a roadmap of actions that provide for the development of new policies and procedures, as well as the re-organization of internal operations, etc.

Significant Risks

The main strategic risks that affect the Group's activities and may prevent it from achieving its strategic objectives are the risks arising from the unstable financial and overall business environment in which it operates (macroeconomic risks at global, European and Greek levels), which is worsened by geopolitical developments. The recovery of the Greek economy, which followed the relative Covid-19 pandemic remission, slowed down, as was the case in the Euro area in general, as a result of the Russian-Ukrainian crisis, the rising inflation, as well as the measures taken to address it. The increase in energy prices led to an increase in the prices of other products, a fact which resulted in the adoption of restrictive measures and an increase in ECB interest rates. Said increase puts pressure on the Group's asset valuations.

The economic slowdown, coupled with inflation remaining at high, albeit decreasing, levels, may have a negative effect on the Group's product distribution.

High inflation and the increased medical cost, combined with the developments in the field of medicine which are expected to lead to a life expectancy increase, may result in an increase in the Group's insurance liabilities.

The above risks essentially arise from the macroeconomic environment and not so much from the Group's internal operations. Therefore, the Group is considered to have less room for mitigating the risks and especially to eliminate them. Their real impact cannot be accurately measured. The Group is constantly assessing these developments and takes measures to safeguard its solvency. To this end, it made changes in its investment portfolio in 2022, aiming to further improve the credit rating of its securities, increase its liquidity and reduce volatility. These changes are expected to continue, considering the current market conditions.

A significant risk for the Group is also the possibility of increased and complex cyber-attacks, which have intensified due to the increased teleworking and electronic transactions. The inability to adequately deal with these threats may result in multiple negative consequences, such as the disruption of the Group's smooth operation, financial losses, and defamation. The Group closely monitors the developments in the field of cyber security and takes measures to protect itself against cybercrime. It implements an integrated action plan, based on the "technology-process-people" model.

In parallel, new / emerging risks are assessed, which may develop into significant ones for the Group's activities in the future. Such risks are considered those related to climate change, the long-term effects of the Covid-19 pandemic and the possible disruption of the Group's smooth operation due to problems in fuel and power supply.

The risks arising from the accelerating climate change are becoming increasingly acute for the environment, people and the economy. These risks are divided into natural risks and risks arising from the transition to low-carbon economies. Climate change may affect the staff's and the policyholders' health, as well as the result of the Group's insurance activities. At the same time, the effort to reverse climate change entails changes in entire economic sectors, such as energy, automobiles, etc. This fact, in addition to the adjustment costs, will result in new or different insurance needs. The Group monitors the relevant developments and develops an "ESG" risk management framework.

The impact of the Covid-19 pandemic seems to be diminishing worldwide, considering the number of recorded deaths. However, the long-term effects on the health of those affected by the Coronavirus, as well as on the general population due to the postponement of preventive diagnostic exams and treatments, cannot be accurately estimated. This fact may lead to an increase in morbidity and mortality and the Group's relevant insurance liabilities.

As a result of the Russian-Ukrainian crisis, the issue of the energy dependence of European countries on Russia was placed high on the agenda and measures were taken and are being planned to safeguard their energy sufficiency. However, the risk of power outages due to a reduction in fuel flow remains. The Group uses electricity for the operation of its building and IT infrastructures, as well as oil and natural gas for heating needs. Disruption in the provision of these, particularly an extensive one, will lead to the disruption of the Group's smooth operation. The Group evaluates and manages the above risk in the context of its business continuity actions and ensuring its uninterrupted operation.

Solvency Capital Requirement

Regarding the quantitative estimation of the solvency capital requirement, the Group uses the standard formula, evaluating its suitability related to the Group's risk profile during the annual ORSA.

For the calculation of Group Solvency, for Ethniki Insurance the full consolidation method is followed and for the Ethniki Cyprus Life Insurance, Ethniki Cyprus Non-Life Insurance and Garanta the alternative method is followed ("deduction and aggregation method") and is based on the following:

i. the use of transitional measures and volatility adjustment to the relevant risk free interest rate term structure for Ethniki Insurance ("adjusted curve")
ii. the use of risk free curve for Ethniki Cyprus Life Insurance
iii. the use of risk free curve for Ethniki Cyprus Non-Life Insurance
iv. the use of risk free curve for Garanta

The Group Solvency Capital Requirement as at 31.12.2022, amounts to €328,7m. The solvency capital requirements consolidated at Group level, are presented in the following figures:

Solvency Capital Requirements (€ in thousands) 31.12.2022	Companies consolidated under method 1(1)	Ethniki Cyprus Life Insurance(2)	Ethniki Cyprus Non-Life Insurance(2)	Garanta(2)
Market Risk	181.200	4.631	2.206	1.524
Credit Risk	36.492	1.481	1.855	2.340
Life underwriting risk	95.477	6.559	-	442
Health underwriting risk	51.400	560	1.609	540
Non-Life underwriting risk	64.887	-	2.871	4.120
Diversification	*(146.390)*	*(3.536)*	*(2.801)*	*(2.498)*
BSCR	**283.067**	**9.695**	**5.739**	**6.469**
Operational Risk	22.736	581	586	321
LAC	-	-	-	(534)
Solvency Capital Requirements (method 1)	**305.803**	**10.276**	**6.325**	**6.256**
Solvency Capital Requirements (method 2)	**22.857**			
Group Solvency Capital Requirements	**328.660**			

(1): The Participant and Ethniki Insurance
(2):Consolidated under method 2

For related undertakings consolidated under method 2, the SCR and individual risks correspond to the indirect stake of the Participant in each related undertaking.

Comparatives for the year 2021 are not available, given that the Participant did not engage in any insurance business, thus Solvency II figures are not relevant for this reporting period.

Sensitivity Analyses

The Group has performed sensitivity analyses, in order to determine the sensitivity of changes in significant risk factors on its solvency ratio as at 31.12.2022. The sensitivity analysis was performed with:

a. The use of transitional measures and adjusted curve for Ethniki Insurance.

b. The use of risk free curve of the part of Ethniki Cyprus Life Insurance.

c. The use of risk free curve of the part of Ethniki Cyprus Non-Life Insurance.

d. The use of risk free curve of the part of Garanta.

During the sensitivity analyses, in order to determine their overall' effect on the solvency ratio, the effect on the Group's Own funds was estimated.

The results of the performed sensitivity analyses are summarized in the table below:

Scenarios	Value	Change (amounts in € thousands): Own Funds	Capital Adequacy ratio
Change in interest rates	0.50%	19.096	206%
Change in interest rates	-0.50%	-25.025	193%
Change in bonds credit spreads	50 bps	-79.676	176%
Change in bonds credit spreads	-50 bps	85.175	226%
Change in equity prices	25%	34.470	211%
Change in equity prices	-25%	-34.470	190%
Change in property values	25%	63.356	220%
Change in property values	-25%	-63.356	181%

Based on the above results, it is observed that the greater negative impact on the Group's solvency ratio comes from the scenario of the increase in credit spreads. This scenario would result in a reduction in the solvency ratio by 24 percentage points.

Subsequently, significant impact on the Group's solvency ratio comes from the scenario of the fall of interest rates. This scenario shows a decrease in the solvency ratio by 8 percentage points.

Explanation of the Sensitivity Analysis Parameters

The following table shows the parameters on the basis on which the sensitivity analyses listed in the previous paragraph were performed.

Parameters	Value	Explanation
Change in interest rates	0.50%	Impact of a parallel rise in the risk-free interest rate curve
Change in interest rates	-0.50%	Impact of a parallel downward movement of the risk-free interest rate curve
Change in bonds credit spreads	50 bps	Impact of an increase in the credit spreads of all bonds
Change in bonds credit spreads	-50 bps	Impact of a decrease in the credit spreads of all bonds
Change in equity prices	25%	Impact of an increase in equity prices
Change in equity prices	-25%	Impact of a decrease in equity prices
Change in property values	25%	Impact of an increase in property prices
Change in property values	-25%	Impact of a decrease in property prices

3.1. Insurance Risk

Insurance risk is defined as the risk of loss or adverse change in the value of insurance obligations due to a change in the assumptions applied at the time of pricing and reserving.

The following risks are included in insurance risk:

- **Life Underwriting Risk**
- **Non-Life Underwriting Risk**
- **Health Underwriting Risk**

Insurance Risk Underwriting

The identification and assessment of insurance and reinsurance risks and the relevant management procedures are carried out by each main line of business (life insurance, non-life insurance, health insurance), which can be divided into further lines of business. Insurance risk is identified in the underwriting of insurance risk, as well as in the creation of insurance technical provisions. The main sources of insurance risk are considered to be deviations from the expected levels of claims incurred, expenses, concentration (geographical, risk, product, etc.), from insufficient pricing, the unexpected change in macroeconomic and microeconomic parameters, such as interest rates, inflation, unemployment, income levels (which affect portfolio retention), as well as the unexpected change in biometric parameters of mortality, disability and morbidity.

The Group has established risk-taking rules. In this context, the required data that must be calculated for each risk have been identified in order to determine the insurance coverage of the risk and its terms.

Insurance Risk Management

The Group in order to effectively manage and reduce its exposure to insurance risk takes measures such as:

1. Establishment of policy and procedures for undertaking insurance risks,
2. Principles and predefined procedures for the calculation of technical provisions, taking into account the appropriate accounting and actuarial standards in force, as well as internal and also best practices,
3. Establishment of operational limits and of other practices for maintaining the exposure to risks within the approved limits and also for avoiding unacceptable concentration levels in certain insurance risk types,
4. Principles and predefined procedures for the development and introduction of new products,
5. Establishment of principles and criteria for the selection of suitable counterparties (reinsurers),
6. Procedure for mitigating insurance risk through an effective reinsurance policy, as well as with the use of other techniques where necessary,
7. Existence of adequate systems and procedures for the identification of every source of substantial risk, for monitoring, evaluation (measurement) and reporting of the risks undertaken and the use of corrective actions when necessary,
8. Assessment of insurance risk under extreme conditions. The results of these assessments are used in the revision of Policies and of the exposure to insurance risk limits.
9. Monitor claim frequency, claim volume, the settlement and administration cost; and the claims evolution pattern. Furthermore, in order to improve profitability and reduce the risk, measures are being taken such as premium increases, agreements with medical centers for the reduction of claims' cost, etc.

3.1.1. Life Insurance risk Solvency Capital Requirements

The life insurance portfolio includes individual life insurance (whole-life, endowment, term-life, pure endowment, pension products (annuities) with premium return on death, unit-linked contracts and riders on life insurance policies) as well as group life insurance (temporary, riders attached to life insurance policies, group pension plans).

Mortality Risk

The risk of mortality is related to those insurance liabilities in which an increase in the mortality rate leads to an increase in the value of insurance liabilities.

Products subject to mortality risk include Term-life insurance, endowment insurance, whole-life insurance, as well as life insurance on mortgages insurance.

Longevity Risk

Longevity risk is associated with those insurance liabilities in which a reduction in the mortality rate leads to an increase in the value of insurance liabilities. Contracts subject to longevity risks are pure endowment contracts, annuities with premium return on death.

Disability – Morbidity Risk

The risk of disability or morbidity is associated with the types of insurance that provide for compensations due to morbidity or disability. It is linked to those insurance liabilities in which a change in the level, trend or variability of disability or morbidity rates leads to their increase.

The products that are mainly subject to this risk are the riders of life products; the most significant being waiver of premium coverage.

Lapse Risk

Lapse risk is the risk of loss (or adverse change in the best estimate of liabilities) arising from unforeseen (higher or lower) lapsation rates.

Expense Risk

The risk of expenses is related to those insurance liabilities in which a permanent increase in expenses, but also in the inflation of expenses, leads to an increase in the value of insurance liabilities.

Catastrophe Risk

Catastrophe risk results from catastrophic events, such as pandemics. Solvency capital requirements are calculated from the increase in mortality for the next 12 months.

3.1.2. Health Underwriting Risk Solvency Capital Requirements

The Health Insurance portfolio includes insurance related to income protection coverage due to disability or sickness and medical expenses coverage.

The health insurance portfolio includes contracts that cover hospital expenses. These contracts are divided into two categories. The first category consists of contracts that provide for an increase in premiums based on specific market indicators, or have a maximum increase limit. For these contracts, the Group calculates long-term liabilities and makes use of the transitional measure for the technical provisions.

The second category includes contracts that provide for an increase in premiums based on their terms.

The health insurance portfolio includes the following risks.

1. Risk in life insurance similar to life insurance
2. Risk in health insurance similar to non-life insurance

3. Catastrophe risk in health insurance.

3.1.2.1. Health similar to Life Underwriting Risk

The insurance products that are subject to this risk sub-module are hospitalization products. The capital requirement stems mainly from hospital products which are no longer available for sale, which have a high loss ratio and are subject to restrictions on annual premium increases. Due to these characteristics of the specific hospital programs, the Group calculates their liabilities in the long-term.

Mortality Risk

The risk of mortality is related to insurance liabilities in which an increase in the mortality rate leads to an increase in the value of insurance liabilities.

The impact of this risk has a negligible effect on the Solvency Capital Requirement of health similar to life insurance.

Longevity Risk

Longevity risk is associated with insurance liabilities in which a reduction in the mortality rate leads to an increase in the value of insurance liabilities.

The impact of this risk has a modest effect on the capital requirement of health similar to life insurance.

