Annual Financial Report

For the year ended 31 December 2021

April 2022

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Statement of the Chairman of the Board

Christoforos Sardelis | Chairman of the Board of Directors

2021 was the second consecutive year in which Greek society faced the economic consequences of the Covid-19 pandemic. More important for the insurance market were the rapid fall in interest rates to zero or negative levels due to the recession, the widening fluctuations of key financial indicators and, more recently, the ever-escalating inflationary pressures.

The latter have already begun to reverse the interest rate climate, with markets anticipating an upward trend, thus posing the economic recovery after the pandemic. The central banks are facing serious dilemmas, because inflation this time does not come from excessive demand, but from disruptions in supply chains and geopolitical games, with a focus on energy. This overturns the conditions of good's production and, of course, the costs of production on a global scale.

It is well known that inflation due to this cause is not treated simply by raising the cost of money, as this erodes incomes even more and the social costs of restoring balance can be disproportionately high in relation to the problem itself. This is especially true in countries with almost depleted budgetary resources to support vulnerable social groups, such as ours. The dramatic expansion of credit margins (spreads) in the government bond market clearly shows this. The gap between the Greek and German ten-year bonds has widened by more than two percentage points in the last five months, which is the most extreme case in the Eurozone. The main compensation is the joint European funding for the Recovery and Resilience Program (RRF) but, so far, it has not seemed able to prevent the ominous variations imposed by the markets.

Asymmetric interest rate movements also translate into asymmetric effects on insurance balance sheets companies. On the one hand, rising discount rates ease the liabilities side, releasing some of the technical reserves. According to the current accounting rules, this is done uniformly for all Eurozone companies (risk-free interest rates). On the asset side, however, the expansion of spreads disproportionately affects companies that have invested in bonds in the European region, especially the Greek ones. It is therefore obvious that Greek insurance companies may face far more significant challenges than those in the north of Europe, and this requires very subtle manipulations in the restructuring of their investment portfolios. At the political level this means that it is imperative to obtain the investment grade and it is comforting that this has been declared a national target.

At this point it is worth noting that the above trends were realized long before the tragic events in Ukraine. The incursion of Russian forces into Ukrainian territory, in addition to the heavy tax on human lives and the impoverishment of the population, prolongs the uncertainties and makes it difficult to deal with the purely economic problem.

In parallel with the above, in 2021 a significant redeployment of forces took place in the Greek insurance market through mergers and acquisitions. These are expected to lead to concentration in the industry, intensifying competition between smaller but stronger groups, intensifying efforts to reduce operating costs and wider use of digital technology. In this context, the Board of Directors of Ethniki Insurance developed and implemented a program of Voluntary Exit Scheme of staff, in which 116 people participated, with this action estimated that in addition to reducing the cost of payroll by €7.8 million per year, to create significant development opportunities for the remaining staff.

However, despite the adversity, the Ethniki Insurance Group achieved impressive results for another year, recording significant profitability. Profit before tax amounted to €90.4 million in 2021 (excluding the cost of voluntary exit scheme of €21.2 million), compared to €87.9 million in 2020. The pre-tax profits of the Group's Life sector amounted to €57.3 million, compared to €46.2 million in 2020, while the good performance in the Non-Life Insurance sectors continued, with profits amounting to €33.1 million in 2021 compared to € 41.7 million in 2020. The total gross written premiums of the Group amounted to €733.5 million for 2021 (2020: €710.7 million), which is divided into €534.3 million for the Life sectors (2020: €508.3 million) and €199.1 million in Non-Life insurance (2020: €202.4 million). The assets under management for the first time in the 130 years of its history exceeded 4 billion Euros.

Intensive efforts are also underway to adopt the new accounting standards IFRS 17 and IFRS 9, but also to align our investment choices with the ambitious goals of sustainable development, ie the criteria that are internationally codenamed ESG. The digital transformation and the adoption of technological innovations will certainly facilitate the achievement of these goals as well.

Briefly and indicatively, the three-year business plan, among other things, provides:

Statement of the Chairman of the Board

o Gross written premiums increase that exceeds the increase of the total market, ie increase of the company's share

o Increase operating profitability and maximize dividend yield

o Modernization of the product mix

o Retaining operating costs and enhancing capital adequacy

o Development of environmental awareness and integrity and targeted to ESG investments

o Investment in new technologies and strategic transformation

The speed with which the data of the insurance (and not only) market are changing, requires us to accelerate our own changes and the modernization of the company, if we want to maintain the primacy that Ethniki Insurance had held for the previous 130 years. But whatever changes, what must remain constant are the values of the company, our commitment to the needs of our policyholders and the sense of responsibility towards society. This should be the primary concern of all of us, regardless of ownership status.

Statement of the Managing Director

STATEMENT OF THE MANAGING DIRECTOR

Stauros Konstantas| Managing Director

Ethniki Insurance and its Group demonstrated rapid reflexes and differentiated their strategy following the pandemic outbreak and despite the adverse market conditions, managed to maintain the growth dynamics, achieving significant productive and economic outcomes that are reflected in the overall financial results for 2021.
In the domestic market, where Ethniki is a dominant player, since December 2020, we have carried out a substantial renewal of our Life products, offering a new regular premium "Full Life Plan" linked to investments (Unit-Linked without guarantee), both through of our agency network, as well as through the Bancassurance network, while since the first quarter of 2021 we have been offering a corresponding single premium product "Full Capital Plan". In addition, we continue to dynamically promote "Full" individual health products with highly competitive pricing and benefits, while at the same time redesigning significant additional coverage and improving contracts with hospitals.
In Fire sector we offer new products "Full Home" with the aim of responding in a way that fully serves the current needs of the insured, while in Motor we design products using telematics technology. In terms of process modernization, the application Robotic Process Automations (RPAs) has brought significant improvements in both the efficiency of claims management and the speed of service of policyholders, while we are already planning new actions in the context of the digital transformation of the Company with emphasis on modernization of IT networks and infrastructure.
In a new and changing environment, we are accepting challenges to face constantly evolving competition, accelerate the digital and corporate transformation, develop talent and skills of Ethniki personnel with new growth opportunities, in a common effort to offer enhanced insurance services.

With the completion of the acquisition on the 31st of March 2022 and the transfer of shareholder equity stake of Ethniki Insurance from National Bank of Greece to CVC Capital Partners, we turn a new page and redefine our position in the future, gaining access to new investment funds, with the proper conditions and strategic tools in our hands in order to drive the evolution to the new era. This development constitutes practical proof of trust both in the deep value in the brand of Ethniki Insurance for which we are all proud, as well as in the strong growth prospects.
With a strong sense of responsibility, we turn a page in history, continuing our tireless effort for the Company, its people, its distribution channels, providing a sense of security and confidence in millions of insured persons who already trust us and will provide us with their trust in the future.

Board of Directors Report

2021

On consolidated financial statements as of 31 December 2021

Main Achievements and major developments in 2021

Awards / Sponsorships

- *Bronze award under CR INDEX 2019-2020*
- *“Corporate Superbrands 2021-2022”, as one of the Leading Corporate Brands in Greece.*

Teleworking

Continuation of smooth operation in a teleworking environment.

Financial support

- *Supported organizations and institutions and stood discreetly by the community, intending to keep the social fabric and economy.*
- *Reinforced institutions and organizations in the field of education, health and science as well as actions that promote environmental awareness.*
- *Supported Greek athletes for the promotion of the athletic spirit and fair play.*

Growth

- *The Company, despite the negative impact due to the pandemic, continued its development with remarkable results.*
- *New Unit-Linked product without guarantees, was launched in the market and replaced traditional life products with guaranteed interest rate.*

Responsible environmental policy

- *Our strategic priority is the reduction of the environmental impact and the continuous improvement in matters of environmental management.*

Financial Overview

Operating profit commentary

Group and Company

“THE ETHNIKI” Hellenic General Insurance S.A. Company and its subsidiaries (the "Group") are active in Greece, Cyprus and Romania. In 2021, the Group maintained a high profitability remaining a financially sound and robust beacon of stability for its policyholders.

The results of 2021 confirmed the Group’s positive performance which continues its healthy profitability with profit before tax amounting to €90.4 million in 2021 (excl. VES cost amounting to €21.2 million), compared to €87.9 million in 2020. Including VES cost, profit before tax amounts to €69.1 million. The Group’s Gross written premiums for 2021 amount to €733.5 million (2020: €710.7 million), including gross written premiums of investment products amounting to €141.6 million (2020: €182.7 million), increased by 3.2% compared to 2020, due to the release of new unit-linked products, single and regular premium, without guarantees, as well as traditional with guarantees products whose distribution discontinued within 2021. The increased production of individual Health contracts also contributed to the increase in production. Out of the total gross written premiums of 2021, an amount of €534.3 million is attributed to the Life business (2020: €508.3 million), whereas €199.2 million to the Non-life business (2020: €202.4 million).

The Parent Company reported a profit before tax of €90.5 million for 2021 compared to €85.7 million for 2020, while profit before tax including VES cost amounted to €69.3 million. The Parent Company’s gross written premiums for 2021 amounted to €689.6 million (2020: €669.0 million) including gross written premiums of investment products amounting to €141.6 million (2020: €182.7 million), increased by 3.1% compared to 2020, due to the release of new unit-linked products, single and regular premium, without guarantees, as well as to the increased production of individual Health contracts. Out of the total gross written premiums for 2021, an amount of €518.6 million is attributed to Life business (2020: €493.8 million), and €171.0 million to Non-life business (2020: €175.2 million).

Life business

The consolidated operating profit before tax for the Life business segment amounted to €57.3 million in 2021, compared to €46.2 million in 2020.

With respect to the Parent Company, profit before tax for the life segment amounted to €57.4 million in 2021, compared to €45.6 million in 2020. Gross written premiums for Individual Life, and Unit Linked contracts (excluding investment contracts) were higher in 2021 compared to 2020, amounting to €309.1 million; Group Life contract gross written premiums (excluding DAF & Ethniki Efapax contracts) amounted to €67.9 million in 2021 as compared with 2020, which amounted to €64.9. Total Bancassurance gross written premiums for the Life segment in 2021 reached €155.7 million compared to €144.1 million in 2020, increased by 8.1%, due to the new unit-linked single premium product without guarantees whose disposal was within 2021. Gross written premiums of Investment contracts amounted to €141.6 million compared to €182.7 million in 2020, a decrease which is due to the discontinuance of traditional life contracts with guarantees, in the mid-2021.

Non-Life business

The Non-Life business segments continued to be profitable in 2021 with operating profit before tax reaching €33.1 million in 2021 compared to €41.7 million in 2020, a decrease which attributed to the Motor and Fire Segments.

With respect to the Parent Company, profit before tax for Non-Life amounted to €33.2 million in 2021, compared to €40.1 million in 2020. Gross written premiums of the Non-Life Segment increased to €171.0 million in 2021, compared to €175.2 million in 2020.

Regarding the Parent Company, profit before tax for the Motor Segment, amounted to €16.0 million in 2021 compared to €23.1 million in 2020, a decrease which is affected by higher frequency of claims, stemming from the increased circulation of vehicles. Gross written premiums of the Motor Segment were decreased, amounting to €70.3 million in 2021 compared to €74.1 million in 2020.

With regards to the Fire Sector, profit before tax for 2021 amounted to €15.5 million compared to €21.1 million in 2020, mainly due to the increase of outstanding claim at residential and commercial portfolio, as well as to the decreased commissions received by reinsurers due to the achievement of a lower loss ratio. Gross written premiums of the Fire Sector amounted to €66.6 million in 2021 compared to €73.2 million in 2020, a decrease which in mainly from the residential portfolio.

As for the Other Non-Life Sectors, the result before tax amounted to a profit of €1.6 million compared to a loss of (€4.1) million in 2020. Gross written premiums of the Other Non-Life Segment increased to €34.2 million in 2021 compared to €27.9 million in 2020, mainly due to the General Third-party Liability business.

Operating expenses

Total Operating expenses reached €114.9 million in 12M 2021 vs. €97.9 million in 12M 2020, increased by €17 million on Group level and by €105 million in 12M 2021 vs. €87.8 million in 12M 2020, increased by €17.2 million on a Solo entity level.

The increase in expenses vs. prior year is due to the fact that current year expenses include cost of €21.2 million, related to Voluntary Exit Scheme (VES) for Ethniki employees. The program was approved by the Board of Directors of the Solo entity during the meeting No. 2305/29.12.2021 and was announced to personnel on 31.12.2021. The personnel eligible to participate in the VES should have indefinite employment contract with the Solo entity, minimum age of 30 years old and minimum 7 years of service with the company. Lawyers with fixed salary contracts were also eligible with the same terms as described above. The due date to participate was set for the 4th of February 2022 and in total 116 persons participated. The abovementioned management action is expected to reduce the HR related costs by €7.8 million annually, will further enhance competitiveness of the Solo entity as well as creating significant opportunities for development of the remaining personnel.

Balance sheet items

Assets under management

On the 31 of December 2021, the Market Value of Assets under Management, including bonds, stocks, mutual funds, cash and real estate, including Unit Linked assets, reached at €4,075.1 million on a consolidated basis, versus €3,884.5 million in 2020. On the Solo entity level, the Market Value of Assets under Management on the 31 of December 2021 and 2020, reached €4,023.8 million and €3,832.1 million respectively. Cash and cash equivalents on Group level reached €88.7 million in 2021 versus €66.5 million in 2020.

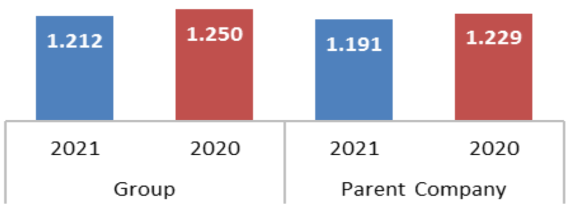
The asset allocation of the investment portfolio for the Solo entity, excluding Unit Linked assets, was the following on 31 December 2021: 1.2% (2020: 1.4%) in equities mainly listed in FTSE Large Cap and in private equity funds whereas 12.5% (2020: 11.9%) was allocated in mutual funds. The bond portfolio reached 81.8% (2020: 82.6%) of total Assets under Management, amounting to €2,772.4 million (2020:€2,678.4 mil.) and comprised mainly of government bonds, of which €645.1 million were Greek government bonds (2020: € 690.2 mil.), €433.3 million Greek government T-Bills with 6-month and 1-year tenor (2020: €467.7 mil.). The weighted average portfolio duration for the solo entity was 8.3 years (2020: 8.9 years).

On the 31 December 2021, the Unit Linked assets for the solo entity reached €577.0 million (2020:535.6 mill.) , comprising mainly of bonds with 14.8% weight (2020: 18.7%), mutual funds with 27.5% weight (2020: 18.8%), and term deposits with 56.5% weight (2020: 61.4%) placed in euro currency vehicles with 100% capital and return guaranteed at maturity (Efapax products), whereas 1.1% was allocated to other deposits (2020: 1.1%).

Equity

As at 31 December 2021, total equity at a Group level amounted to €1,211.8 million, decreased by €38.3 million compared to 31 December 2020. This decrease is due to valuation losses of €89.2 million on financial assets classified as Available-For-Sale (AFS), and due to tax amounted to €17.2 million (deferred and current) which were partially offset by profit before tax of €69.3 million in 2021 (including the Voluntary Exit Scheme cost), and by gains amounted to €3.8 million driven by the change in accounting policy, regarding the calculation of employees retirement benefit obligation, following the agenda decision, published in May 2021, by the IFRS Interpretation Committee (IFRIC) in relation to IAS 19 “employee benefits” and more specifically to how the applicable principles and requirements in IFRS Standards apply to attributing benefit to periods of service.

The revaluation losses of the AFS portfolio were mainly due to the increase of the risk free interest rate curve by 18 b.p.

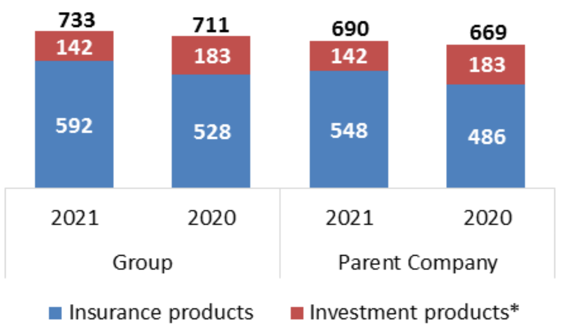


It is noted that following the resolution of the Extraordinary General Shareholders’ Meeting held on 22.4.2021, the company’s share capital has been reduced by €254.823 thousands resulting in the full elimination of the previous years’ accumulated losses of €252.801 thousands and the creation of a special reserve of €2.022 thousands (in accordance with law 4548/2018, para 2 of article 31). The reduction in the share capital is brought about by reducing the nominal value of each share from €2.50 to €1.20, thus reducing the nominal value of each share by €1.30. As a result of the above, the company’s share capital amounts to €235.221 thousands, being composed of 196.017.480 voting ordinary shares with a nominal value of €1.20 per share.

As at 31 December 2021, the Parent Company was a subsidiary of National Bank of Greece (“NBG”), who owned 100% of its shares. Therefore, the current Financial Statements of Ethniki Insurance are included in the consolidated Financial Statements of NBG with the application of the full consolidation method. The Parent company as well as the other subsidiaries of Ethniki Insurance, did not hold NBG shares as at 31 December 2021.

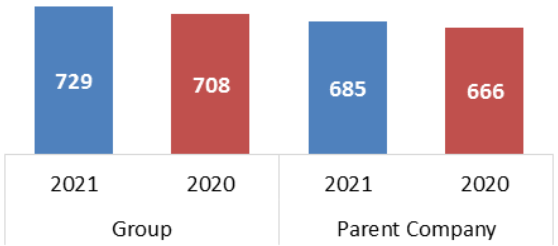
Key financial figures 2021-2020

Gross written premiums

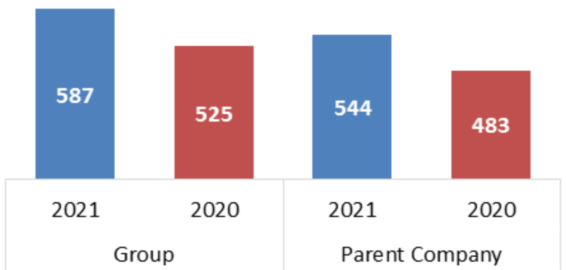


GWP of investment products is not recognized as income according to the provisions of IFRS 4.