Disability – Morbidity Risk

The risk of disability or morbidity is one of the most significant risks for the specific portfolio of hospital programs. It is linked to those insurance liabilities in which a change in the level, trend or variability of disability or morbidity rates leads to their increase.

The solvency capital requirements come from the disability – morbidity risk of medical expenses and income protection.

In order to cover medical expenses, the scenario envisages an increase or decrease in medical expenses resulting from a parallel increase or decrease in inflation of medical expenses. Capital requirements arise as the largest amount between the capital requirements of the increase and decrease scenarios. The impact on capital requirement comes from the scenario of the increase in medical expenses and medical inflation.

Lapse Risk

Lapse risk is the risk of loss (or adverse change in the best estimate of liabilities) arising from unforeseen (higher or lower) lapsation rates.

The Solvency Capital Requirement of the specific risk sub-module comes from the scenario of reduction of lapse rates.

Expense Risk

The risk of expenses is related to those insurance liabilities in which a permanent increase in expenses, but also in the inflation of expenses, leads to an increase in the value of insurance liabilities.

3.1.2.2. Health similar to Non-Life Underwriting Risk

Premium and reserve risk

Premium and reserve risk is defined as the risk of loss or adverse change in the value of insurance liabilities, resulting from fluctuations in the timing, frequency and severity of the insured events and in the timing and settlement amount of claims.

3.1.2.3. Catastrophe Risk in Health Insurance

Catastrophe risk in health insurance is defined as the risk of loss or adverse change in the value of insurance liabilities, resulting from significant uncertainty in the pricing assumptions and the creation of technical provisions, in relation to serious epidemic outbreaks, as well as the unusual accumulation of risks under such extreme circumstances.

The catastrophe risk is related to the number of insured and the parameters of the mass accident and pandemic scenarios.

3.1.3. Non-Life Insurance Underwriting Risk Solvency Capital Requirement

The non-life insurance portfolio includes products that cover the full range and lines of business of non-life insurance.

The main categories in which the majority of new insurance business focuses are the motor, fire (commercial and industrial risks) lines of business and general third-party liability. In addition, a maximum insurance limit per insured risk has been set by the Group.

Premium & Reserve Risk

Premium risk is defined as the risk that the premium will not be sufficient to cover the risk undertaken. Reserve risk is defined as the risk of insufficiency of technical provisions formed for receivables created on the valuation date.

Non-Life Catastrophe Risk

Non-life catastrophe risk includes the following sub-modules:

1. the natural disaster risk sub-module,
2. the catastrophic risk sub-module for non-proportional asset reinsurance;
3. the risk of man-made disaster sub-module,
4. the other non-life disaster risks sub-module.

Lapse Risk

The Group does not calculate lapse risk for non-life insurance risk as it does not apply.

3.2. Market Risk

Market risk is defined as the risk of loss or adverse change in the financial conditions stemming, directly or indirectly, from fluctuations in the level and in the volatility of market value of assets, liabilities and financial instruments.

The following risks are included in market risk:

Market Risk Management

The Group in order to effectively manage and reduce its exposure to market risk, takes measures such as:

1. establishment of an investment policy in line with business strategy and the acceptable investment risk limits,
2. establishment of operational limits and of other practices, so as to maintain risk exposures within the approved limits, as well as to avoid unacceptable concentration levels in specific investment types, issuers, etc. Within these limits, Value at Risk ("VaR"), exposure and stop loss limits, are also included,
3. predetermining the type of financial instruments in which the Group's funds are invested and clear procedures for investing in a new financial instrument,
4. mitigation of investment risk through effective hedging methods, the effectiveness of which is regularly evaluated,
5. adequate systems and procedures for the identification of each substantial source of investment risk, in order to monitor, evaluate (measure) and report risks undertaken allowing corrective actions to be taken when necessary. The assessment of the adequacy and the control of compliance of the Investment Policy and the related risk management framework, is carried out under the supervision of the Assets-Liabilities Management Committee and the Risk Management Committee,
6. evaluation of the market risk under extreme conditions. The results of these tests are used for the revision of policies and of the market risk exposure limits.

The Group aims at ensuring an adequate level of assurance, quality and liquidity for its assets and invests in such a way so as to take into consideration the characteristics of its liabilities as well as the requirements for returns.

3.2.1. Market Risk Capital Requirement

For the calculation of market risk solvency capital requirement, the Group uses the look through approach, where applicable, for investments in undertakings for collective investment in transferrable securities ("UCITS") and other investment funds.

3.2.1.1. Interest Rate Risk

Interest rate risk arises from the sensitivity of the value of assets and liabilities, to changes in the time structure of interest rates, or to the volatility of interest rates.

Interest Rate Risk Management

To manage interest rate risk, the Group has established risk measurement indicators and tolerance levels, as well as procedures for monitoring and reporting the level of risk undertaken.

More specifically, the matching of insurance liabilities and assets intended to cover them is monitored by measuring their modified duration. In addition, any differences between cash inflows and outflows are considered for the above data.

The Asset – Liability Management Committee and the Risk Management Committee are informed quarterly about the extent of mismatch between the assets and liabilities and take measures in order to return it to the desired level when deemed necessary.

Sensitivity Analysis

The Group assessed the impact of changes in interest rate risk factors on its solvency ratio through conducting sensitivity analyses, the results of which are presented in the table below. The impact on 31.12.2022 was calculated using the transitional measures.

Scenarios	Change (€ thousands): Own Capital	Capital Adequacy ratio
Increase of interest rates	19.096	206%
Decrease of interest rates	(25.025)	193%

The scenario of falling interest rates would result in the reduction of the solvency ratio by 8 percentage points.

Explanation of the Sensitivity Analysis Parameters

The following table shows the parameters on the basis on which the sensitivity analyses listed in the previous paragraph were performed.

Scenarios	Value	Explanation
Increase of interest rates	0.5%	Impact of a parallel rise in the risk-free interest rate curve by 0.5%.
Decrease of interest rates	-0.5%	Impact of a parallel downward movement of the risk-free interest rate curve by 0.5%.

During the sensitivity analyzes, in order to determine the overall effect on the solvency ratio, the effect on the Group's own funds was taken into account.

3.2.1.2. Equity Risk

Equity risk arises from the sensitivity of the value of assets and liabilities to changes in the level or volatility of equity market prices.

Equity risk management

For the management of equity risk, the Group has established risk measurement ratios and position limits on equity securities and equity / mixed funds, on the total investment portfolio, as well as procedures for monitoring and reporting positions.

More specifically, the Group's positions in equities and equity / balanced funds, the distribution of equities in sectors of activity and geographical areas, as well as the evolution of stock market indices that reflect the course of the equity portfolio are monitored.

The Assets - Liabilities Management Committee and the Risk Management Committee are informed quarterly about the amount of the risk exposure of the equity portfolio and take measures to limit it within the desired level when deemed necessary.

Sensitivity Analysis

The Group assessed the impact of changes in equity risk factors on its solvency ratio through a sensitivity analysis, the results of which are presented in the table below. The impact on 31.12.2022 was calculated using the transitional measures.

Scenario	Change (€ thousands): Own Capital	Capital Adequacy ratio
Increase of equity prices	34.470	211%
Decrease of equity prices	(34.470)	190%

The scenario of the decrease of the equity prices would result in the reduction of the solvency ratio by 10 percentage points.

Explanation of the Sensitivity Analysis Parameters

The following table shows the parameters based on which the sensitivity analysis set out in the previous paragraph was performed.

Scenario	Value	Explanation
Increase of equity prices	25%	Impact of an increase in equity prices by 25%, excluding holdings in Garanta and Ethniki Insurance Cyprus.
Decrease of equity prices	-25%	Impact of a decrease in equity prices by 25%, excluding holdings in Garanta and Ethniki Insurance Cyprus.

During the sensitivity analysis, in order to determine its overall effect on the solvency ratio, the effect on the Group's own funds was taken into account.

3.2.1.3. Property Risk

Property risk arises from the sensitivity of the value of assets and liabilities to changes in the level or volatility of property market prices.

Property Risk Management

For the management of property risk, the Group has established risk measurement indicators and position limits on property over the total investment portfolio, as well as procedures for monitoring and reporting the undertaken position.

More specifically, the Group's position in property, the allocation of property in geographical areas and purposes of use, as well as the evolution of real estate price indices are monitored.

The Asset – Liability Management Committee and the Risk Management Committee are informed quarterly about the amount of the exposure to property risk and take measures to limit it within the desired level when deemed necessary.

Sensitivity Analyses

The Group assessed the impact of changes in property risk factors on its solvency ratio through a sensitivity analysis, the results of which are presented in the table below. The impact on 31.12.2022 was calculated using the transitional measures.

Scenario	Change (€ thousands): Own Capital	Capital Adequacy ratio
Increase in property value	63.356	220%

Decrease in property value	(63.356)	181%

The scenario of a reduction in property prices by 25% would result in a reduction in the solvency ratio by 19 percentage points.

Explanation of Sensitivity Analyses Parameters

The following table shows the parameters based on which the sensitivity analysis set out in the previous paragraph was performed.

Scenario	Value	Explanation
Increase in property value	25%	Impact of a 25% increase in property prices.
Decrease in property value	-25%	Impact of a 25% reduction in property prices.

During the sensitivity analysis, in order to determine its overall effect on the solvency ratio, the effect on the Group's own funds was taken into account.

3.2.1.4. Spread Risk

Spread risk arises from the sensitivity of the value of assets and liabilities to changes in the level or volatility of credit spreads, in addition to the time structure of risk-free interest rates.

Spread Risk Management

To manage the spread risk, the Group has established risk measurement ratios and position limits on corporate and government bonds; and bond and cash mutual funds, over the total investment portfolio, as well as monitoring and reporting procedures of undertaken positions.

The Assets – Liabilities Management Committee and the Risk Management Committee are informed quarterly about the amount and type of position in bonds and take measures to limit it within the desired level when deemed necessary.

Sensitivity Analysis

The Group assessed the impact of changes in parameters of spread risk on its solvency ratio, through conducting sensitivity analyses, the results of which are presented in the table below. The impact on 31.12.2022 was calculated using the transitional measures.

Scenarios	Change (€ thousands): Own Capital	Capital Adequacy ratio
Increase of credit spreads	(79.676)	176%
Decrease of credit spreads	85.175	226%

The scenario of change of risk factors according to the values described above, would result in the reduction of the solvency ratio by 24 percentage points.

Explanation of Sensitivity Analysis Parameters

The following table shows the parameters on the basis on which the sensitivity analysis (listed in the previous paragraph) was performed.

Scenarios	Value	Explanation
Increase of bond credit spreads	+50 bps	Impact of an increase in the credit spreads of all bonds by 50 bps.
Decrease of bond credit spreads	-50 bps	Impact of a decrease in the credit spreads of all bonds by 50 bps.

During the sensitivity analysis, in order to determine their overall effect on the solvency ratio, both the effect on the Group's own funds and the solvency capital requirements were taken into account.

3.2.1.5. Currency Risk

Currency risk arises from the sensitivity of the value of assets and liabilities to changes in the level or volatility of exchange rates.

Currency Risk Management

To manage currency risk, the Group has limited the permitted currencies in which it can invest directly in its investment portfolio and has established a foreign currency exposure limit on the total investment portfolio, as well as monitoring and reporting procedures for each exposure.

More specifically, the net position of the Group in foreign currency and the allocation of the position per currency are monitored.

The Asset – Liability Management Committee and the Risk Management Committee are informed quarterly about the amount of the foreign currency exposure and take measures to limit it within the desired level when deemed necessary.

3.2.1.6. Market Concentration Risk

The risk of market concentration consists of the additional risks arising either from a lack of diversification in the asset portfolio, or from large exposure to default risk by a single security issuer, or a group of related issuers.

Market Concentration Risk Management

For the management of market concentration risk, the Group has established risk measurement indicators and position limits per issuer of financial instrument / counterparty, over the total of the relevant investment category, as well as procedures for monitoring and reporting the positions undertaken.

More specifically, the Group's property concentrations, as well as its positions per counterparty are monitored, taking into account their credit rating, for issuers of bonds, equity securities and credit institutions in which the Group holds deposits.

The Asset – Liability Management Committee and the Risk Management Committee are informed quarterly about the type and amount of concentrations and take measures to limit them within the desired level when deemed necessary.

3.3. Credit Risk

Credit risk is defined as the risk of loss or adverse change in the financial conditions that derive from fluctuations in the credit standing of issuers of financials instruments, as well as from any counterparties and debtors to whom the Group is exposed to. The aforesaid risk appears either as a default risk or as a risk stemming from unsettled or partially settled obligations of the counterparty.

Credit Risk Management

The Group, in order to effectively manage and reduce its exposure to credit risk, takes measures such as:

1. Establishment of time and/or money limits for the payment of premiums, as well as limits on collection rights assigned to intermediaries,
2. Evaluation of the reinsurers before entering into agreements with them and establishment of a minimum limit of their credit rating,
3. Establishment of investment limits that vary according to the credit rating of the counterparties,
4. Acceptance of credit ratings from specific rating agencies for the issuers of financial instruments, as well as for the reinsurers,
5. Evaluation of credit risk under extreme conditions. The results of these tests are used in the revision of policies and of credit risk exposure limits.

Liquidity Risk

Liquidity risk is defined as the risk for profits and capital that derives from the Group's inability to meet its obligations, when these become due, or it meets them at non-reasonable cost.