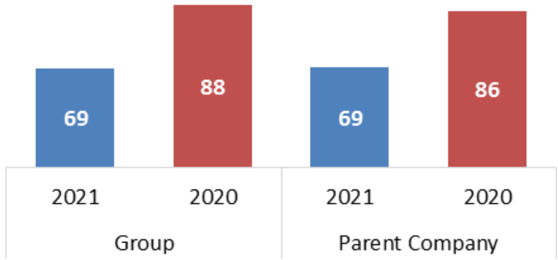
Gross earned premiums & related income (incl. Investment contracts)



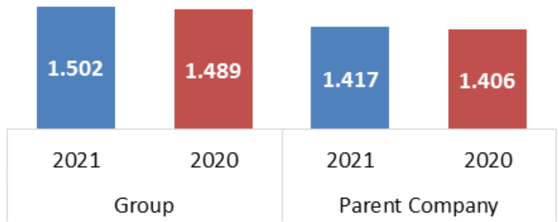
Gross earned premiums & related income



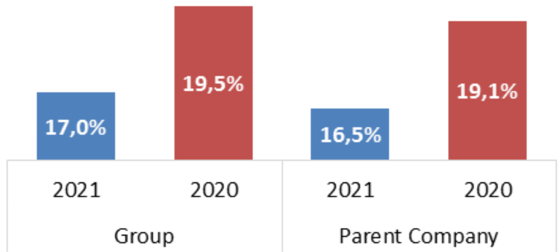
Profit, before tax



Insurance reserves



Expense ratio (on written premiums)



Economic environment

Covid-19 pandemic

As society is already going through the third year since the Covid-19 pandemic outbreak, the Greek economy started recovering in Q1 2021 and achieved a strong rebound in terms of economic activity, with this trend remaining stable up until the first months of 2022. Total production is estimated by EU to have reached pre-pandemic levels in Q1 2021, despite obstacles in various fields such us high energy prices, problems in supply chains and outbreak of new infections of Covid-19.

The latest EU economic forecasts have been prepared under the assumption that current wave of Covid-19 infections will only have short duration and thus economic activity is expected to accelerate, taking into account the gradual smoothing in supply chains. Labor market is constantly enhancing and in line with high levels of household savings, is expected to further boost the economic recovery terms.

Based on latest EU winter economic forecasts that were published in the beginning of February 2022, the EU economy is expected to expand by 4,0% in 2022 and 2,8% in 2023, following the remarkable expansion of 5,3% in 2021. In total, inflation in Euro area is expected to rise from 2,6% in 2021 to 3,5% in 2022 and then slow down to 1,7% in 2023, whereas it is likely to be even higher if pressure on production cost is increased and rolled over to consumer prices.

In Greece, GDP expanded by 2,7% in Q3 2021, reflecting strong economic activity from exports and private consumption. Tourism activity in summer 2021 gave rise to profits and accelerated recovery from depression caused by Covid-19 pandemic, while increased industrial production gave significant impetus to the overall economy. Based on latest EU economic forecasts, real GDP growth in Greece is estimated at 8,5% for year 2021 and is expected to reach 4,9% in 2022 and 3,5% in 2023, while inflation is expected to reach 3,1% in 2022 and 1,1% in 2023.

Despite the strong and quick recovery in Greece, the evolution of Covid-19 pandemic continues to create uncertainty, especially for the tourism sector.

Despite all uncertainties, Ethniki Group and its subsidiaries have successfully managed to cope with Covid-19 consequences.

Regarding Life Insurance, there are no products offering exclusive insurance coverage against pandemic / epidemic risk.

Regarding non-life business, total exposure to risk as well as net retention on incurred claims linked with Covid-19 pandemic, are immaterial as the risk has been ceded to reinsurance companies with high credit rating.

Regarding gross written premium (GWP) production, Health business depicts stagnation on new business, however the resulting negative impact on profitability is offset by a lower claims ratio.

The lower loss ratio from motor business has contributed positively in profitability, as a result of restrictions in traffic imposed by the government in the first semester of 2021.

Ethniki Management does not expect significant impact from Covid-19 pandemic, given that the current status remains stable regarding the pandemic. All evidence is regularly monitored, including positive and negative news on the evolution of the pandemic and adapts to new regime.

War conflict in Ukraine

Risks, growth prospects and inflation uncertainties are intensified substantially due to geopolitical tensions in Eastern Europe, especially following the beginning of war in Ukraine at the end of February 2022.

The impact on energy prices, oil and other raw materials is expected to fuel strong inflationary pressures, increasing uncertainty and reducing growth prospects in post Covid-19 era.

Ethniki Group and its subsidiaries do not have direct exposure to any form of investment in Russia, Ukraine or in any assets directly linked with these countries.

Indirect negative externalities are linked mainly with rising inflation, as well as with impact on gross written premium production and new business acquisition, following the decreased purchasing power of people living in the countries where Ethniki Group has presence.

Increase in level of prices is expected to impact claims cost, putting pressure on loss ratios, which is however expected to be partly offset by higher level of average premium.

Up to now, the increase in discount rates, especially the risk free rates, up to the point they are affected by inflationary pressures, have benefited the Solvency Capital Position of Ethniki Group, given that decrease in discounted Technical Provisions is greater than the subsequent decrease in financial assets.

Re-arrangement of Insurance sector in Greece

In Greece, the insurance sector has been significantly affected by the pandemic crisis in the last two years 2020-2021, thus a historical milestone has set rails for the initiation of market concentration through mergers and acquisitions. Foreign Insurance groups have exited the Greek market, following years of continuous & successful presence, focusing on the reinforcement of their strategic presence in other markets, whereas investor preference is now mainly focused on smaller non-life insurance portfolios. Competition from Insurance Groups is expected to become more intense, following the expansion of bancassurance channel.

Against this backdrop, the insurance sector is being confronted with new challenges caused by inflationary pressures in economic activity that will, in turn, have a subsequent impact on the financial well-being of both businesses and households, affect the market valuation of financial assets and increase market uncertainty.

Ethniki Insurance solo entity has a strong presence in the Greek Insurance Market with a market share of 14,9% in terms of GWP production and is ready to successfully confront all challenges and risks, maintaining adequate regulatory capital position, thus allowing for efficient offering of insurance & financial services to the customer base.

Events after the reporting period

Change of shareholder composition of the Company

On March 31, 2022, the NBG completed the divestment of 90.01% of the Company's share capital in CVC Capital Partners ’Fund VII (" CVC "). The transaction includes the sale and transfer of all the shares of the Company from ETE to the newly established subsidiary of CVC: Ethniki Holdings S.à.r.l, and the purchase by the NBG of 9.99% in the share capital of Ethniki Holdings S.à.r.l.

The above transfer followed the approval of the European Commission on February 25, 2022, as well as the supervisory authorities of the countries in which the Company operates and its subsidiaries.

Going concern

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

Distribution channels

Parent Company

The Parent Company conducts its business in Greece through 136 sales offices, 1.834 insurance agents and 1.185 insurance brokers. The network is supported by 11 branches located in Athens, Agrinio, Heraklion, Thessaloniki, Kavala, Corinth, Lamia, Larisa, Patras, Rhodes and Chania. Ethniki Insurance’s products are also available via the extensive network of NBG Branches, as well as through direct selling.

Ethniki Insurance (Cyprus) Ltd.

The Operating Profit before tax for Ethniki Cyprus amounted to €2.2 million in 2021, compared to €3.6 million in 2020. Profitability decreased compared to the prior year primary due to decrease in valuation of the investment portfolio.

The entity covers all Insurance Lines of Business. The sales network comprises of 7 branches and 2 Agency offices located across all major cities in Cyprus (Nicosia, Limassol, Larnaca, Paphos and Ammochostos), 120 insurance agents and 53 insurance brokers.

Garanta Asigurari S.A. (Romania)

The Operating Profit before tax for Garanta S.A was a loss of (€2.3) million in 2021 compared to loss of (€1.5) million in 2020. The subsidiary's management is in the process of revising the business operating model and places emphasis on its repositioning in the Romanian market and on the development of segments with positive prospects in local market conditions.

Garanta S.A. underwrites direct & indirect insurance coverages and covers all Insurance Lines of Business. It has in total 19 branches in the following cities: Bucharest (6), Bacau, Brasov, Cluj-Napoca, Craiova, Constanta, Deva, Iasi, Pitesti, Ploiesti, Oradea, Sibiu, Timisoara and Targoviste. The sales network includes 152 agents, 4 insurance consultants, whereas insurance products are also sold via the Bancassurance channel through Banca Romaneasca, Alpha Bank Romania and First Bank Romania.

Risk Management

Risk management framework

The Group by acknowledging its risk exposure and the necessity of its effective management it has developed a risk management system, supported by the appropriate organizational framework, in order to avoid and/or reduce potential incurring losses. The Risk Management Framework at 31.12.2021 complies with existing regulatory requirements and takes into account all relevant directives of the NBG Group.

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

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

development and systematic update of a Risk Register,

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

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

Insurance Risk

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

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

Credit Risk

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

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

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

Liquidity Risk

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

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

Market Risk

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

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

Concentration Risk

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

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

Operational Risk

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

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

Other Risks

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

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

Non-financial information

According to Law 4548/2018, a section on Non-Financial statement issues is included in the Financial Report, in order to explain the evolution, the KPIs, the position and impact from various related activities.

Moreover, (re)insurance companies disclose information that is required according to article 8 of EC Regulation 2020/852 as defined in appendixes X and XI of Delegated Acts (EC) 2021/2139 of European Commission («climate delegated acts»).

Based on the required disclosures from above regulations, this chapter includes the following sections:

- Sustainable development goals,
- Environmental issues,
- Social and labor issues,
- Respect for human rights,
- Fight against corruption and bribery issues,
- Awards and Distinctions,
- Presentation of initiatives of Corporate Social Responsibility during 2021,
- Disclosures based on article 8 of taxonomy regulation.