Liquidity Risk Management

The Group in order to effectively manage the liquidity risk takes measures briefly such as:

1. Establishment of minimum limits of cash and cash equivalents that permit the smooth operation of the Group under normal conditions,
2. Analysis on a continuous basis of the short term cash requirements and whether such requirements can be met,
3. Monitoring of the time structure of cash flows from insurance liabilities and from the assets intended to cover these liabilities,
4. Placements in highly liquid financial instruments,
5. Development of plans for confronting extreme liquidity situations.

3.4. Operational Risk

Operational risk is defined as the risk of loss arising from deficiencies and from inadequacies of internal procedures, IT and other operational systems, from human resources, or from external factors.

Operational Risk Management

The operational risk management aims at reducing or eliminating its causes, as well as the potential or actual consequences in case that risk events emerge. For this reason, procedures and methodologies are developed that aim to identify, evaluate, measure, manage and document the risk according to the set risk appetite limits.

The following standardization adopted in the operational risk categorization (7 categories) identifies and clarifies its scope, while at the same time forms a common language of communication and culture in terms of risk:

Categories of Operational Risk	Category Description
Internal Fraud	Losses due to acts of a type intended to defraud, misappropriate property or circumvent regulations, the law or Group policy, excluding diversity/ discrimination events, which involves at least one internal party.
External Fraud	Losses due to acts of a type intended to defraud, misappropriate property or circumvent the law, by a third party.
Employment Practices and Workplace Safety	Losses arising from acts inconsistent with employment, health or safety laws or agreements, from payment of personal injury claims, or from diversity / discrimination events.
Clients, Products & Business Practices	Losses arising from an unintentional or negligent failure to meet a professional obligation to specific clients (including fiduciary and suitability requirements), or from the nature or design of a product.
Damage to Physical Assets	Losses arising from loss or damage to physical assets from natural disaster or other events.
Business Disruption and System Failures	Losses arising from disruption of business or system failures.
Execution, Delivery & Process Management	Losses from failed transaction processing or process management, from relations with trade counterparties and vendors.

Management procedures of Operational Risk

In addition to the management model of the three lines of defense followed by the Group, recognizing the roles and responsibilities of business entities in risk management, individual roles are assigned during the implementation of operational risk management procedures.

Specifically:

An “operational risk assessment exercise” is conducted annually, where every Unit of the Group identifies the major risks that may obscure its operation, and consequently prevent the achievement of their business objectives. The activities and procedures model are assessed as a whole and the identified risks are classified according to their significance, by examining both their qualitative and quantitative characteristics. For the risks with medium significance and above, action plans are prepared for their mitigation, aiming at restoring the control environment within the acceptable limits. All action plans are monitored on a monthly basis in terms of the progress of their implementation actions, emphasizing on the already overdue and those where the completion dates are approaching. At the same time, high significance risks have been quantified, where possible, in order to monitor them through the establishment of key indicators.

According to the planning for the development of new or modification of existing products, a special, on a case-by-case basis, evaluation is carried out to identify existing risks that may worsen, as well as emerging ones arising from the nature and characteristics of the product examined. Actions to mitigate the identified risks are decided and implemented, taking into account the desired launch date and the required implementation timeline.

The operational risk incidents are collected, even those with zero financial or qualitative effect, in order to enable the Group to concentrate the maximum potential experience on a continuous basis. Beyond their recording, the definition of the causes but mainly of the corrective actions for each incident, as well as those elements that will prevent its reoccurrence, are the main goal of the procedure. Additionally and in continuation of 2021, the Group’s expenses and the lost revenues caused by the continuation of the new corona virus (Covid-19) pandemic continued to accumulate.

3.5. Other Significant Risks

3.5.1. Asset – Liability Mismatch Risk

Asset – liability mismatch risk is defined as the risk for profits and capital that derives from the structure of assets and liabilities, as well as from off-balance sheet items. The mismatch may concern the maturity of the items, the interest rates, the repricing frequency, the currencies, as well as the levels and the time structure of the cash flows.

Asset – Liability Mismatch Risk Management

The Group in order to effectively manage the asset – liability mismatch risk take measures such as:

1. Establishment of limits for preserving the exposure in risks within the approved levels,
2. Principles and monitoring procedures of the assets, liabilities and of the off-balance sheet items, in order to avoid or mitigate unintended mismatches, according to the business strategy and the acceptable risk limits,
3. The existence of adequate systems and procedures for the identification of every source of substantial asset – liability mismatch risk, for monitoring, evaluation (measurement) and reporting of the risks undertaken, as well as the initiation of corrective actions when necessary,
4. Assessment of the relationship among assets and liabilities under extreme conditions. The results of the test are taken into account in the establishment or revision of policies and of acceptable asset – liability mismatch limits.

3.5.2. Concentration Risk

Concentration risk is defined as the risk for profits and capital that derives from the low dispersion, thus the concentration of assets or insurance liabilities in individual items of assets or liabilities, such as: financial sector, business sector, geographical area, counterparty or group of connected counterparties, etc.

Concentration Risk Management

Concentration risk is monitored and managed through the individual risk management policies, acknowledging that this specific risk increases the exposure levels of the various identified risks, like the market risk, the insurance risk, the credit risk, the operational risk, etc.

3.5.3. Reputation Risk

Reputation risk is defined as the risk for profits or capital that arises from the formation of a negative public perception for the Group among its clients, counterparties, shareholders, investors or supervisory authorities.

Reputation Risk Management

The Group in order to effectively manage the potential reputation risk, but also to retain and reinforce its reputation as a creditworthy and socially responsible insurer, sets up a number of internal activities which are summarized in the following:

1. Develops insurance products characterized by clarity and transparency and adopts appropriate business practices for their promotion with professionalism, based on the provisions of the respective regulatory framework.

2. Specially examines the reputation risk in the applied by it operational and compliance risk framework.
3. Applies a wide modern system of handling claims, complaints and requests of its clients as well as of its partners.
4. Maintains a set of ethics and conduct regulations that ensure the acknowledgement / acceptance from all involved parties of both the required standards, as well as of the consequences of any breaches.

3.5.4. Main Strategic Risks

The main strategic risks that affect the Group's activities and may prevent it from achieving its strategic objectives are the risks arising from the unstable financial and overall business environment in which it operates (macroeconomic risks at global, European and Greek levels), which is worsened by geopolitical developments, in particular, the Russian-Ukrainian crisis and the intensifying competition between the great powers.

The fiscal year 2023 is expected to be significantly impacted by high inflation and the measures taken to reduce it. The rise in interest rates by central banks may result in reduced growth, or even recession. Disposable income may be significantly affected, despite government measures to support the most financially vulnerable households, and this may affect the demand for insurance products.

The Group constantly assesses these developments and takes measures. However, the actual impact of the above on the economy and the Group cannot be accurately assessed.

Considering the above, the Group has generally proceeded with the following actions:

i. Conducting sensitivity analyses and stress tests for most significant risks;
ii. Valuation of the capital requirements deriving from the above stress tests and the coverage capability during the Group's business plan implementation.
iii. Taking corrective actions where necessary.

3.6. Other information

3.6.1. Sustainability Risks – Climate Change

The Group assesses sustainability risks, monitors the relevant regulatory developments, and develops an integrated "ESG" risk management framework.

In particular, the risks arising from the accelerating climate change are becoming increasingly acute for the environment, people, and the economy. These risks are divided into natural risks and risks arising from the transition to low-carbon economies.

The consequences of climate change vary and include severe drought, water shortages, large wildfires, rising sea levels, floods, melting of the polar ice caps, disastrous storms, loss of biodiversity. The extent and intensity of such phenomena may increase the amount of relevant insurance compensation.

The Group assesses the aforementioned risks in the context of the Own Risk & Solvency Assessment (ORSA).

3.6.2. Risk Profile Monitoring

In order to ensure the effective monitoring of the Group's risk profile, the solvency capital requirements are calculated quarterly and are reviewed from the Board Risk Committee and the

Board of Directors. The Group's investment portfolio is regularly monitored and the Management is informed accordingly.

The Board Risk Committee and the Board of Directors monitor the profile of the risks undertaken, in relation with the risk appetite, through regular reports of Risk Management function, and corrective actions are taken when necessary.

3.6.3. Reinsurance Policy

The Group, aiming at reducing the insurance risk for the period of its business plan, enters into reinsurance agreements with appropriate and creditworthy reinsurers (credit rating of at least A-, from the international rating agencies S&P's, Moody's, Fitch and A.M. Best).

The type of reinsurance contracts varies according to the risk profile, the portfolio size, the level of own retention, the underwriting cost and the terms of cover.

The Group has set up a Reinsurance Committee, whose members are the Chief Financial Officer and the heads of the Reinsurance, Financial, Legal, Actuarial and Risk Management departments. The purpose of the Committee is to design and implement the Group's strategy and policy for the management of treaty reinsurance operations, following the Risk Management Committee directives and taking into account the current market conditions and the defined risk limits.

In 2022, the Group maintained the Reinsurance Policy of 2021 without significant changes in its structure while – as the case may be – improvements were made to the coverage of certain reinsurance contracts.

The mitigation technique of the insurance risk through reinsurance is applied to both non-life insurance and life insurance with proportional and non-proportional contracts.

Risks that exceed the limits of the contracts, are either excluded from their terms, or optionally reinsured.

For fire business and especially for the risk of accumulation in case of damage from catastrophic events (e.g. earthquake or other natural phenomenon), an excess of loss contract has been agreed per event.

For individual and group life business, the risk of death, disability, serious illness, payment protection indemnity, and credit card insurance through proportional and non-proportional contracts are reinsured.

4. Valuation for Solvency Purposes

The Group values assets and liabilities and estimates technical provisions in accordance with Chapter VI, section 1 and 2 of Directive 2009/138/EC of the European Parliament and of the Council.

The table below sets out the reclassifications and adjustments between the consolidated Balance Sheet of the Group in accordance with IFRS and Solvency II. The nature of each reclassification and adjustment is analyzed subsequently in this chapter.

Balance Sheet 31.12.2022 (€ in thousands)	Note	IFRS	Reclassifications	Adjustments	Solvency II value
Assets					
Intangible assets	4.1.1	141.810	(226)	(141.584)	-
Deferred acquisition costs	4.1.2	44.692	(47.910)	3.218	-
Deferred tax assets	4.1.3	184.775	-	(63.334)	121.441
Property, plant & equipment held for own use	4.1.4	134.497	3.819	4.200	142.516
Investments (other than assets held for index-linked and unit-linked contracts)		2.678.782	16.326	25.530	2.720.637
Property (other than for own use)	4.1.5	89.659	1.070	13.383	104.111
Holdings in related undertakings, including participations	4.1.6	0	14.272	17.420	31.692
Equities	4.1.7	41.914	(7)	-	41.907
Equities - listed		28.177	(7)	-	28.170
Equities - unlisted		13.738	-	-	13.738
Bonds	4.1.8	2.096.874	3.006	(5.273)	2.094.607
Government Bonds		1.657.232	(1.436)	(5.273)	1.650.522
Corporate Bonds		439.642	4.442	-	444.085
Collective Investments Undertakings	4.1.9	441.778	(6.411)	-	435.367
Derivatives	4.1.10	239	-	-	239
Deposits other than cash equivalents	4.1.11	8.318	4.396	-	12.714
Assets held for index-linked and unit-linked contracts	4.1.12	615.617	(32.492)	-	583.125
Loans and Mortgages	4.1.13	11.834	-	-	11.834
Reinsurance recoverables:	4.1.14	71.629	3.854	(25.324)	50.160
Non-life and health similar to non-life		61.981	8.773	(22.985)	47.770
Non-life excluding health	4.1.14	60.344	8.794	(22.954)	46.184
Health similar to non-life	4.1.14	1.637	(21)	(31)	1.586
Life excluding health and index-linked and unit-linked	4.1.14	9.516	(4.787)	(2.339)	2.390
Deposits to cedants	4.1.15	-	81	-	81
Insurance and intermediaries receivables	4.1.16	61.475	(14.448)	-	47.027
Reinsurance receivables	4.1.15	3.396	653	-	4.049
Receivables (trade, not insurance)	4.1.17	5.974	(51)	-	5.923
Cash and cash equivalents	4.1.18	69.502	(16.985)	-	52.517
Any other assets, not elsewhere shown	4.1.19	30.576	(28.646)	-	1.930
Total Assets		**4.054.558**	**(116.025)**	**(197.294)**	**3.741.238**

Balance Sheet 31.12.2022 (€ in thousands)	Note	IFRS	Reclassifications	Adjustments	Solvency II value
Liabilities					
Technical provisions – non-life	4.2	500.251	(36.905)	(57.998)	405.348
Technical provisions – non-life (excluding health)		361.758	(26.953)	(63.215)	271.589
Technical provisions calculated as a whole		-	-	-	-
Best Estimate					253.854
Risk margin					17.736
Technical provisions - health (similar to non-life)	4.2	138.493	(9.951)	5.217	133.759
Technical provisions calculated as a whole					-
Best Estimate					114.265
Risk margin					19.493
Technical provisions - life (excluding index-linked and unit-linked)	4.2	2.052.020	(50.083)	(361.472)	1.640.465
Technical provisions - health (similar to life)	4.2	227.147	(9.635)	(67.487)	150.025
Technical provisions calculated as a whole					-
Best Estimate					102.449
Risk margin					47.576
Technical provisions – life (excluding health and index-linked and unit-linked)	4.2	1.824.873	(40.448)	(293.985)	1.490.440
Technical provisions calculated as a whole					-
Best Estimate					1.432.438
Risk margin					58.002
Technical provisions – index-linked and unit-linked		695.253	(36.099)	(19.793)	639.361
Technical provisions calculated as a whole					-
Best Estimate					635.965
Risk margin					3.397
Other technical provisions	4.2	49.051	(49.051)	-	-
Contingent liabilities	4.3.1	-	-	-	-
Provisions other than technical provisions		-	-	-	-
Pension benefit obligations	4.3.2	49.130	-	-	49.130
Deposits from reinsurers	4.3.3	-	9.748	-	9.748
Deferred tax liabilities		-	-	-	-
Derivatives		-	-	-	-
Liabilities to credit institutions	4.3.4	2.166	-	-	2.166
Financial liabilities excluding liabilities to credit institutions		-	-	-	-
Insurance & intermediaries payables	4.3.5	23.973	(1.364)	-	22.609
Reinsurance payables	4.3.6	20.032	689	-	20.721
Payables (trade, not insurance)	4.3.7	19.745	(1.327)	-	18.418
Subordinated liabilities	4.3.8	175.000	-	-	175.000

Subordinated liabilities not in Basic Own Funds		175.000	(175.000)	-	-
Subordinated liabilities in Basic Own Funds		-	175.000	-	175.000
Any other liabilities, not elsewhere shown	4.3.9	141.602	48.366	-	189.968
Total liabilities		**3.728.223**	**(116.025)**	**(439.263)**	**3.172.935**
Excess of assets over liabilities		**326.334**	**-**	**241.969**	**568.303**

For assets and liabilities which are measured at fair value in accordance with IFRS, no further adjustments are performed. The remaining assets and liabilities, are adjusted at fair value. Technical provisions are measured in accordance with the valuation rules of technical provisions.