As part of the implementation efforts to meet the disclosure requirements for Non-Financial information, the solo entity of Ethniki Insurance took into account international practice and related standards, i.e. OECD instructions for multinational corporations (2011).

The Company has already published three Social & Corporate Responsibility reports (years 2018-2020) with aim to provide full and complete update of all interested parties around initiatives of Social & Corporate Responsibility of Ethniki Insurance, while the updated Report for year 2021 will be made available after the publishing of Annual IFRS Financial Statements 31.12.2021 and will be based on the standards for publishing Social & Corporate Responsibility reports of Global Reporting Initiative (GRI), and more specifically based on Standards version (In Accordance – Core) that is recognized as the most updated and most demanding worldwide.

Sustainable Development Goals

The Company has adopted the Agenda of United Nations for 2030, as it is expressed by 17 Sustainable Development Goals for year 2030. Management has made a decision to contribute positively in meeting the goals set, through promotion of prosperity and security of the population, the protection of environment and fighting poverty. First priority is to achieve goals directly linked with activities and challenges for insurance sector, as well as with substantial issues:

UN Sustainable Development Goals	Substantial Issues	GRI Standards Indexes
Zero poverty	Support local society	GRI 413-1
Zero poverty	Support local society	
Good health & prosperity	Employee health and safety	GRI 403-1,2,3,4,5,6,7,9
Qualitative education	Employee education and training	GRI 404-1,2,3
Gender equality	Being different	GRI 405-1, 406-1
	Avoidance of discrimination	
Decent work & economic development	Financial performance	GRI 201-1, 401-2, 402-1, 403-1,2,3,4,5,6,7,9, 404-1,2,3, 410-1
	Avoidance of discrimination	
	Employee education and training	
	Safety practices	
	Employee benefits	
	Management-Employee Communication	
Sustainable cities & communities	Support local society	GRI 413-1
Responsible consumption & production	Energy consumption	GRI 302-1,4, 305-1,2,3,4,6
	Climate change	
Climate action	Energy consumption	
	Climate change	
Peace, Justice & strong institutions	Data privacy	GRI 205-1,2,3, 206-1, 417-2,3, 418-1
	Fight against corruption	
	Anti-competitive behavior	
	Risk assessment procedures	
	Marketing & branding	
Collaboration for goals	Support local society	GRI 413-1

The table below presents specific goals of Social & Corporate Responsibility and Sustainable Development, based on which commitment is made and action is taken towards:

Goals 2020-2021	Progress	Goals 2022
Employees		
Carrying out voluntary actions in the context of the possibilities formed by the conditions of the COVID-19 pandemic	Continuous target	Maintaining existing environmental actions within the possibilities of COVID-19 pandemic conditions
Maintain and enhance online/digital training	Continuous target	Maintain and enhance online/digital training
Webinar for all personnel on corporate responsibility and sustainable development	Transferred for 2021-2022	
Webinar for all personnel with title: «Re-reading the Code of Ethical Behavior and Ethics», which aims to focus on the thematic units Prevention of Conflict of Interest and Prevention of Bribery	Achieved	
Society		
Offer to vulnerable social groups	Continuous target	Continue to offer to vulnerable social groups
Supporting the needs of associations and organizations	Continuous target	Continue supporting the needs of associations and organizations
Emergency response	Continuous target	Emergency response
Measuring the social value of important corporate responsibility actions	Transferred for 2021-2022	
Environment		
Carbon footprint measurement of the main building	Achieved	Repeating the measurement of the carbon footprint of the main building
Total digitization of documents through a special computer platform, at each point of sale and their automatic routing to the headquarters, aiming to increase productivity and faster customer service, without the need for printing	Program in progress	Total digitization of documents through a special computer platform, at each point of sale and their automatic routing to the headquarters, aiming to increase productivity and faster customer service, without the need for printing
Gradual replacement of light bulbs with LED bulbs in the company's buildings	Program in progress	Completion of the replacement of light bulbs with LED lamps in the Company's buildings

Support for actions that promote environmental awareness	Continuous target	Support for actions that promote environmental awareness
Removal of disposable plastics in the main building	Transferred for 2021-2022	Removal of disposable plastics in the main building
Market		
Support for private insurance organizations and bodies	Continuous target	Support for private insurance organizations and bodies
Support informative actions for corporate responsibility in our productive networks	Continuous target	Support informative actions for corporate responsibility in our productive networks
Corporate Responsibility		
Participation in the National Corporate Responsibility Index (CR Index) for the year 2021	Achieved	Participation in the National Corporate Responsibility Index (CR Index) for the year 2022
Support of informative actions for Corporate Responsibility	Continuous target	Support of informative actions for Corporate Responsibility
Drafting and approval of a Sustainable Development Policy	Transferred for 2021-2022	Approval of Sustainable Development Policy and disclosure

Environmental issues

In the context of Corporate Social Responsibility, the Parent Company has as a goal and strategic priority to effectively manage the environmental impact of its operation, to take all necessary prevention and response measures to contribute to the protection of the environment and natural resources and to pursue systematically the smallest possible environmental footprint.

According to the Corporate Responsibility Report of the Company, the main achievements for the year 2020 are the following:

- Total greenhouse gas emissions from the main building 2,414.79 t CO_2
- Emissions per square meter of main building 0.039 t CO_2

The following tables present the energy and fuel consumption in the Company's buildings:

Electric Energy Consumption	2019	2020
Central Building Complex	3,821,226 kwh	3,821,226 kwh
Other facilities	2,282,050 kwh	2,420,917 kwh
Fuel consumption	**2019**	**2020**
Central Building Complex	1,142,877 kwh	894,810 kwh
Other facilities	6,900 lt	n/a

The above data for the year 2021 will be available after the publication of the Financial Statements.

The Company proceeded to the calculation of the greenhouse gas emissions for the activities related to the central office building of Ethnikis Asfalistikis (103-105 Syggrou Ave., Athens 11745). The calculation of these emissions was secured and confirmed externally by the Center for Sustainability and Excellence (CSE).

Greenhouse gas emissions	2019	2020
Scope 1 - emissions from company vehicles and from the use of natural gas for building needs	240.95 t CO_2	220.33 t CO2
Scope 2 - emissions from electricity consumption	2,043.17 t CO_2	2,186.35 t CO_2
Scope 3 - emissions from business trips (flights) and paper consumption	96.17 t CO_2	8.11 t CO_2
Total	**2,380.30 t CO_2**	**2,414.79 t CO_2**

The above data for the year 2021 will be available after the publication of the Financial Statements.

At the same time, the Parent Company has undertaken specific environmental actions that include:

- Reuse / recycle printing supplies
- Paper and plastic recycling
- Battery recycling
- Use of LED lamps
- Implementation of MPS (Managed Printing Services) project and homogenized and efficient management of printing operations
- Financial support of Attica Forest Protection Volunteers (E.DAS.A)

The following table shows some details about waste management.

Waste management	2019	2020	2021
Paper recycling	9.5 tons	5.2 tons	7 tons
Batteries	97 kg	73 kg	83 kg
Plastic	Management through blue buckets	Management through blue buckets	Management through blue buckets

Finally, Ethniki incorporates financial products into its investment policy, taking into account ESG (Environmental - Social - Governance) criteria

Disclosures based on Article 8 of Taxonomy Regulation

Taxonomy Regulation (EC) 2020/852 is a key element of the action plan drawn up by the European Commission to redirect capital flows to a more sustainable economy. It represents an important step towards achieving carbon emission neutrality by 2050, in line with the European Union's objectives, as the classification regulation is a classification system for environmentally sustainable economic activities. This regulation applies for the first time from 1.1.2022 and concerns the previous reference period (1.1-31.12.2021).

The Taxonomy regulation recognizes various economic activities as "green" or "environmentally sustainable", as long as they contribute significantly to at least one of the following environmental objectives.

- Mitigation of climate change
- Adaptation to climate change
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

Eligible investment activities meet specific requirements and the following criteria should be applied cumulatively to determine the degree of viability of an investment:

- Contribute significantly to the achievement of one or more of the above objectives.
- Do not significantly burden any of the goals.
- Practice with minimum safeguards, ie implement specific procedures to ensure compliance with the OECD, United Nations guidelines and the principles and rights of the International Labor Organization and the International Charter of Human Rights.
- Comply with the technical viability control criteria established by the Commission in accordance with the relevant articles of the Rules of Procedure

The regulation is essentially a tool that promotes transparency in the mandatory disclosures of companies covered by the disclosure requirement (NFDR and CSRD regulations). The obligated companies disclose the percentage of activities aligned with the taxonomy, however the list of eligible taxonomic activities is merely indicative to prospective investors and is not a requirement to measure climate performance for companies and financial services, so investors they can evaluate the viability of investments on their own and freely choose where to invest.

In addition, economic activities that are not recognized as eligible by the classification regulation are not necessarily environmentally harmful or unsustainable. The regulation simply sets out criteria for areas of activity that are more relevant and achieve neutrality on climate change and environmental objectives. At this stage, the regulation sets out "technical control criteria" for the first two environmental objectives relating to mitigation and adaptation to climate change, with the remaining four objectives to be further analyzed in a future revision of the Regulation).

The regulation states that by 30.06.2024, the European Commission will review and assess the need for inclusion in the calculation of performance indicators of exposures to central governments and central banks, as well as exposures to companies that are not required to publish a non-financial statement under Articles 19a or 29a of delegated regulation 2013/34 / EU.

The regulation defines a transitional period of two years where required financial companies apply a simplified method of classifying activities, where only eligibility should be disclosed, regardless of whether the activities meet some or all of the technical control criteria (aligned activities). . Therefore, the fact that an activity is eligible does not necessarily mean that it is "green" or "environmentally sustainable", but it will be revised with the regulation being updated in the future. The alignment of the activities with the classification should be announced after 31.12.2023.

Article 8 of the Regulation defines the mandatory disclosures for insurance companies which relate to the activity of General Insurance and more specifically the following activities:

- Motor
- Fire
- General third party liability
- Other Non-Life

The Company evaluates the risks based on the qualitative and quantitative characteristics and separates them based on the evaluation of each individual risk, while at the same time it integrates the definition of the climate risks in the process of undertaking the initial insurance, both for individual and for group and business risks. The Company also evaluates climatic factors that affect the same coverage and adjusts its pre-insurance and reinsurance policy accordingly.

The first KPI relates to risk-taking activities and represents the percentage of total risk-taking activities related to climate change adaptation carried out in accordance with Commission Delegated Regulation (EC) 2021/2139 ("delegated act on climate»).

Basic KPI Underwriting Non-Life Risks – Solo Entity	**Premium pct% * 2021**	**Premium amount * 2021**	**Premium pct% * 2021**	**Premium amount * 2021**
	(policy level)	**(policy level)**	**(coverage level)**	**(coverage level)**
	%	**€ million**	**%**	**€ million**
Eligible Underwriting activities, Non-Life	64%	110.2	26%	43.6
Non Eligible Underwriting activities, Non-Life	36%	60.8	74%	127.4
Total Production	**100%**	**171.0**	**100%**	**171.0**

Basic KPI Underwriting Non-Life Risks – Group	**Premium pct% * 2021**	**Premium amount * 2021**	**Premium pct% * 2021**	**Premium amount * 2021**
	(policy level)	**(policy level)**	**(coverage level)**	**(coverage level)**
	%	**€ million**	**%**	**€ million**
Eligible Underwriting activities, Non-Life	62%	124.5	27%	54.1
Non Eligible Underwriting activities, Non-Life	38%	74.8	73%	145.1
Total Production	**100%**	**199.2**	**100%**	**199.2**

The second KPI relates to the Company's investment policy for funds raised from risk-taking activities and expresses the percentage of assets invested in classified activities over total assets. It is noted that exposures to central governments, central banks and supranational issuers are excluded from the calculation of the numerator and denominator of key performance indicators for financial corporations.

Basic KPI Investment Policy	**Solo Entity**		**Group**	
	Percentage 2021	**Assets 2021**	**Percent age 2021**	**Assets 2021**
	%	**€ million**	**%**	**€ million**
Total Assets		**4,338**		**4,452**
Exposure to Central Government and Central Banks and Supranational issuers	54%	2,34	54%	2,387
Exposure on Assets not participating the KPI calculation	8%	336	8%	377
Total Assets covered by the KPI	**38%**	**1,662**	**38%**	**1,688**
Derivatives	0%	-	0%	-
Exposure on financial & non-financial corporations (including Mutual Funds)	72%	1,211	72%	1,223
Other exposure	11%	176	11%	190
Non eligible exposure related to the KPI	**83%**	**1,387**	**83%**	**1,413**

Exposure in eligible activities based on taxonomy	17%	275	17%	275
Other exposure	0%	-	0%	-
Eligible exposure related to the KPI	**17%**	**275**	**17%**	**275**
Total Assets covered by the KPI	**100%**	**1,662**	**100%**	**1,688**

Social and Labour issues

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

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

Special mention must be made to the important role the Parent Company has shown in the promotion of culture and sports, by supporting related organizations which promote culture and reinforce the sport ideal, sponsoring sports activities (i.e. No Finish Line 2021) and cultural events. (Historical Memory site 1941-1944, in 4 Korai str., as well as the Art Place «STOart KORAI»).

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

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

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

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

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

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

The Group is committed to:

- Complying with the regulations, instructions and recommendations of the Health Authorities on health and safety issues
- Ensuring the creation of a safe and healthy work environment, through the implementation of programs for prevention of health and safety risk
- Ensuring the availability of protective infrastructure and equipment and techniques dealing with emergencies
- Training all employees for the appropriate actions to be taken in case of natural disasters and designing

preventive action plans for fire safety and crisis management, as part of its Business Continuity Plan.

- Consulting with employees for issues related to the health and safety regulations at work.
- Designing programs and actions aiming, both to prevent working hazards as well as supporting employees in cases of incidents of violence.

Respecting Human rights

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

For that purpose, the Group:

- Does not use any form of forced labor.
- It has established a Policy against Violence and Harassment, which expresses the commitment of the Group to deal with and eliminate such phenomena in the workplace, in order to create a working environment where respect for human dignity will prevail.
- Expressly and unequivocally states that all forms of violence, bullying and harassment that occur during work, related to or resulting from it, are strictly prohibited including gender-based violence and sexual harassment.
- Does not accept any kind of unequal treatment because of nationality, racial origin, gender, marital status, religious or political beliefs or physical weaknesses, and
- Rejects every form of social exclusion.

Combating corruption and bribery issues

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

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

Code of Ethics of the Group

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

Whistleblowing

The Parent Company has adopted a Whistleblowing Policy for the submission, either anonymously or not, of confidential reports or comments from any interested party regarding actions of the Parent Company's executives, which create doubts about irregular actions and accounting and auditing practices, which are incompatible with international practice and regulations in force. The Policy was updated in the year 2021 in harmonization with the requirements of the new labor law (L.4808 / 2021) regarding violence and harassment in the workplace.

This process is monitored in terms of its implementation by the Audit Committee of the BoD. On the website of the Parent Company (www.ethniki-asfalistiki.gr) contact details have been posted and a relevant form has been created for the submission of the aforementioned confidential reports by any interested party.

Anti-Fraud Policy of the Parent Company and its subsidiaries

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

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

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

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

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

Prevention of Conflict of Interest Policy of the Group

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

Conflict of Interest Prevention Policy of the Group

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

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

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

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

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

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

Awards - Distinctions

For 2021, the Parent Company received significant awards and distinctions such as:

- An honorary Award was presented to the CEO Mr Stavros Konstantas at the Annual "Diamond of the Greek Economy 2021" event
- Ethniki Insurance won the Bronze award after being rated under "CR INDEX 2020-2021»
- "Thalis the Milesios-200 years of Greece" award for being among the companies founded in the 19th century and not only were the pioneers in their field but still stand out
- "Corporate Superbrands 2021-2022", as one of the Leading Corporate Brands in Greece

  Awarded by the Olympic Museum of Thessaloniki for disseminating the values of Olympism.

Presentation of the Corporate Social Responsibility actions for 2021

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

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

Corporate Governance Code

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

The Group has enacted a Corporate Governance Code which describes its structure and operation in matters of governance, in order to enhance, in the long term, corporate value for the shareholders and secure the interests of customers, employees and all other stakeholders in general. The Code represents a framework which promotes continuity, cohesion and effectiveness in the way the Board of Directors of the Company operates, and is an essential element of good governance. The BoD is supported in its operation by the following Committees:

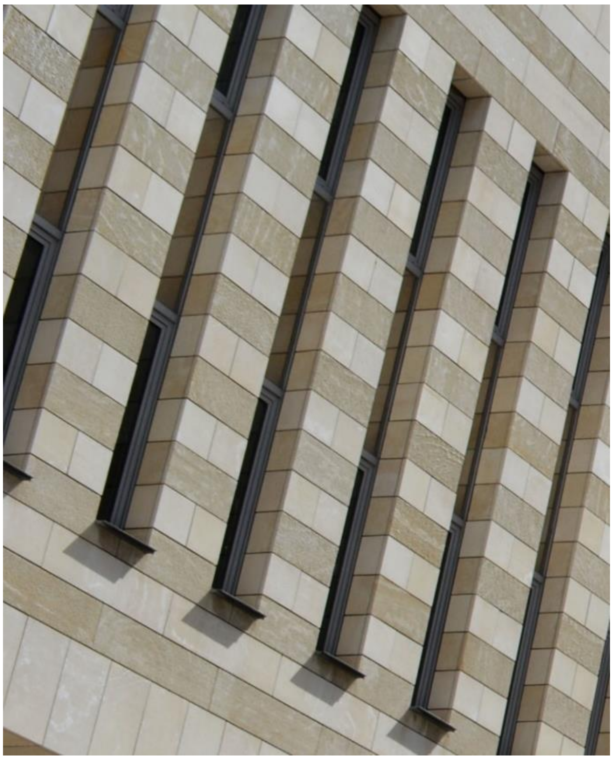
- Audit Committee,
- Corporate Governance and Nominations Committee,
- Human Resources and Remuneration Committee,
- Risk Management Committee,
- Strategy Committee.

The Code and the Rules of Procedure of the aforementioned Committees define the purpose, the duties and allocate responsibilities to the Committees.

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

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

Prospects for 2022



The prospects for 2022 remain positive for the insurance market, which is expected to benefit from the accelerated economic recovery. The companies' interest is focused on the digital transformation and the adoption of technological innovations, while at the same time intensifying the actions for the preparation for the implementation of the new accounting standards IFRS 17 and IFRS 9 but also for the adoption of ESG criteria that will influence the choice of investment policy, the behavior for environmental protection, governance and risk management and finally the risk-taking policy with the issuance of new insurance products that will meet the criteria of sustainability.

The Parent Company and the Group showed quick reflexes and differentiated their strategy with the outbreak of the pandemic, while at the same time they managed to maintain its growth dynamics based on long-term experience, a stable value system, a clear business policy and above all the tireless effort of their people.