The IFRS column includes the assets and liabilities of Ethniki Insurance, the shares of which were transferred to the Participant on 31 March 2023. This acquisition has been accounted for as a business combination under IFRS 3 "Business Combinations". The purchase price has been allocated to the fair value of identifiable assets acquired and liabilities assumed in accordance with IFRS 3, paragraph 45. The deferred purchase price payable to the seller is included within "Any other liabilities, not elsewhere shown" and is subject to remeasurement at each balance sheet date on a fair value basis.

4.1. Assets

4.1.1. Intangible Assets

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Intangible assets	141.810	(226)	(141.584)	-

Intangible assets are measured at amortized cost (depreciation method on a straight-line basis over their estimated useful lives) per IFRS, and amount to €141,8m, whereas according to Solvency II they are not recognized, as they cannot be evaluated separately, since there is no price in active markets for these or similar intangible assets.

The reclassification of €0,2m relates to intangible assets of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

4.1.2. Deferred acquisition costs

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Deferred acquisition costs	44.692	(47.910)	3.218	-

Acquisition costs are capitalized and amortized over the duration of the subsequent insurance policy. Deferred acquisition costs amount to €44,7m in the IFRS accounts, whereas in Solvency II they are included in the calculation of technical provisions. Out of the reclassification of (€47,9)m, (€45,5)m concerns Ethniki Insurance and is reclassified to technical provisions and (€2,4m) relates to the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

The adjustment of €3,2m refers to the acquisition costs of the pre-issued life contracts (hospital and riders) which are reversed from the total costs.

4.1.3. Deferred tax assets

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Deferred tax assets	184.775	-	(63.334)	121.441

Deferred tax asset per IFRS amount to €184,8m, and are calculated based on the temporary differences between the values of the assets and liabilities based on IFRS and the balances calculated under the existing tax laws and regulations.

The same accounting treatment has been applied in Solvency II, where Deferred tax is calculated based on the differences between the values of the assets and liabilities based on Solvency II valuation and the balances calculated under the existing tax regime.

The documentation of the recoverability of the deferred tax asset is based on the business plan of each related undertaking.

4.1.4. Property, plant & equipment held for own use

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Property, plant & equipment held for own use	134.497	3.819	4.200	142.516

Property held for own use consists of land, buildings, vehicles and equipment, as well as assets under construction which are measured at book values, in IFRS, acquisition cost less accumulated depreciation and impairment.

In addition, the book value of €1,2m of the right-of-use assets and vehicles (IFRS 16) is included.

The IFRS book value of property held for own use amounts to €134,5m and is adjusted by €4,2m to €142,5m in the Solvency II balance sheet.

The reclassification of €3,8m relates to:

a) Property, plant & equipment held for own use of the related undertakings in Cyprus (€3,4)m, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

b) Assets held for sales: €7,2m

The fair value of land and buildings was determined by independent authorized appraisers with reference date of 31.12.2022.

The remaining categories of tangible assets (plant and equipment) for Solvency II purposes, are measured at book values (acquisition cost less accumulated depreciation) as they reflect the best estimate of their market value.

4.1.5. Property – other than own use

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Property-other than for own use	89.659	1.070	13.383	104.111

In the IFRS accounts, investment property is measured at amortized cost and amounts to €89,7m; for Solvency II it is adjusted by €13,4m to a fair value of €104,1m.

The reclassification of €1,1m concerns the book value of assets held for sale.

The fair value of land and buildings was determined by independent authorized appraisers with reference date of 31.12.2022.

4.1.6. Holdings in related undertakings, including participations

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Holdings in related undertakings, including participations	-	14.272	17.420	31.692

Holdings in related undertakings, including participations, include investments by the Group amounting to €14,3m in Group IFRS (on an individual basis) i.e. at cost less any impairments, and are adjusted by €17,4m to a fair value of €31,7m i.e. their Solvency II value.

The value participations in Cyprus and Romania, is measured as the share held by the Participant in their Solvency II eligible own funds.

Reclassifications concern the related entities in Cyprus, as all their assets and liabilities are reclassified to this caption due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

4.1.7. Equities

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Equities – Listed	28.177	(7)	-	28.170
Equities – Unlisted	13.738	-	-	13.738
Total	**41.914**	**(7)**	**-**	**41.907**

According to IFRS, equities are measured at fair value and thus no adjustment is required for Solvency II.

It should be noted that the Company owns equities listed on the Athens stock exchange, as well as unlisted equities. Listed equities are valued based on closing market prices.

Unlisted equities relate to investments in "Private Equity Funds" and are valued based on the level of participation of the Company in Equity fund. The method of valuation of private equity funds is based on the principles of international auditing standards and is accompanied by a Statutory Auditor Certificate.

The reclassification of (€7)k relating to equities of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

4.1.8. Bonds

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Government bonds	1.657.232	(1.436)	(5.273)	1.650.522
Corporate bonds	439.642	4.442	-	444.085
Total	**2.096.874**	**3.006**	**(5.273)**	**2.094.607**

All bonds are measured at fair value. Their valuation method is disclosed below and varies according to the level in which they are categorized:

a. Level 1: Are valued according to the quoted price in an active market

b. Level 2: Are valued according to:

i. quoted price for similar assets or liabilities in an active market;

ii. quoted price for same assets in markets considered inactive; and

iii. observable data other than quoted prices ex. Interest rates and yield curves;

c. Level 3: Are valued based on models whose parameters include prices which do not result from directly observable market data. The valuation of these bonds is carried out as follows:

   i. based on the interest rate swap curve of euro, the corresponding zero-coupon yield curve is calculated and subsequently the corresponding future flows curve,

   ii. based on historical data, volatility of interest rates and fixed interest rates of each issue, the cash flows of each security are calculated until maturity date.

The aforementioned cash flows are discounted using the zero-coupon yield curve, plus the credit margin of the issuer which corresponds to the period until the maturity of the security. The sum of the discounted cash flows is the fair value of the security.

Government Bonds

Government Bonds include bonds which are classified as follows in IFRS:

a. "Loans and receivables" amounting to €41,0m, which in accordance with IFRS are measured at amortized cost, are adjusted for Solvency II purposes by €5,3m, in order to be measured at fair value.

b. "Available-for-sale securities" amounting to €1.616,2m which based on IFRS are measured at fair value. For Solvency II purposes, they do not require any additional re-adjustment.

The re-classification of (€1,4)m relates to:

a) An amount of €15,1m to the transfer of accrued interests from "Other assets" to the Government bonds.

b) An amount of (€16,5)m relates to equities of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

Corporate Bonds

Corporate Bonds include bonds which are classified in IFRS as follows:

"Available-for-sale securities" amounting to €439,6m which according to IFRS are measured at fair value and need no further re-adjustment for Solvency II purposes.

The re-classification of €4,4m relates to:

a. An amount of €4,9m relates to the transfer of the accrued interest from "Other Assets" to the corporate bonds as shown in the table below.

b. An amount of (€0,5)m relates to equities of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

(€ in thousands)	Government Bonds	Corporate Bonds	Any other assets, not elsewhere shown
Reclassification 1	15.070	-	(15.070)
Reclassification 2	-	4.988	(4.988)
Total	**15.070**	**4.988**	**(20.058)**

4.1.9. Collective investment undertakings

(€ in thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Collective Investments Undertakings	441.778	(6.411)	-	435.367

Investments in mutual funds are measured, for IFRS purposes, as well as for Solvency II at fair value and as a result no further adjustment is required from IFRS.

The reclassification of (€6,4)m relates to Collective investment undertakings of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

4.1.10. Derivatives

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Derivatives	239	-	-	239

According to IFRS, derivatives are measured at fair value and so no further adjustment is required for Solvency II.

The Group owns warrants of Greek Government Bonds that resulted from the PSI, and were adjusted at fair value based on their market value.

4.1.11. Deposits other than cash equivalents

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Deposits other than cash equivalents	83.181	4.396	-	12.714

Deposits are measured at cost which reflects the best estimate of their market value.

Due to their short duration, time deposits are classified as cash equivalents for IFRS purposes, whereas for Solvency II purposes, they are to be classified as "deposits", other than cash equivalents.

The reclassification of €4,4m relates to:

- An amount of (€8,3)m relating to Deposits other than cash equivalents of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.
- An amount of €12,7m in NBG as well as in other Greek banks, with duration of up to three months as at 31.12.2022 are reclassified to long term deposits.

4.1.12. Assets held for Unit-Linked contracts

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Assets held for Unit-Linked contracts	615.617	(32.492)	-	583.125

According to IFRS, assets held for Unit-Linked contracts are measured at fair value and thus no further adjustment is required, for Solvency II.

The reclassification of (€32,5)m relates to Assets held for Unit-Linked contracts of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

4.1.13. Loans and Mortgages

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Loans and mortgages	11.834	-	-	11.834

Mortgage and consumer loans to employees, agents and life policy holders have been measured at fair value under IFRS as at the date of the transfer of shares of Ethiki Insurance to the Participant, which is considered to approximate their fair value as at 31.12.2022, thus no furher adjustments are made for Solvency II.

4.1.14. Reinsurance Recoverables

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Non-life and Health (similar to non-life)	**61.981**	**8.773**	**(22.985)**	**47.770**
Non-life excluding health	60.344	8.794	(22.954)	46.184
Health similar to non-life	1.637	(21)	(31)	1.586
Life excluding health and Unit-Linked	**9.516**	**(4.787)**	**(2.339)**	**2.390**
Total	**71.629**	**3.854**	**(25.324)**	**50.160**

For IFRS, Group, reinsurance recoverables and receivables corresponding to the same contracting party (offset) are measured in accordance with IFRS 4.

For Solvency II purposes, debit and credit balances are separated, resulting in a reclassification of €3,8m, split as follows:

a. €9,7m to deposits from reinsurers which in the Solvency II balance sheet is classified as "liabilities", in the "Deposits from Reinsurers" caption.
b. €1,0m, which corresponds to the reserves of non-life facultative re-insurance which is included in reinsurance receivables for IFRS purposes, whereas in Solvency II they are included in the best estimate of technical reserves.
c. The reclassification of (€6,9)m relates to Reinsurance Recoverables of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

4.1.15. Reinsurance receivables and deposits to cedants

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Deposits to cedants	-	81	-	81
Reinsurance receivables	3.396	653	-	4.049
Total	**3.396**	**733**	**-**	**4.129**

Deposits to cedants are valued according to the terms of the reinsurance contract and no adjustment is made for Solvency II. The reclassification of €0,8m million is split down as follows:

a. €0,08m, it regards the transfer of the reinsurers' share from line "Insurance and Intermediaries Receivables" to that of "Deposits to Cedants".

b. €0,7m regards the transfer of the fund "Reinsurance Receivables" to that of "Insurance and Intermediaries Receivables"

Reinsurance receivables are also measured at cost as the best estimate of their fair value.

4.1.16. Insurance and intermediaries receivables

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Insurance and intermediaries receivables	61.475	(14.448)	-	47.027

Insurance and Intermediaries receivables, which also include reinsurance receivables, are measured under IFRS according to the assessment of the collectability of the relevant amounts. An assessment of the premium receivables is conducted based on the based on the aging of the balances, in an individual as well as in a group basis.