The three-year business plan aims for the growth of the Parent Company at a faster rate than the market, with consequent expansion of market share, achieving a strong and healthy capital base and finally helping to tackle climate change and build a sustainable future.

Looking to the future, the Company and the Group are on a clear path to achieving their strategic objectives of:

- Increasing operating profitability and maximizing dividend yield
- Modernizing the product composition
- Retaining operating costs and enhancing capital adequacy
- Developing environmental awareness and integrity and targeting of ESG investments
- Investing in new technologies and strategic transformation

The Parent Company has renewed its products, by offering more options to its policyholders in both the Life and Non-Life. Since December 2020, the Parent Company has been offering a new regular premium product "Full Life Plan" linked to investments (Unit-Linked without guarantee), both through agency and through the bancassurance distribution channel, while since the first quarter of 2021, it has been offering a corresponding product of a single premium "Full Capital Plan".

In addition, the promotion of "Full" health products with extremely competitive pricing and benefits continues dynamically, while at the same time significant additional coverages are redesigned and the contracts with hospitals are improved. In Fire, new “Full Home” products are offered with the aim of responding in a way that fully serves the current needs of the insured, while in Motor, products are designed using telematics technology. In terms of modernization of its processes, the application Robotic Process Automations (RPAs) brings significant improvement in the efficiency of claims management and the speed of service of policyholders, while new actions are already planned in the context of the Company's digital transformation with emphasis on modernization IT environment.

The primary, timeless and non-negotiable goal of the Parent Company remains the immediate, complete and quality coverage of all the needs of the insured, along with ensuring health and protecting its human resources and associates.

Athens, 14 April 2022

The Chairman

Christoforos Sardelis

INDEPENDENT AUDITOR'S REPORT

[Translation from the original text in Greek]

Independent Auditor's Report

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

Report on the audit of the separate and consolidated financial statements

Our opinion

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

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

Basis for opinion

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

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

Independence

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

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

The non-audit services that we have provided to the Company and its subsidiaries during the period for the year ended 31 December 2021, are disclosed in the note 45 to the separate and consolidated financial statements.

Key audit matters

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

Key audit matters	How our audit addressed the key audit matter
Valuation of liabilities arising from Life Insurance Contracts (separate and consolidated financial statements)	
Insurance contract liabilities include the estimated cost of settling policyholder benefits and claims associated with life insurance contracts which amount to €510m for the Company and €567m for the Group, representing 16% and 17% of the Company's and Group's total liabilities respectively. The valuation of these liabilities is complex, highly judgmental and requires management to make a number of assumptions regarding future events that are linked to high estimation uncertainty. Small changes in key assumptions used may lead to a material impact on the valuation of these liabilities and operating performance of the Company and the Group. We focused on this area because of the significance of these amounts and the need for management to use of complex actuarial methodologies and assumption setting processes relating to future events. Moreover, actuarial assumptions, which are based on economic and demographic data, including future policyholder behaviour, are highly judgmental.	Our audit was supported by our internal life actuarial specialists and included the following procedures: • We tested the underlying data used in the projection of future cash flows and in the experience studies that support the actuarial assumptions used for accuracy and completeness. • We challenged the methodology and significant assumptions used by applying our knowledge of the Company as well as the industry and experience to assess whether such methodologies are in compliance with recognized actuarial practices as well as regulatory and financial reporting requirements. • We performed independent testing of mathematical reserves and cash flow model projections, on a sample basis, including detailed independent recalculations on selected policies and products to assess the reasonableness of management's estimates of life insurance liabilities. • We performed an assessment of the reasonableness of the year on year movement in the life insurance liabilities and obtained explanations from management to support any differences where this was deemed necessary.

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

Key audit matters	How our audit addressed the key audit matter
Valuation of Non-Life Outstanding Claims reserves (separate and consolidated financial statements) Insurance contract liabilities include outstanding claims under general insurance contracts amounting to €332.5m for the Company and €347.2m for the Group, representing 11% of the Company's and Group's total liabilities respectively. The estimation of outstanding claims involves significant judgment given the size of the liability and inherent uncertainty in estimating expected future payments for claims incurred. The valuation of outstanding claims is dependent upon the quality of the underlying data. It also involves complex and subjective judgments about future events, both internal and external, for which small changes in assumptions can result in a material impact to the valuation of these liabilities and operating performance. Refer to Notes 2.11, 3.1, 4.2 and 36 of the separate and consolidated financial statements.	Our work was supported by our internal Non-life actuarial specialists and included the following procedures: • We obtained an understanding of the Company's and the Group's reserving policy and process for recording outstanding claims. • We tested, on a sample basis, the reasonableness of reserves recorded for outstanding motor and fire claims by reference to the Company's and the Group's reserving policy, underlying insurance contract and most recently available supporting claims documentation. • We assessed the reasonableness of the estimation for the reserve of the incurred but not reported (IBNR) claims at the balance sheet date by carrying out an independent test of management's IBNR calculation for the main classes of business. • We tested, on a sample basis, the reasonableness of management's reserve estimates for outstanding claims of motor line of business at the balance sheet date by comparing such estimates with actual claim payments made during the period subsequent to the balance sheet date. • We performed an assessment of the reasonableness of the year on year movement in outstanding claims and sought to understand any significant differences. Based on our procedures, we found the liability for outstanding claims under non-life insurance contracts to be reasonable. We also found the disclosures in the financial statements to be appropriate.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, which is included in the Annual Report in accordance with Law 3556/2007, is the Statements of Board of Directors members and the Board of Directors Report (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report.

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

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

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

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

- The information given in the the Board of Directors' Report for the year ended at 31 December 2021 is consistent with the separate and consolidated financial statements,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

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

Our opinion on the accompanying separate and consolidated financial statements is consistent with our, as per article 11 of Regulation (EU) 537/2014 required, Additional Report to the Audit Committee of the Company.

2. **Appointment**

We were first appointed as auditors of the Company by the decision of the annual general meeting of shareholders on 12 July 2017. Our appointment has been renewed annually by the decision of the annual general meeting of shareholders for a total uninterrupted period of appointment of 5 years.

Athens, 14 April 2022

The Certified Auditor

pwc

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

Marios Psaltis
SOEL Reg. No. 38081

Group and Parent Company Annual Financial Statements

2021

as at and for the year ended 31 December 2021

STATEMENT OF TOTAL COMPREHENSIVE INCOME

		GROUP		PARENT COMPANY	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
	Note	*(€ thousands)*			
Gross earned premiums and related income	6	587,027	524,818	543,782	483,453
Less: premiums ceded to reinsurers	7	(71,365)	(69,743)	(62,205)	(61,408)
Net earned premiums and related income		**515,662**	**455,075**	**481,577**	**422,045**
Interest, dividends and other investment income	8	38,463	37,975	37,570	37,113
Gains/(losses) on disposal of investments	9	28,574	39,964	28,574	39,964
Unrealized gains/(losses) from investments	10	12,838	18,539	16,150	14,298
Impairment of financial assets	11	(1,437)	(10,427)	(1,437)	(10,427)
Investment income		**78,438**	**86,051**	**80,857**	**80,948**
Other income	12	5,185	6,931	4,451	6,223
		599,285	**548,057**	**566,885**	**509,216**
Policyholder benefits and claims incurred	13	(317,063)	(324,912)	(302,161)	(310,558)
Commission expenses	14	(79,688)	(74,077)	(74,628)	(69,149)
Movement in mathematical insurance reserves	15	(11,588)	41,859	(9,121)	48,949
General and administrative expenses	16	(114,860)	(97,904)	(104,968)	(87,818)
Finance costs	17	(6,899)	(5,042)	(6,694)	(4,844)
Other expenses		(70)	(96)	(1)	(69)
Profit before tax		**69,117**	**87,885**	**69,312**	**85,727**
Income tax expense	18	(17,131)	(19,470)	(17,393)	(19,033)
Profit, net of tax		**51,986**	**68,415**	**51,919**	**66,694**
Other comprehensive income (OCI) net of tax:					
Items to be reclassified to profit or loss in subsequent periods:					
Available-for-sale securities, net of tax		(88,873)	97,944	(88,258)	97,617
Currency translation differences, net of tax		(264)	24	-	-
Total		**(89,137)**	**97,968**	**(88,258)**	**97,617**
Items not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit obligations		(1,178)	(2,754)	(1,178)	(2,754)
Total		**(1,178)**	**(2,754)**	**(1,178)**	**(2,754)**
Other comprehensive income, net of tax	19	**(90,315)**	**95,214**	**(89,436)**	**94,863**
Total comprehensive income, net of tax		**(38,329)**	**163,629**	**(37,517)**	**161,557**
Profit /(loss), net of tax, attributable to:					
- the Parent Company		**52,065**	**68,479**	**51,919**	**66,694**
- Non-controlling interests		**(79)**	**(64)**	**-**	**-**
Total comprehensive income, net of tax, attributable to:					
- the Parent Company		**(38,206)**	**163,675**	**(37,517)**	**161,557**
- Non-controlling interests		**(123)**	**(46)**	**-**	**-**

The explanatory notes on pages 43 to 114 form an integral part of these financial statements.