In the balance sheet, according to Solvency II, the reclassifications of €14,4m are split down as follows:

- An amount of €7,6m, relates to the reversal of provisions for salvage and subrogation, which are included in the best estimate of technical provisions in the balance sheet, according to Solvency II;
- An amount of (€0,04)m, relates to reserves amicable settlement balances, which under IFRS are netted off insurance reserves and in Solvency II are included in Insurance and intermediaries receivables;
- An amount of €0,38m, relates to assumed treaty reinsurance reserves which under IFRS are included in the balances from reinsurance activities (item "Recoverable amounts from Reinsurance"), while in the balance sheet according to Solvency II they are included in the best estimate of technical reserves;
- An amount of €0,08m relates to reinsurance receivables that for Solvency II reasons, it is reclassified and presented seperately in the fcaption “reinsurance receivables”.
- The reclassification of €6,4m relates to Insurance and Intermediaries Receivable of the related undertakings in Cyprus, which are reclassified to “Holdings in related undertakings, including participations”, due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant’s share in the Eligible Own Funds of the said related undertakings.

4.1.17. Receivables (trade, not insurance)

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Receivables (trade, not insurance)	5.974	(51)	-	5.923

In the above line item are included receivables, which are not related to insurance activity of the Group.

For IFRS, as well as for Solvency II purposes, they are measured at cost as a best estimate of their fair value, and thus no adjustments are made.

The reclassification of (€0,05)m relates to Receivables of the related undertakings in Cyprus, which are reclassified to “Holdings in related undertakings, including participations”, due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant’s share in the Eligible Own Funds of the said related undertakings.

4.1.18. Cash and cash equivalents

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Cash and cash equivalents	69.502	(16.985)	-	52.517

For IFRS purposes, cash equivalents include demand deposits, as well as time deposits with a maturity of up to three months.

For Solvency II purposes the line above includes cash equivalents and demand deposits only, whereas time deposits are reclassified in the line "Deposits other than Cash equivalents".

The reclassification of €17,0m includes €4,3m relating Cash and cash equivalents of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

4.1.19. Any other assets, not elsewhere shown

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Any other assets, not elsewhere shown	30.576	(28.646)	-	1.930

Other assets are measured at cost, which approximates fair value, and include, according to IFRS the main withholding income taxes and accrued interest of the investment portfolio. The reclassification relates to €20,1m in respect of the transfer, for Solvency II purposes, of the accrued interest to the assets from which they result, as mentioned above, and is broken down as follows:

(€ thousands)	
Government Bonds	15.070
Corporate Bonds	4.988
Sight Deposits	3
Total	**20.061**

Of the remaining amount of the reclassification, an amount of €8,1m relates to property held for sale, and is reclassified from "Any other asset, not elsewhere shown" to "Property, plant & equipment held for own use" and an amount of €0,4m relates to amounts in respect of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

4.2. Technical Provisions

(€ in thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Technical provisions – Non-Life	500.251	(36.905)	(57.998)	**405.348**
Technical provisions – non-life (excluding health)	361.758	(26.953)	(63.215)	**271.589**
Best Estimate	-	-	-	253.854
Risk margin	-	-	-	17.736
Technical provisions - health (similar to non-life)	138.493	(9.951)	5.217	**133.759**
Best Estimate	-	-	-	114.265
Risk margin	-	-	-	19.493
Technical provisions - Life (excluding Unit-Linked)	2.052.020	(50.083)	(361.472)	**1.640.465**
Technical provisions - health (similar to life)	227.147	(9.635)	(67.487)	**150.025**
Best Estimate	-	-	-	102.449
Risk margin	-	-	-	47.576
Technical provisions – Life (excluding health and Unit-Linked)	1.824.873	(40.448)	(293.985)	**1.490.440**

Best Estimate	-	-	-	1.432.438
Risk margin	-	-	-	58.002
Technical provisions – Unit-Linked	695.253	(36.099)	(19.793)	**639.361**
Best Estimate	-	-	-	635.965
Risk margin	-	-	-	3.397
Other technical provisions	49.051	(49.051)	-	**-**

Reclassifications made to technical provisions are as follows:

a. (€27,0)m that is analyzed as follows:

   i. (€7,2)m regards the part of the deferred acquisition costs of the technical provisions "non-life (excluding health)" category;

   ii. (€7,6)m which regards the reversal of provisions for recoverable losses which are included in the best estimate of technical provisions in the balance sheet according to Solvency II;

   iii. €1,2m which regards the assumed reinsurance reserves which in IFRS are reinsurance receivables whereas in the balance sheet according to Solvency II, they are included in the best estimate of the technical reserves.

   iv. (€13,4)m relating to amounts in respect of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

b. (€10,0)m that is analyzed as follows:

   a. (€4,7)m regarding the part of the deferred acquisition costs of the technical provisions "Health similar to non-life" category;

   b. (€5,2)m relating to amounts in respect of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

c. (€9,6)m in Health similar to Life that is analyzed as follows:

   a. (€8,0)m regards the part of the deferred acquisition costs of the technical provisions "Health similar to life" category;

   b. (€1,6)m relating to amounts in respect of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

d. (€40,5)m in respect of Life (excluding health and Unit-Linked) that is analyzed as follows:

   a. (€25,5)m which regards a part of the deferred acquisition costs of the "Life excluding health and Unit-Linked" category;

   b. (€15,0)m relating to amounts in respect of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

e. (€49,1)m regards loss reserves that have been settled but have not been received by the lawful beneficiaries, which is included in the insurance reserves in IFRS caption "Other technical provisions", whereas in the the balance sheet according to Solvency II, it is included in the "Other liabilities" category.

Technical provisions in the IFRS column includes liabilities from contracts that have been classified as investment contracts as well as deposit components in insurance contracts, that have been seperated according to IFRS 4, as follows:

a. Technical provisions – Life (excluding health and Unit-Linked): €1.052m

a) Technical provisions – Unit-Linked: €325m.

4.2.1. Technical provisions Non-Life (including health)

Insurance liabilities (technical provisions) in IFRS are recognized based on IFRS principles and the liability adequacy test, using all necessary demographic and financial assumptions for the valuation of future cash flows of the portfolio and their discounting.

The modulation of the amount of technical provisions in Solvency II is mainly due to the use of a different discount curve (or risk-free curve-such as provided by EIOPA – with a volatility adjustment).

Technical provisions for Non-Life include the following:

- Surpluses in relation to provisions resulting from the actuarial and statistical methodologies of adequacy of outstanding claims.
- Surpluses of premium adequacy for the coverage of future losses and expenses in relation to unearned premium reserves.
- Cost of the risk margin.

4.2.2. Technical provisions Life excluding Unit-Linked

The insurance liabilities (technical provisions) in IFRS are made based on IFRS principles and the liability adequacy test, taking all necessary demographic and economic assumptions for the estimation of future cash flows of the portfolio and their discounting.

The deviation of the amount of technical provisions in Solvency II is mainly due to the use of a different discount curve (or risk-free curve – such as provided by EIOPA – with a volatility adjustment).

4.2.3. Technical provisions Unit-Linked

The difference between IFRS and Solvency II balance sheet is attributed to the methodology for the valuation of guarantees provided at the maturity of the contracts and the recognition, under Solvency II of a non-unit reserve for non-guaranteed contracts.

4.2.4. Technical provisions Health similar to Life

The insurance liabilities (technical provisions) in IFRS correspond to the unearned premium reserve, as the liability adequacy test of provisions according to IFRS 4, lead to no additional reserve-establishment. In Solvency II, because of the implementation of limits on insurance contracts, the portfolio clustering is diversified, for valuation purposes.

According to the decision No. 269/5/09.05.2018 of the CIIC of BoG and in accordance with the provisions of article 275 of Greek Law 4364/2016, the transitional measure in respect of Ethniki Insurance was set at €205,8m. The reduction of the technical provisions relates to the liability of the health legacy portfolio with a restriction on premium adjustment and is amortized on a straight line basis over a sixteen (16) year period. As at 31.12.2022 the unamortized value of the transitional measure on technical provisions amounting to €128,6m (i.e. 10/16 of the initial amount of the transitional measure of €205.8m) and for 2023 will amount to €115,7m (i.e. 9/16 of €205,8m).

4.3. Other Liabilities

4.3.1. Contingent liabilities

The possibility that third party claims against the Group are successful is minimal to non-existent, other than claims that have been provided for. Thus the contingent liabilities are considered immaterial for Solvency II purposes.

4.3.2. Pension Benefit Obligations

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Pension benefit obligations	49.130	-	-	49.130

The above line item includes group contract liabilities of defined benefits and contributions towards personnel, as well as provision for compensation leave.

DAF contracts, of a defined benefit and contribution, a lump-sum benefit/pension is paid to each employee upon leaving, unless he / she has or will receive in the future a relevant benefit for his / her disability from a DAF contract. These contracts cover death, permanent total disability due to illness, and permanent total or partial disability due to an accident.

4.3.3. Deposits from Reinsurers

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Deposits from reinsurers	-	9.748	-	9.748

For balance sheet purposes based on Solvency II, deposits from reinsurers appear separately, while in IFRS they are offset against "Reinsurance receivables". The reclassification of €9,7m corresponds to the transfer of reinsurance share from reinsurance receivables (line item "reinsurers recoverables") to liabilities (line item "Deposits from reinsurers").

4.3.4. Liabilities to credit institutions

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Liabilities to credit institutions	2.166	-	-	2.166

The above line item includes interest on subordinated debts, which are measured, for IFRS purposes as well as Solvency II purposes, at cost as a best estimate of their fair value.

4.3.5. Insurance and intermediaries payables

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Insurance & intermediaries payables	23.973	(1.364)	-	22.609

This line item includes the liabilities connected with insurance and reinsurance transactions. For IFRS and Solvency purposes, they are measured at cost as a best estimate of their fair value, the reclassification of €1,4m relating to Insurance and Intermediaries payables of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

4.3.6. Reinsurance payables

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Reinsurance payables	20.032	689	-	20.721

The reclassification of €1,0m, regards the reinsurers' share salvage and subrogation, and for the presentation of IFRS it is classified as a liability (line "Reinsurance payables"), while for Solvency II purposes it is classified separately to "Claims from Reinsurers" (line "recoverables from reinsurance"), considering that it is included in the best estimate of technical provisions and the reclassification of €0,7m relating to Reinsurance payables of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

4.3.7. Payables (trade, not insurance)

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Payables (trade, not insurance)	19.745	(1.327)	-	18.418

This line item includes liabilities connected to matters unrelated to the insurance activities of the Group. For IFRS purposes as well as Solvency II purposes they are measured at cost as a best estimate of their fair value, the reclassification of €1,3m relating to Payables (trade, not insurance) of the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

4.3.8. Subordinated liabilities in basic own funds

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Subordinated liabilities not in Basic Own Funds	175.000	(175.000)	-	-
Subordinated liabilities in Basic Own Funds	-	175.000	-	175.000
Total	**175.000**	**-**	**-**	**175.000**

Subordinated liabilities in BOF are measured at fair value, They are distinguished in a) €50m in "Tier 1 – Restricted" of the basic own funds and b) €125m in Tier 2 – Basic Own Funds, according to the result of the application of quantitative limits of Article 98 of the Directive 2009/138/EC of the European Parliament and of the Council.

4.3.9. Any other liabilities, not elsewhere shown

(€ thousands)	IFRS	Reclassifications	Adjustments	Solvency II value
Any other liabilities, not elsewhere shown	141.602	48.366	-	189.968

Out of total reclassifications, €49.1m related to benefits that have matured but have not been claimed by their lawful beneficiaries; these are included in the insurance reserves in IFRS, whereas in the balance sheet according to Solvency II, they are included in "Other liabilities". An amount of (€0,8)m concerns the related undertakings in Cyprus, which are reclassified to "Holdings in related undertakings, including participations", due to the use of method 2 (deduction and aggregation). Participations are subsequently adjusted to the Participant's share in the Eligible Own Funds of the said related undertakings.

"Other Liabilities not elsewhere shown" includes an amount of €85m representing the fair value as at 31.12.2022 of the additional deferred consideration that the Participant may pay to NBG on the fifth anniversary of date that the shares of Ethniki Insurance were transferred to the Participant. The deferred consideration is subject to the future performance of Ethniki Insurance.

4.4. Other valuation methods

The Group does not use alternative valuation methods.

4.5. Other information

There is no other significant information to be mentioned, regarding the valuation for Solvency II purposes.

5. Capital Management

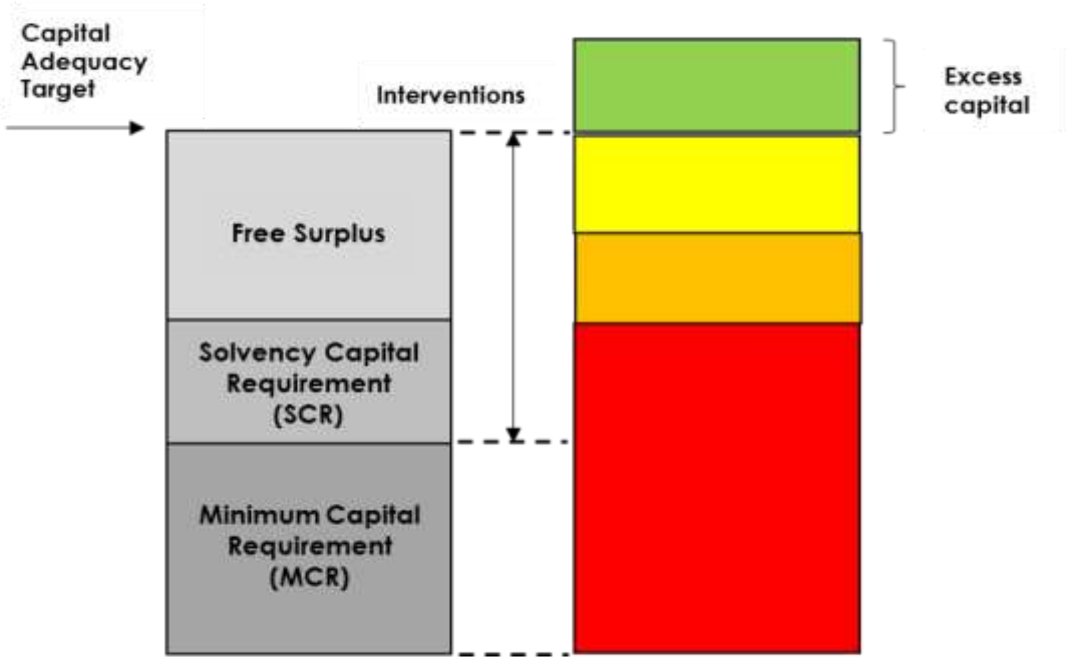
The primary objective of Capital Management is the optimization of the correlation between risk and return, securing capital adequacy supervision, as well as the dividend policy, profits and growth support.

In particular, through Capital Management the Group aims at:

To achieve these objectives, a Capital Management Policy has been developed which is in line with Group's risk appetite and strategy.

To effectively monitor the capital position of the Group, capital adequacy limits on the solvency ratio (with the use of the adjusted curve and the transitional measures) are set in the Policy, specifying actions that the Group may take in order to restore the ratio to the desired limit.

The above are presented in the following diagram:



The Group aims at maintaining a specific capital surplus. For monitoring its capital position, critical areas are set with the corresponding limits at capital or capital adequacy ratio levels.

The level of capital adequacy is monitored quarterly by the Board Risk Committee in order to adopt measures, if necessary, that will restore it to the desired levels.

The monitoring of the Solvency Capital Requirement is conducted monthly, using approximation methods for its calculation. An analytical calculation of the Solvency Capital Requirement is performed on a quarterly basis and is submitted to the Supervisory Authority.

The Solvency Ratio as at 31.12.2022 is 201%, using the volatility adjusted curve and the transitional measures. Without using the transitional measures on technical provisions, but with the transitional measures for equity and the volatility adjusted curve amounts to 161%.

The Solvency Capital Requirement coverage ratio with the use of Risk Free Rate, amounts to 150% as at 31.12.2022.

Solvency Ratio (€ thousands)	With VA and using transitional measures on technical provisions 31.12.2022	With VA and excluding transitional measures on technical provisions 31.12.2022	With Risk Free Rate 31.12.2022
Eligible own funds to cover the SCR	659.167	530.565	493.373
SCR	328.660	328.660	329.571
Solvency Ratio	201%	161%	150%

For the period prior to the purchase by the Participant of 100% of the share capital of Ethniki Insurance from the National Bank of Greece, the Participant did not engage in insurance business, thus no Solvency II figures are available.

Taking into account the figures by using the volatility adjustment to the relevant risk-free interest rate term structure and those with risk-free interest rate term structure, a decrease of the volatility adjustment to zero to the relevant risk-free interest rate term structure, would result in the reduction of eligible own funds by €37,2m at 31.12.2022.

Impact of transitional measures on technical provisions

According to the decision No. 269/5/09.05.2018 of the CIIC of BoG and in accordance with the provisions of article 275 of Greek Law 4364/2016, the transitional measure for Ethniki Insurance was set at €205,8m. The reduction of the technical provisions relates to the liability of the health legacy portfolio with a restriction on premium adjustment and is amortized linearly over a sixteen (16) year period. As at 31.12.2022 the unamortized value of the transitional measure on technical provisions amounting to €128,6m (i.e. 10/16 of the initial amount of the transitional measure of €205,8m) and for 2022 will amount to €115,7m (i.e. 9/16 of €205,8m).

5.1. Own Funds

To secure the obligations related to the potential deferred considerations to be paid by the Participant to NBG on the fifth anniversary of the date that the shares of Ethniki Insurance were transferred to the Participant (see chapter 4.3.9), the Participant entered on 31 March 2022 into a Luxembourg law governed share pledge agreement between Ethniki Holdings Ltd as pledger, NBG as pledgee and the Participant as the company whose shares are pledged.

Tier I capital consists of paid-up share capital not subject to the pledge agreement mentioned above, share premium, reconciliation reserve and the subordinated loan of €50m that Ethniki Insurance has issued to NBG.

Tier II capital consists of the share capital of the Participant that is not subject to the pledge agreement mentioned above and the subordinated loan of € 125m that Ethniki Insurance has issued to NBG.

Tier III capital comprises of net deferred tax assets.

The tables below present the structure of own funds per tier and its respective eligibility as at 31.12.2022.

31.12.2022	Tier 1		Tier 2		Tier 3		Total	
(€ thousands)	Available	Eligible	Available	Eligible	Available	Eligible	Available	Eligible
Paid-up share capital	225	225	2.025	2.025	-	-	2.250	2.250
Share Premium	183.870	183.870	-	-	-	-	183.870	183.870
Surplus Funds	-	-	-	-	-	-	-	-
Reconciliation reserve	260.742	260.742	-	-	-	-	260.742	260.742
Subordinated liabilities	50.000	50.000	125.000	125.000	-	-	175.000	175.000
Net deferred tax assets	-	-	-	-	121.441	37.305	121.441	37.305
Total	**494.837**	**494.837**	**127.025**	**127.025**	**121.441**	**37.305**	**743.303**	**659.167**

As at 31 December 2021, the subscribed capital of the Participant amounting to €20k was represented by 2,0m shares with a nominal value of €0,01 each. On 30 March 2022, it has been resolved to:

i. restructure the share capital of the Participant by creating 10 classes of alphabet shares (from A to J), each with nominal value of €0,01
ii. convert the 2,0m existing shares into 2,0m class A shares
iii. increase the share capital of the Participant by an amount of €2,5m through the issuance of 23,0m new class A shares and 25,0m new class B to J shares with a nominal value of €0,01 each, for a total subscription price amounting to €249,5m, including a share premium of €247,0m fully paid in cash.

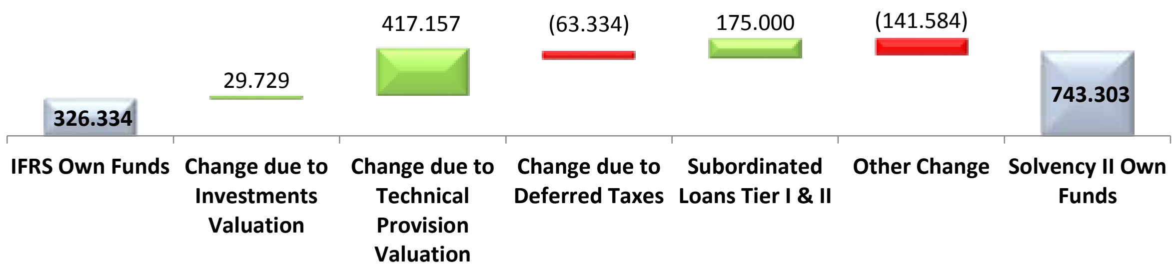
On 19 December 2022, the shareholders of the Participant resolved to approve the repurchase of all the 25,0m class J shares issued by the Participant for a total repurchase price amounting to €89,4m. This repurchase affected equally the Group's Eligible Own Funds.

As observed, the available own funds at 31.12.2022 amounted to €743,3m, compared to the eligible own funds of €659,2m as at the same date. The difference is the result of the application of quantitative restrictions on eligibility on the net deferred tax assets (Tier 3 own funds).

For the period prior to the purchase by the Participant of 100% of the share capital of Ethniki Insurance from the National Bank of Greece, the Participant did not engage in insurance business, thus no Solvency II figures are available.

5.1.1. IFRS & Solvency II Own Funds as at 31.12.2022

The diagram below depicts the comparison of assets and liabilities between IFRS and Solvency II at 31.12.2022. Detailed information is provided in section 4 "Valuation for Solvency Purposes".

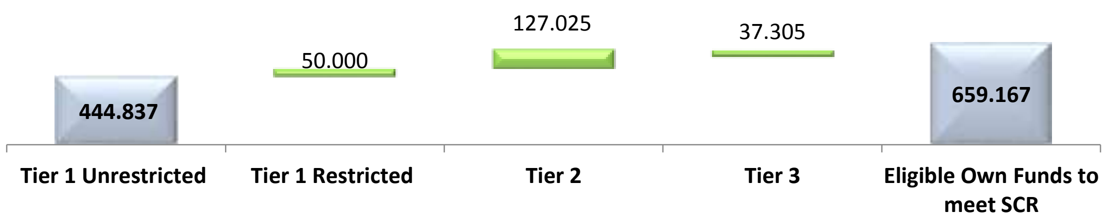


The main differences between own funds according to IFRS and own funds according to Solvency II valuation principles, are the following:

- Measurement of investment and property at fair value, due to valuation at fair value of the overall investment portfolio (increase in IFRS Own Funds by €29,7m.
- Measurement of technical provisions, according to estimations of the best estimate of Solvency II, which do not take into account the Value of Business Acquired adjustment amounting to €417,2m measured for IFRS purposes as part of the purchase price allocation.
- Decrease of the deferred tax asset due to adjustments between IFRS and Solvency II valuation by € (63,3)m.
- Recognition of subordinated debt loans in own funds increase in Own Funds by €175,0m.
- non-recognition of intangible assets of € (141,6)m.

5.1.2. Eligible Own Funds to meet the SCR as at 31.12.2022

The categorization of eligible own funds to meet the SCR at 31.12.2022 is presented in the following diagram:



In 2021, Ethniki Insurance entered into a 10-year subordinated bond loan, amounting to € 125m, with NBG. The loan meets the criteria for inclusion in Tier 2.

Also, Ethniki Insurance has issued subordinated debt loan of infinite duration amounting to €50,0m, with NGB. The loan meets the criteria for recognition under Tier 1 of own funds.

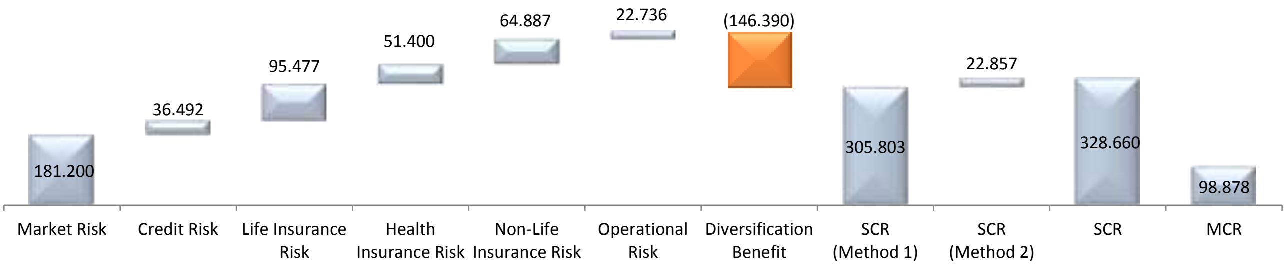
5.1.3. Eligible Own Funds to meet MCR as at 31.12.2022

The categorization of eligible own funds to meet the SCR are presented in the following diagram:

5.2. Solvency Capital Requirement & Minimum Capital Requirement

The quantitative assessment of the Solvency Capital Requirement is performed with the use of the standard formula. In addition, the Group uses the volatility adjusted curve and the transitional measures.

The diagram below shows the SCR and the MCR as at 31.12.2022. Detailed information is given in Chapter 3 "Risk Profile".



The main Risk module in the formulation of the SCR as at 31.12.2022 was the Market Risk accounting for 40% of Capital Requirements of all Risks, before the benefit of Risk diversification. As a result, key risks in the formation of Capital Requirements were:

i. Life insurance risk, consisting of 21%.
ii. Health underwriting risk, consisting of 11%.
iii. Non-life insurance risk, consisting of 14%.

The Minimum Capital Requirement was 30% of the Solvency Capital Requirement.

BoG as Supervisory Authority, in accordance with Article 41 of Greek Law 4364/2016 and Article 54 of EC 138/2009, may require modification or revision of published reports or disclose of any additional information, as well as any other necessary actions needed to be taken by the management.

5.3. Using the duration based equity risk sub-module for the calculation of the SCR

The Group does not use of the duration based equity risk sub-module for the Solvency Capital Requirement calculation.

5.4. Differences between the standard formula and the internal models used

For the calculation of the SCR, the Group uses the Standard Formula. The Group makes no use of special parameters for the calculation of the SCR.

5.5. Non-compliance with the Minimum Capital Requirement and Non-compliance with the Solvency Capital Requirement

The Group complies fully with the overall MCR as well as SCR for 2022.

5.6. Other information

5.6.1. Business Plan and Capital Management Program

The Group prepares a business plan annually. For its preparation estimates relating to the evolution of macro-economic figures, the strategic objectives of the Group, any planned actions to increase premium production as well as the enhancement of profitability and assumptions for the formulation of key insurance and financial indicators, are taken into account.

The business plan and capital management program includes premium production, profitability and capital adequacy objectives of the Group for the next three years, and the strategy to achieve them.

5.6.2. Dividend payment policy

The Group has formulated a Dividend policy according to its current strategy.

The BoD of the Participant did not propose a dividend payment for financial results of year 2022.

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Independent Auditor's report

To the Board of Directors of Ethniki Holdings S.à r.l.