Athens, 14 April 2022

The Chairman of the Board	The Chief Executive Officer	The Deputy General Manager	The Chief Actuary	The Chief Accountant
Ch. V. Sardelis ID No AK 088321	S.S. Konstantas ID No AN 652679	S.E. Karagrigoriou ID No AR 032104	G. Ch. Mamoulakis ID No AH 125609	G.L. Gennimatas License No. 91312 Class A

STATEMENT OF FINANCIAL POSITION

	Note	GROUP		PARENT COMPANY	
		31/12/2021	31/12/2020	31/12/2021	31/12/2020
		(€ thousands)			
ASSETS					
Property and equipment	20	117,420	121,061	111,373	114,761
Investment property	21	78,408	82,193	77,959	81,731
Intangible assets	22	11,266	10,069	10,221	9,023
Deferred acquisition costs (DAC)	23	44,975	43,508	41,790	40,524
Investment in subsidiaries	24	-	-	12,232	12,232
Deferred tax assets	25	15,403	381	14,830	381
Available-for-sale securities	26	3,204,467	3,077,106	3,194,643	3,066,384
Securities at fair value through profit or loss	27	640,043	596,847	577,157	536,526
Securities classified as loans and receivables	28	41,018	41,153	41,018	41,153
Insurance premium and other receivables	30	111,079	117,890	99,848	107,266
Assets held for sale	20	7,827	6,201	7,827	6,201
Reinsurance receivables	31	91,978	81,321	73,839	64,351
Cash and cash equivalents	32	88,717	66,547	75,394	51,675
Total Assets		**4,452,601**	**4,244,277**	**4,338,131**	**4,132,208**
EQUITY AND LIABILITIES					
Shareholders' Equity					
Share capital - paid in	33	235,221	490,044	235,221	490,044
Share premium account		547,429	547,429	547,429	547,429
Reserves	34	261,160	347,682	264,641	350,267
Retained earnings	35	167,384	(135,764)	143,863	(159,069)
		1,211,194	**1,249,391**	**1,191,154**	**1,228,671**
Non-controlling interests		**569**	**692**	**-**	**-**
Total equity		**1,211,763**	**1,250,083**	**1,191,154**	**1,228,671**
Liabilities					
Mathematical reserves and technical insurance provisions	36	1,502,268	1,488,776	1,416,942	1,406,442
Investment contracts liabilities	37	1,355,662	1,276,667	1,355,662	1,276,667
Other liabilities	38	77,737	76,747	69,962	69,149
Financial liabilities	39	177,153	50,031	177,153	50,031
Income tax liabilities		4,954	8,405	4,613	8,000
Reinsurance liabilities	40	24,860	21,578	24,441	21,471
Retirement benefit obligations	41	98,204	71,777	98,204	71,777
Deferred tax liabilities	25	-	213	-	-
Total liabilities		**3,240,838**	**2,994,194**	**3,146,977**	**2,903,537**
Total Equity and Liabilities		**4,452,601**	**4,244,277**	**4,338,131**	**4,132,208**

The explanatory notes on pages 43 to 114 form an integral part of these Financial Statements.

Athens, 14 April 2022

The Chairman of the Board	The Chief Executive Officer	The Deputy General Manager	The Chief Actuary	The Chief Accountant
Ch.V. Sardelis ID No AK 088321	S.S. Konstantas ID No AN 652679	S.E. Karagrigoriou ID No AR 032104	G. Ch. Mamoulakis ID No AH 125609	G.L. Gennimatas License No. 91312 Class A

STATEMENT OF CHANGES IN EQUITY

GROUP	Share capital	Share premium account	AFS securities reserve	Retirement benefit obligations	Other reserves	Foreign exchange differences	Retained earnings	Total	Non-controlling interests	Total equity
					(€ thousands)					
Balance at 01/01/2020	**490,044**	**547,428**	**233,408**	**(5,720)**	**29,484**	**(4,532)**	**(204,404)**	**1,085,708**	**738**	**1,086,446**
Profit, net of tax	-	-	-	-	-	-	68,479	**68,479**	(64)	68,415
Transfers	-	1	-	-	(154)	-	153	-	-	-
Acquisition/sale of subsidiaries	-	-	-	-	-	-	8	**8**	-	8
Other comprehensive income, net of tax	-	-	97,928	(2,754)	-	22	-	**95,196**	18	95,214
Balance at 31/12/2020	**490,044**	**547,429**	**331,336**	**(8,474)**	**29,330**	**(4,510)**	**(135,764)**	**1,249,391**	**692**	**1,250,083**
Profit, net of tax	-	-	-	-	-	-	52,065	**52,065**	**(79)**	51,986
Transfers	(254,823)	-	-	-	3,749	-	251,074	-	-	-
Acquisition/sale of subsidiaries	-	-	-	-	-	-	9	**9**	-	9
Other comprehensive income, net of tax	-	-	(88,842)	(1,178)	-	(251)	-	**(90,271)**	(44)	(90,315)
Balance at 31/12/2021	**235,221**	**547,429**	**242,494**	**(9,652)**	**33,079**	**(4,761)**	**167,384**	**1,211,194**	**569**	**1,211,763**

PARENT COMPANY	Share capital	Share premium account	AFS securities reserve	Retirement benefit obligations	Other reserves	Retained earnings	Total equity
				(€ thousands)			
Balance at 01/01/2020	**490,044**	**547,428**	**233,113**	**(5,720)**	**28,011**	**(225,762)**	**1,067,114**
Profit, net of tax	-	-	-	-	-	66,694	66,694
Transfers	-	1	-	-	-	(1)	-
Other comprehensive income, net of tax	-	-	97,617	(2,754)	-	-	94,863
Balance at 31/12/2020	**490,044**	**547,429**	**330,730**	**(8,474)**	**28,011**	**(159,069)**	**1,228,671**
Profit, net of tax	-	-	-	-	-	51,919	51,919
Transfers	(254,823)	-	-	-	3,810	251,013	-
Other comprehensive income, net of tax	-	-	(88,258)	(1,178)	-	-	(89,436)
Balance at 31/12/2021	**235,221**	**547,429**	**242,472**	**(9,652)**	**31,821**	**143,863**	**1,191,154**

The explanatory notes on pages 43 to 114 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

	Note	GROUP 31/12/2021	GROUP 31/12/2020	PARENT COMPANY 31/12/2021	PARENT COMPANY 31/12/2020
		(€ thousands)			
Cash flows from operating activities					
Profit before tax		**69,117**	**87,885**	**69,312**	**85,727**
Adjustments for non-cash items					
Depreciation, amortazation and impairment of property, plant & equipment, investment property & intangible assets	16	10,431	9,359	9,534	8,515
Provision for non-performing receivables	16	(2,375)	689	(2,315)	719
Defined benefit plan cost	41	1,783	1,943	1,783	1,943
Gain on disposal of non financial assets and impairment	12	(12)	(1,510)	-	(1,503)
Impairment loss on financial assets	11	1,437	10,427	1,437	10,427
Gains on disposal on financial assets	9	(28,574)	(39,964)	(28,574)	(39,964)
Unrealised gains on financial assets	10	(12,838)	(18,539)	(16,150)	(14,298)
Net interest income and dividends	8,17	(26,922)	(33,170)	(26,026)	(32,382)
Gains / (losses) on foreign exchange differences	12	(273)	(251)	(156)	(70)
Total adjustments for non-cash items		**(57,343)**	**(71,016)**	**(60,467)**	**(66,613)**
Net increase or decrease in operating assets / liabilities					
Financial assets at fair value through profit or loss	10,27	(30,358)	33,208	(24,481)	38,711
Deferred acquisition costs (DAC)	23	(1,467)	(3,625)	(1,266)	(3,397)
Movement in insurance reserves	36	13,492	(60,105)	10,500	(66,160)
Liabilities relating to group investment contracts	37	8,384	15,328	8,384	15,328
Liabilities relating to invetsment contracts to individuals	37	70,611	118,363	70,611	118,363
Insurance premium and other receivables		2,924	5,117	3,058	5,241
Reinsurance receivables	17,31,40	(7,868)	(8,779)	(7,011)	(9,116)
Defined contribution plans	41	1,831	1,661	1,831	1,661
Other liabilities		981	(1,128)	804	(2,268)
		70,304	**116,909**	**71,275**	**117,477**
Aquisition of investment securities		(1,094,696)	(1,785,978)	(1,094,703)	(1,781,207)
Disposal of investment securities		873,300	1,587,020	873,300	1,584,454
Purchase of investment property	21	(15)	(32)	(15)	(32)
Proceeds from sale of investment property	12,20	-	5,652	-	5,770
Dividends received	8	1,573	4,179	1,491	4,150
Interest received		32,507	32,429	31,969	31,670
Defined benefit plans (contributions and idemnities)	41	21,587	(214)	21,587	(214)
Income tax paid		2,213	287	2,801	510
Net cash used for operating activities		**(93,227)**	**(39,748)**	**(92,295)**	**(37,422)**
Cash flows from investing activities					
Purchase of property & equipment, intangible assets	20,22	(5,815)	(7,916)	(5,322)	(7,471)
Proceeds from sale of property & equipment, intangible assets	20	15	(22)	139	114
Net cash used in investing activities		**(5,800)**	**(7,938)**	**(5,183)**	**(7,357)**
Cash flows from financing activities					
Increase/ (decrease) of financial liabilities	39	125,000	-	125,000	-
Interest paid		(3,803)	(5,880)	(3,803)	(5,880)
Net cash from/ (for) financing activities		**121,197**	**(5,880)**	**121,197**	**(5,880)**
Net increase/(decrease) in cash and cash equivalents		**22,170**	**(53,566)**	**23,719**	**(50,659)**
Cash and cash equivalents at beginning of period		**66,547**	**120,113**	**51,675**	**102,334**
Cash and cash equivalents at end of period	32	**88,717**	**66,547**	**75,394**	**51,675**

The explanatory notes on pages 43 to 114 form an integral part of these Financial Statements.