Opinion

We have audited the following SII Regulatory Financial Information, comprising the Quantitative Reporting Templates (QRT's) prepared in accordance with the European Union Delegated Act 2015/2452, which are incorporated in the Group Solvency and Financial Condition Report (SFCR) of "Ethniki Holdings S.à r.l." and the companies which are consolidated in the context of the preparation of these Group SII Regulatory Financial Information (the "Group") as of 31 December 2022:

- Balance sheet (template S.02.01.02),
- Own Funds (template S.23.01.22) and
- Other Information (templates S.22.01.22 and S.25.01.22).

In our opinion, the SII Regulatory Financial Information as of 31 December 2022, incorporated in the Group's SFCR as of 31 December 2022, has been prepared, in all material respects, in accordance with the provisions and requirements of the European Union Delegated Act 2015/2452 and Greek Law 4364/2016 and the methodology described in section 4 and sub-sections 5.1 and 5.2 in the Group SFCR.

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 SII Regulatory Information section of our report.
We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), which has been transposed into Greek Law, and the ethical requirements that are relevant to our audit. We have fulfilled our other ethical responsibilities in accordance with the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Basis of Preparation and Restriction on use and distribution.

We draw attention to the section 4 and sub-sections 5.1 and 5.2 of the SFCR, which describe the regulatory provisions and methodology for the preparation of the SII Regulatory Financial Information, which have been prepared to assist the Group's management in fulfilling its obligations in accordance with Law 4364/2016. As a result, the Group SII Regulatory Financial Information and our Audit Report on these may not be suitable for any other purpose. This Audit Report is intended exclusively for use by the Group's Management in order to voluntarily submit it to the Department of Private Insurance Supervision of the Bank of Greece (DPIS) in the context of fulfilling its regulatory requirements towards the latter, which may request the modification or revision of published Group's reports or the publication of additional information, as well as other actions taken by management. This Audit Report should therefore not be used by, and distributed to, any other parties.

Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the Other Information. The Other Information, included in the Group SFCR approved by the Company's Board of Directors, but does not include the Group SII Regulatory Financial Information and our auditor's report thereon.

Our opinion on the Group SII Regulatory Financial Information does not cover the Other Information and we do not express an audit opinion or other form of assurance thereon.

In connection with our audit of the Group SII Regulatory Financial Information, our responsibility is also to read the Other Information and, in doing so, better understand the subject matter of our audit and consider how the qualitative information included in the Report of SFCR is linked with the quantitative information of the audited Group SII Regulatory Financial Information.

Responsibilities of Management and those charged with governance for the Solvency II Regulatory Financial Information

Management is responsible for the preparation and fair presentation of the Group SII Regulatory Financial Information in accordance with the European Union Delegated Act 2015/2452 and Greek Law 4364/2016 and the methodology, as described in section 4 and sub-sections 5.1 and 5.2, of the attached Group SFCR and for such internal control as management considers necessary to enable the preparation of Group SII Regulatory Financial Information that is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the SII Regulatory Financial Information

Our objectives are to obtain reasonable assurance about whether the SII Regulatory Financial Information is 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 as they have been transposed into Greek Law, 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 this Group Solvency II Regulatory Financial Information.

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures of the Group SFCR made by management.

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, actions taken to eliminate threats or safeguards applied.

pwc

Athens, 19 May 2023

Statutory Auditor

PricewaterhouseCoopers
Auditing Company SA
260 Kifissias Avenue
152 32 Halandri
SOEL Reg No 113

Dimitris Sourbis
SOEL Reg No 16891

Annex I – Annual Quantitative Templates (QRTs)

The current annex includes the Group's annual quantitative templates («QRTs»)[1]:

QRT	Title	Description
S.02.01.02	Balance Sheet	Balance sheet information using the valuation in accordance with Solvency II
S.05.01.02	Premiums, claims and expenses by line of business	Information on premiums, claims and expenses using the valuation and recognition principles used
S.22.01.22	Impact of long-term guarantees measures and transitionals	Information on the impact of the long-term guarantee and transitional measures
S.23.01.22	Own funds	Information on own funds, including basic own funds and ancillary own funds
S.25.01.22	Basic Solvency Capital Requirement — for firms as standard formula is used	Information on the Solvency Capital Requirement calculated using the standard formula
S.32.01.22	Undertakings in the scope of the group	Information on the undertakings in the scope of the Group

[1] All amounts in the Templates of the Annex I, are presented in thousands of euros (€ k)

S.02.01.02

Balance sheet

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	0
Deferred tax assets	R0040	121.441
Pension benefit surplus	R0050	0
Property, plant & equipment held for own use	R0060	142.516
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2.720.637
Property (other than for own use)	R0080	104.111
Holdings in related undertakings, including participations	R0090	31.692
Equities	R0100	41.907
Equities - listed	R0110	28.170
Equities - unlisted	R0120	13.738
Bonds	R0130	2.094.607
Government Bonds	R0140	1.650.522
Corporate Bonds	R0150	444.085
Structured notes	R0160	0
Collateralised securities	R0170	0
Collective Investments Undertakings	R0180	435.367
Derivatives	R0190	239
Deposits other than cash equivalents	R0200	12.714
Other investments	R0210	0
Assets held for index-linked and unit-linked contracts	R0220	583.125
Loans and mortgages	R0230	11.834
Loans on policies	R0240	1.247
Loans and mortgages to individuals	R0250	0
Other loans and mortgages	R0260	10.587
Reinsurance recoverables from:	R0270	50.160
Non-life and health similar to non-life	R0280	47.770
Non-life excluding health	R0290	46.184
Health similar to non-life	R0300	1.586
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	2.390
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	2.390
Life index-linked and unit-linked	R0340	0
Deposits to cedants	R0350	81
Insurance and intermediaries receivables	R0360	47.027
Reinsurance receivables	R0370	4.049
Receivables (trade, not insurance)	R0380	5.922
Own shares (held directly)	R0390	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	0
Cash and cash equivalents	R0410	52.517
Any other assets, not elsewhere shown	R0420	1.930
Total assets	R0500	3.741.238

S.02.01.02		Solvency II value
Liabilities		C0010
Technical provisions – non-life	R0510	405.348
Technical provisions – non-life (excluding health)	R0520	271.589
Technical provisions calculated as a whole	R0530	0
Best Estimate	R0540	253.854
Risk margin	R0550	17.736
Technical provisions - health (similar to non-life)	R0560	133.759
Technical provisions calculated as a whole	R0570	0
Best Estimate	R0580	114.265
Risk margin	R0590	19.493
Technical provisions - life (excluding index-linked and unit-linked)	R0600	1.640.465
Technical provisions - health (similar to life)	R0610	150.025
Technical provisions calculated as a whole	R0620	0
Best Estimate	R0630	102.449
Risk margin	R0640	47.576
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	1.490.440
Technical provisions calculated as a whole	R0660	0
Best Estimate	R0670	1.432.438
Risk margin	R0680	58.002
Technical provisions – index-linked and unit-linked	R0690	639.362
Technical provisions calculated as a whole	R0700	0
Best Estimate	R0710	635.965
Risk margin	R0720	3.397
Contingent liabilities	R0740	0
Provisions other than technical provisions	R0750	0
Pension benefit obligations	R0760	49.130
Deposits from reinsurers	R0770	9.748
Deferred tax liabilities	R0780	0
Derivatives	R0790	0
Debts owed to credit institutions	R0800	2.166
Financial liabilities other than debts owed to credit institutions	R0810	0
Insurance & intermediaries payables	R0820	22.609
Reinsurance payables	R0830	20.721
Payables (trade, not insurance)	R0840	18.418
Subordinated liabilities	R0850	175.000
Subordinated liabilities not in Basic Own Funds	R0860	0
Subordinated liabilities in Basic Own Funds	R0870	175.000
Any other liabilities, not elsewhere shown	R0880	189.968
Total liabilities	R0900	3.172.935
Excess of assets over liabilities	R1000	568.303

S.05.01.02

Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	51.955	847	0	38.682	17.054	1.865	63.203	16.142	7
Gross - Proportional reinsurance accepted	R0120	0	0	0	0	0	14	76	0	0
Gross - Non-proportional reinsurance	R0130									
Reinsurers' share	R0140	130	168	0	68	1.888	571	36.824	7.684	0
Net	R0200	**51.825**	**679**	**0**	**38.614**	**15.166**	**1.308**	**26.455**	**8.458**	**7**
Premiums earned										
Gross - Direct Business	R0210	50.828	841	0	38.343	16.923	1.875	56.748	16.395	7
Gross - Proportional reinsurance accepted	R0220	0	0	0	0	0	12	36	-4	0
Gross - Non-proportional reinsurance	R0230									
Reinsurers' share	R0240	130	155	0	-100	1.996	634	32.017	7.924	0
Net	R0300	**50.698**	**686**	**0**	**38.443**	**14.927**	**1.253**	**24.767**	**8.467**	**7**
Claims incurred										
Gross - Direct Business	R0310	29.280	171	0	24.946	7.567	1.035	4.078	3.239	15
Gross - Proportional reinsurance accepted	R0320	0	0	0	0	0	0	-1	0	-54
Gross - Non-proportional reinsurance	R0330									
Reinsurers' share	R0340	127	40	0	-642	1.234	136	2.509	364	-24
Net	R0400	**29.153**	**131**	**0**	**25.588**	**6.333**	**899**	**1.568**	**2.875**	**-15**
Changes in other technical provisions										
Gross - Direct Business	R0410	9	-6	0	431	200	-11	-2	0	0
Gross - Proportional reinsurance accepted	R0420	0	0	0	0	0	0	0	0	0
Gross - Non-proportional reinsurance	R0430									
Reinsurers' share	R0440	0	0	0	0	0	0	4	0	0
Net	R0500	9	-6	0	431	200	-11	-6	0	0
Expenses incurred	R0550	21.469	345	0	24.273	7.110	1.104	17.533	5.485	-13
Other expenses	R1200									
Total expenses	R1300									

S.05.01.02 Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of Business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial	Health	Casualty	Marine, aviation, transport	Property	
		C0100	**C0110**	**C0120**	**C0130**	**C0140**	**C0150**	**C0160**	**C0200**
Premiums written									
Gross - Direct Business	**R0110**	1.095	4.179	9.360					**204.389**
Gross - Proportional reinsurance accepted	**R0120**	0	0	4					**94**
Gross - Non-proportional reinsurance	**R0130**				0	0	0	0	**0**
Reinsurers' share	**R0140**	0	2.247	7.425	0	0	0	0	**57.005**
Net	**R0200**	**1.095**	**1.932**	**1.939**	**0**	**0**	**0**	**0**	**147.478**
Premiums earned									
Gross - Direct Business	**R0210**	1.101	4.120	9.341					**196.522**
Gross - Proportional reinsurance accepted	**R0220**	0	0	4					**48**
Gross - Non-proportional reinsurance	**R0230**				0	0	0	0	**0**
Reinsurers' share	**R0240**	0	2.208	7.329	0	0	0	0	**52.293**
Net	**R0300**	**1.101**	**1.912**	**2.016**	**0**	**0**	**0**	**0**	**144.277**
Claims incurred									
Gross - Direct Business	**R0310**	427	0	4.878					**75.636**
Gross - Proportional reinsurance accepted	**R0320**	0	0	0			0		**-55**
Gross - Non-proportional reinsurance	**R0330**				0	0	0	0	**0**
Reinsurers' share	**R0340**	0	0	4.020	0	0	0	0	**7.764**
Net	**R0400**	**427**	**0**	**858**	**0**	**0**	**0**	**0**	**67.817**
Changes in other technical provisions									
Gross - Direct Business	**R0410**	0,00	0,00	-2					**619**
Gross - Proportional reinsurance accepted	**R0420**	0	0	0					**0**
Gross - Non-proportional reinsurance	**R0430**				0	0	0	0	**0**
Reinsurers' share	**R0440**	0,00	0,00	0,00	0,00	0,00	0,00	0,00	**4**
Net	**R0500**	**0**	**0**	**-2**	**0**	**0**	**0**	**0**	**615**
Expenses incurred	**R0550**	299	891	1.785	0	0	0	0	**80.281**
Other expenses	**R1200**								69
Total expenses	**R1300**								**80.350**

S.05.01.02		Line of Business for: life insurance obligations						Life reinsurance obligations		
Non-Life (direct business/accepted proportional reinsurance and accepted non-proportional reinsurance)		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health	Health reinsurance	Life reinsurance	Total
		C0210	**C0220**	**C0230**	**C0240**	**C0250**	**C0260**	**C0270**	**C0280**	**C0300**
Premiums written										
Gross	**R1410**	80.610	67.500	61.476	111.404	0	0	0	5	**320.995**
Reinsurers' share	**R1420**	532	439	233	5.694	0	0	0	0	**6.898**
Net	**R1500**	**80.078**	**67.061**	**61.243**	**105.710**	**0**	**0**	**0**	**5**	**314.097**
Premiums earned										
Gross	**R1510**	88.461	67.505	61.942	110.967	0	0	0	5	**328.880**
Reinsurers' share	**R1520**	532	437	233	5.023	0	0	0	0	**6.225**
Net	**R1600**	**87.929**	**67.068**	**61.709**	**105.944**	**0**	**0**	**0**	**5**	**322.655**
Claims incurred										
Gross	**R1610**	75.490	75.800	35.561	71.554	0	0	0	0	**258.405**
Reinsurers' share	**R1620**	69	-2	49	82	0	0	0	0	**198**
Net	**R1700**	**75.421**	**75.802**	**35.512**	**71.472**	**0**	**0**	**0**	**0**	**258.207**
Changes in other technical provisions										
Gross	**R1710**	-4.881	-10.905	4.229	7.814	0	0	0	0	**-3.743**
Reinsurers' share	**R1720**	0	3	0	1	0	0	0	0	**4**
Net	**R1800**	**-4.881**	**-10.908**	**4.229**	**7.813**	**0**	**0**	**0**	**0**	**-3.747**
Expenses incurred	**R1900**	38.688	22.401	8.642	18.287	0	0	0	0	**88.018**
Other expenses	**R2500**									118
Total expenses	**R2600**									**88.136**

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Impact of long term guarantees measures and transitionals

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	2.685.175	128.603	0	34.744	0
Basic own funds	R0020	743.303	-100.310	0	-26.841	0
Eligible own funds to meet Solvency Capital R	R0050	659.167	-128.603	0	-37.192	0
Solvency Capital Requirement	R0090	328.660	0	0	911	0

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	2.250	225		2.025	
Non-available called but not paid in ordinary share capital at group level	R0020	0	0		0	
Share premium account related to ordinary share capital	R0030	183.870	183.870		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Non-available subordinated mutual member accounts at group level	R0060	0		0	0	0
Surplus funds	R0070	0	0			
Non-available surplus funds at group level	R0080	0	0			
Preference shares	R0090	0		0	0	0
Non-available preference shares at group level	R0100	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Non-available share premium account related to preference shares at group level	R0120	0		0	0	0
Reconciliation reserve	R0130	260.742	260.742			
Subordinated liabilities	R0140	175.000		50.000	125.000	0
Non-available subordinated liabilities at group level	R0150	0		0	0	0
An amount equal to the value of net deferred tax assets	R0160	121.441				121.441
The amount equal to the value of net deferred tax assets not available at the group level	R0170	0				0
Other items approved by supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0
Non available own funds related to other own funds items approved by supervisory authority	R0190	0	0	0	0	0
Minority interests (if not reported as part of a specific own fund item)	R0200	0	0	0	0	0
Non-available minority interests at group level	R0210	0	0	0	0	0
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0	0			
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230	0	0	0	0	
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240	0	0	0	0	
Deductions for participations where there is non-availability of information (Article 229)	R0250	0	0	0	0	0
Deduction for participations included by using D&A when a combination of methods is used	R0260	0	0	0	0	0
Total of non-available own fund items	R0270	0	0	0	0	0
Total deductions	R0280	0	0	0	0	0
Total basic own funds after deductions	R0290	743.303	444.837	50.000	127.025	121.441
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0				
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	
		0	0	0	0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Non available ancillary own funds at group level	R0380	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0

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Own funds

		Total	Tier 1 - unrestricte	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Own funds of other financial sectors						
Credit institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies – total	R0410	0	0	0	0	
Institutions for occupational retirement provision	R0420	0	0	0	0	0
Non regulated entities carrying out financial activities	R0430	0	0	0	0	
Total own funds of other financial sectors	R0440	0	0	0	0	
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450	0	0	0	0	0
Own funds aggregated when using the D&A and combination of method net of IGT	R0460	0	0	0	0	0
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	743.303	444.837	50.000	127.025	121.441
Total available own funds to meet the minimum consolidated group SCR	R0530	621.863	444.837	50.000	127.025	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	659.167	444.837	50.000	127.025	37.305
Total eligible own funds to meet the minimum consolidated group SCR	R0570	514.613	444.837	50.000	19.776	
Minimum consolidated Group SCR	R0610	98.878				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	520%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	659.167	444.837	50.000	127.025	37.305
Group SCR	R0680	328.660				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	201%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	568.303	
Own shares (held directly and indirectly)	R0710	0	
Foreseeable dividends, distributions and charges	R0720	0	
Other basic own fund items	R0730	307.561	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0	
Other non available own funds	R0750	0	
Reconciliation reserve	R0760	260.742	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	73.456	0
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	0	0
Total Expected profits included in future premiums (EPIFP)	R0790	73.456	0

S.25.01.22.01

Basic Solvency Capital Requirement

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010	181.200	
Counterparty default risk	R0020	36.492	
Life underwriting risk	R0030	95.477	
Health underwriting risk	R0040	51.400	
Non-life underwriting risk	R0050	64.887	
Diversification	R0060	-146.390	
Intangible asset risk	R0070	0	
Basic Solvency Capital Requirement	R0100	**283.067**	

S.25.01.22.02

Calculation of Solvency Capital Requirement

		Value
		C0100
Operational risk	R0130	22.736
Loss-absorbing capacity of technical provisions	R0140	0
Loss-absorbing capacity of deferred taxes	R0150	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency Capital Requirement excluding capital add-on	R0200	**305.803**
Capital add-ons already set	R0210	0
Solvency capital requirement for undertakings under consolidated method	R0220	**305.803**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Minimum consolidated group solvency capital requirement	R0470	98.878
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	0
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	R0530	0
Capital requirement for non-controlled participation requirements	R0540	0
Capital requirement for residual undertakings	R0550	0
Overall SCR		
SCR for undertakings included via D and A	R0560	22.857
Solvency capital requirement	R0570	**328.660**

Annex I
S.32.01.22
Undertakings in the scope of the group

Country	Identification code of the undertaking	Identification type of code of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
LUXEMBURG	LEI/549300016CDJTW5CRG14	LEI	Ethiniki Holdings S.à r.l.	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	société à responsabilité limitée	Non-mutual	
GREECE	LEI/549300KEWDUFHSXE9Z74	LEI	The Ethniki Hellenic General Insurance Company S.A.	Composite Insurer	Societe Anonyme	Non-mutual	Bank of Greece
ROMANIA	LEI/549300BLM6IEMSO0RW56	LEI	Garanta Asigurari S.A.	Composite Insurer	Joint-Stock Company	Non-mutual	Autoritatea de Supraveghere Financiara
CYPRUS	LEI/5493007ZRLWEW5V2G603	LEI	Ethniki Insurance (Cyprus) Ltd.	Life Insurer	Private Company Limited by Shares	Non-mutual	Insurance Companies Control Service (Cyprus)
CYPRUS	LEI/549300FVF8DP60DVL683	LEI	Ethniki General Insurance (Cyprus) Ltd.	Non-life Insurer	Private Company Limited by Shares	Non-mutual	Insurance Companies Control Service (Cyprus)

Criteria of influence						Inclusion in the scope of Group		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
				Dominant		Yes		Method 1: Full consolidation
100,00%	100,00%	100,00%		Dominant	100,00%	Yes		Method 1: Full consolidation
96,74%	100,00%	96,74%		Dominant	96,74%	Yes		Method 2: Solvency II
100,00%	100,00%	100,00%		Dominant	100,00%	Yes		Method 2: Solvency II
100,00%	100,00%	100,00%		Dominant	100,00%	Yes		Method 2: Solvency II

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Annex II – Solvency II Definitions

Solvency II: The system of rules that governs since 01.01.2016 the financial operation and consequently supervision of insurance companies operating in the EU, in accordance with Directive 2009/138/EC, relevant acts of the European Commission and the EIOPA Guidelines, in order to enhance the protection of policyholders. The Directive 2009/138/EC was incorporated into the Greek legislation by Greek Law 4364/2016. The Solvency II framework aims to the capital shielding of insurance companies through contemporary rules for risk valuation to which they are exposed, based on extreme scenarios in order to reduce the possibility of a bankruptcy for the next 12 months to 0.5%. It is structured in three pillars of equal weight and supervisory value, namely the 1st pillar (quantitative / capital requirements), the 2nd pillar (governance requirements and supervisory authorities) and the 3rd pillar (supervisory reports and disclosure of information).

Supervisory Authority: The supervisory authority responsible for the prudential supervision of insurance undertakings in Greece is BoG (Department of Private Insurance Supervision – www.bankofgreece.gr).

EIOPA: European Insurance and Occupational Pensions Authority, among its duties are, inter alia, the issuance of Guidelines aimed to the supervisory convergence in the EU and the provision of advices / opinions to the European institutions in the context of regulating insurance activity.

Solvency & Financial Condition Report (SFCR): A report that insurance companies are required to disclose on an annual basis on their websites in the context of 3rd pillar obligations. The main objective of the report is to present to every interested party (e.g. insured, potential investor, clients) the activity of the insurance Group and its results, the basic components of the financial situation and its corporate governance. The Risk Profile of the Group, the quality of own funds composition, the capital requirements as well as their adequacy ratios are also described.

System of Governance: The system of Policies and Procedures under which the insurance Group ensures its proper and prudent management, including ensuring a transparent organizational structure with proper segregation of duties and an effective information dissemination mechanism. The system of governance includes at least the following basic functions: (a) the risk management function, (b) the regulatory compliance function, (c) the internal audit function and (d) the actuarial function.

System of Risk Management: It is part of the Group's system of governance and includes the strategies, Policies and Procedures that allow to identify, measure, monitor, manage and report the risks to which the Group is exposed or could be exposed, including of the interdependencies between these risks, on an ongoing basis. An important component of the risk management system is the specification of the risk tolerance limits by the insurance Group.

Internal Audit System: It is also part of the Group's system of governance and includes audit administrative and accounting procedures in order to ensure that the system of governance is fully compliant with the applicable legal and regulatory framework, as well as with all its approved Policy and Internal Procedures as well as that the circulation of reliable information is achieved at all levels of the Group. The Internal Audit System includes the function of internal audit, which must operate in complete independence from the other (under control) functions of the system. The Internal Audit System also includes the function of regulatory compliance.

Regulatory Compliance function: Function responsible for identifying, assessing and managing the regulatory risk of the insurance Group, i.e. the risk of penalties / fines or damage or loss of reputation to which the Group may be exposed due to non-compliance with applicable laws, internal regulations and best practices. Regulatory risk is systematically classified as operational risk.

Actuarial function: Function in charge of calculating technical provisions of the insurance undertaking (see relevant definition below). The duties of the actuarial function include, inter alia, opinion on the general risk underwriting policy of the insurance undertaking.

Risk profile: Register of all risks to which the insurance undertaking is exposed.

Underwriting risk: The risk of loss or of adverse change in the value of insurance liabilities, due to inadequate pricing and provisioning assumptions. Underwriting risk include life, health and non-life insurance risks.

Counterparty default risk: The risk of loss or of adverse change in the financial situation, resulting from the likelihood or probability that one of those involved in a transaction might default on its contractual obligation.

Market risk: The risk of loss or of adverse financial change resulting directly or indirectly from fluctuations in the level and volatility of market prices of assets or liabilities as well as the financial instruments of the insurance Group (e.g. equity fluctuations, bond interest rates).

Operational risk: The risk of loss either due to inadequacies or deficiencies or due to adverse external factors in the internal procedures of an insurance undertaking (e.g. fraudulent activity), in its computer systems (e.g. IT collapse/disaster) or in its personnel.

Technical provisions: Valuation of insurance undertaking liabilities undertaken through its insurance policies towards its clients.

Own funds: Funds that the insurance undertaking is obliged to preserve in order to use them to absorb losses beyond the expected ones, if they arise. Own funds are divided into basic own funds (balance sheet items) and ancillary own funds (off-balance sheet items, such as unpaid share capital, letters of guarantee). Furthermore, Own funds are divided into three categories (Tiers) 1, 2 and 3 depending on their ability to absorb losses, their duration and other quality characteristics (e.g. based on their immediate availability, non-burden).

Eligible Own Funds: Own funds eligible to meet the Solvency Capital Requirement (SCR) and the Minimum Capital Requirement (MCR) in accordance with the quantitative limits provided by legislation.

Solvency Capital Requirement – SCR: The financial capital that an insurance Group must have in order to reduce the probability of bankruptcy to 0.5%, over a period of 12 months. The Solvency Capital Requirement is calculated either by using the standard (common) method provided by Delegated Regulation (EU) 2015/35 or by using, after the approval of the Supervisory Authority, an internal model, adapted to the Risk Profile of the insurance Group.

Minimum Capital Requirement – MCR: It corresponds to a level of capital below which it is considered by legislation that the interests of the insured would be seriously endangered if the insurance Group continued to operate. For this reason, it is provided that if this capital limit is not met, then the operating license of the insurance Group is revoked by a decision of the Supervisory Authority (BoG).

Diversification: A mechanism that practically offsets (reduces) the Risk Profile of the insurance Group, based on the principle that the risk measure of all risks is less than the measure of each risk separately.

Solvency Capital Requirement Ratio: The ratio between Eligible Own Finds and the Solvency Capital Requirement.

Transitional measures: Measures which facilitate insurance undertakings within a reasonable transitional period to fully comply with Solvency II requirements. Their purpose is generally to normalize the direct effect of the application of Solvency II rules so that, for example, large increases in technical provisions or capital requirements are implemented gradually.

Volatility adjustment: A measure that allows the insurance Group to reduce the volatility of markets in its portfolio based on parameters calculated by EIORA according to a common methodology by country and currency.

Techniques to mitigate risk: All methods that enable the insurance Group to transfer the risks to third parties (e.g. reinsurance).

The definitions given above are indicative and do not follow from a legal text. They are intended to help the reader of this Report, who is not particularly familiar with the subject of private insurance, understand very broadly some very basic terms of the Solvency II system.