NOTE 1: GENERAL INFORMATION

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

The Parent Company as at 31 December 2021 was a subsidiary of National Bank of Greece S.A. (the “NBG” or “Bank”) which at the time held 100% of the Company's share capital. As a result, on 31st December 2021, these Financial Statements are consolidated in the consolidated financial statements of the NBG Group, applying the full consolidation method.

The Board of Directors on 31st December 2021 consists of the following members:

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

The above composition of the Board of Directors was formed after the Extraordinary General Meeting of Shareholders on 22 April 2021, at which Mr Christodoulou Christodoulos was elected as a member while Messrs P .Georgiou. I Zouridis and I. Petsalakis stepped down. The said Members’ term of office expires on 22 April 2022. The Financial Statements are subject to the approval of the Annual General Meeting of the Parent Company’s shareholder.

These annual separate and consolidated Financial Statements have been approved by the Board of Directors of the Parent Company on 14 April 2022.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES & POLICIES

2.1 Basis of preparation of Financial Statements

The consolidated financial statements of the Group and the separate financial statements of the Parent Company for the year ended 31 December 2021 (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU").

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

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

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

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

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

2.2 Going concern

In preparing the financial statements for the period ending on 31.12.2021, the going concern basis was adopted. The Board has considered the current economic developments, the company's financial performance, and made estimates in the near future in relation to the state of the economic environment in which the Group operates. In carrying out their assessments the Directors have considered the following factors.

- **Developments in the macroeconomic environment**

The growth prospects of the Greek economy for the FY 2021 were in line with previous forecasts, with GDP growth notably at 8.3% y-o-y in FY 2021 – one of the strongest among the euro area countries. This solid performance was underpinned by a synchronized strengthening in all major GDP expenditure components.

Starting with private consumption, it grew by a robust 7.2% y-o-y in FY 2021, buoyed by improving sentiment, favourable labour market conditions and the release of pent-up demand. Tourism rebounded strongly exhibiting an increase in revenue by 144% y-o-y in FY 2021, at almost 60% of the respective 2020 outcome, while goods' exports increased to a new all-time high in levels in 4Q 2021.

Moreover, a number of key indicators from the business sector (such as turnover, profits/gross operating surplus, and gross fixed capital formation) recorded a substantial improvement, surpassing their pre-pandemic levels. The responsiveness of the labour market to the rebound of the economic activity was very encouraging, with the unemployment rate declining significantly to 12.8% in December 2021 and employment increasing by 4.5% y-o-y during the second half of 2021. At the same time, the Greek real estate market showed consistent signs of dynamism, especially in the residential segment. House prices increased by an average pace of 6.1% y-o-y in 9M 2021 and 7.9% y-o-y in 3Q 2021. Commercial real estate prices (referring to the average price of retail and office spaces) increased by 1.4% y-o-y in 1H.2021 from 1.0% y-o-y in 2H 2020.

At the other end of the spectrum, the surge in inflation worldwide, through a combination of sharply increasing energy prices and persistent disruptions in global supply chains, started to affect the Greek economy in 4Q 2021. Consumer price inflation increased to a 10-year high of 4.5% y-o-y in 4Q 2021 (1.2% y-o-y on average in FY 2021), with fuel and electricity prices accounting for the most part of the increase. This exacerbation in inflation, together with increasing geopolitical tensions (crisis in Ukraine) and the imposition of severe sanctions to Russia by the EU and the US, led to a significant upward revision of market-based forecasts of energy prices in the coming quarters. Increases in energy prices and other categories of imported inflation are rapidly transmitted through higher production and transportation costs to a broad range of products and services prices. Under these circumstances, there are significant risks surrounding the magnitude of the inflation peak, the speed of deceleration in 2022 and the potential impact to the financial position of households and firms.

What is more, additional downside risks for growth could emerge from a further escalation of the ongoing geopolitical crisis, which could weigh heavily on economic sentiment and economic activity both in Greece and the euro area. Coupled with the risk of emergence of more contagious COVID-19 variants, the afore-mentioned risks could have serious macroeconomic implications.

Despite the fact that the government has already announced the extension of measures to ameliorate the impact of rising electricity and natural gas prices, the business sector is likely to be significantly affected in the coming months. Moreover, the risk of a more persistent upsurge in inflation internationally starts to weigh on the markets' assessment of monetary policy developments, after a prolonged period of ultra - expansionary stance.

Overall, the Greek economy enters 2022 on a firm footing, following the strong and widespread turnaround in economic activity during 2021, with GDP growth estimated to continue at a healthy pace of 4.4% in FY 2022, but with downside risks increasing, following the escalation of uncertainty related to geopolitical and energy developments.

- **Profitability**

Profits after tax for the period ending 31.12.2021 amounted to €52m, both for the Group and the Parent confirming the Group's positive performance

- **Capital adequacy**

The Solvency Capital Requirement ratio, even without the use of transitional measures, for the period ending on 31.12.2021 was 184% compared with the respective ratio of 132% on 31.12.2020, being much higher than the 100% threshold.

- **Going concern assessment**

Based on the above factors and taking into consideration:

(a) the robust profitability both of the group and the parent company,

(b) the Group's strong capital position, and

(c) the effective response to the challenges posed by the Covid-19 pandemic as a result of (i) the extensive and continuous fiscal and monetary support of the European and Greek authorities and (ii) the measures taken by the Group as regards the protection of its workforce and continuity of its business having redesigned its internal processes and applied a secure remote working environment, the Board has a reasonable expectation that the Group will be able to continue in operation for the next 12 months, and it therefore continues to adopt the going concern basis in preparing the financial statements.

2.3 Adoption of International Financial Reporting Standards (IFRS)

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

2.3.1.1. Amendments and interpretations that are effective on or after 1 January 2021 as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU)

- **IFRS 16 (Amendment): COVID-19-Related Rent Concessions** (effective for annual periods beginning on or after 1 June 2020 and effective for the separate and consolidated Financial Statements from 1 January 2021). The amendment provides lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for rent concessions in the same way as they would for changes which are not considered lease modifications. The amendment is mandatory for annual reporting periods beginning on or after 1 June 2020 and thus for the consolidated and separate interim and annual financial statements from 1 January 2021. The adoption of this amendment did not have a material impact on the consolidated and separate Financial Statements.

- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Amendment): Interest Rate Benchmark Reform — Phase 2 (effective for annual periods beginning on 1 January 2021). The amendments introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the InterBank Offered Rate ("IBOR") reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendment to IFRS 4). The amendment introduces two approaches. The amended standard will: a) give all companies that issue insurance contracts the option to recognise in the Statement of Other Comprehensive Income, rather than in the Income Statement, the volatility that could arise when IFRS 9 is applied before the new insurance contracts standard is issued (i.e. the difference between the amounts that would be recognized in profit or loss in accordance with IFRS 9 and the amounts recognized in profit or loss in accordance with IAS 39) – "overlay approach" and b) give companies whose activities are predominantly connected with insurance an optional temporary exemption from applying IFRS 9 until 2021 – "deferral approach". The entities that defer the application of IFRS 9 will continue to apply IAS 39.

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

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

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

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

2.3.1.2. Issuance of International Financial Reporting Interpretations Committee's (IFRIC) agenda decision

- IAS 19 "Attributing Benefits to Periods of Service" - In May 2021, the IFRS Interpretation Committee (the Committee) published its final agenda decision regarding the periods of service to which an entity attributes benefit to a particular defined benefit plan. The decision requires an entity to attribute benefit only to periods in which the obligation to provide post-employment benefits arises. For the defined benefit plan illustrated, the Committee concluded that the entity attributes retirement benefits to each year in which the employee renders service from the age of 46 to the age of 62, thus only recognizing an expense in the employee's final 16 years of service. Likewise, the corresponding provision is built up over the 16 - year period commencing from the year in which the obligation arises and not over the full years of service till retirement.

The Group, as a result of the above-mentioned agenda decision and in accordance with the due process requirements (para 8.3 and 8.6 in the Due Process Handbook), has voluntarily changed its accounting policy in order to reflect this new information in its financial statements.

The change in accounting policy has been accounted for retrospectively as required under IAS 8 and the comparative period has been restated to reflect this change. The effect of this change is disclosed in the notes 41 and 46.

2.3.2. New standards, interpretations and amendments which will become effective after 2021

2.3.2.1. New standards effective after 2021 as issued by the IASB and adopted by the EU

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

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

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

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

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

2.3.2.2 Amendments and interpretations that are effective on or after 1 January 2021

- IFRS 16 “Leases” (Amendment) “COVID-19-Related Rent Concessions” (effective for annual periods beginning on or after 1 April 2021 and effective for the consolidated and separate financial statements from 1 January 2022). The amendment extends the application period of the practical expedient in relation to rent concessions by one year to cover rental concessions that reduce leases due only on or before 30 June 2022.

- IFRS 3 (Amendments): Reference to the Conceptual Framework (effective for annual periods beginning on or after 1 January 2022). The amendments update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

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

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

- IAS 1 and IFRS Practice Statement 2 (Amendments) - “Disclosure of Accounting Policies” (effective for annual periods beginning on or after 1 January 2023). The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the ‘Four-Step Materiality Process’.

- IAS 8 (Amendment) “Definition of accounting estimates” (effective for annual periods beginning on or after 1 January 2023).The amendment replaces the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

- IAS 12 (Amendments) "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (effective for annual periods beginning on or after 1 January 2023). The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. This will typically apply to transactions such as leases for the lessee and decommissioning obligations.

2.3.2.3 **Annual Improvements to IFRS Standards 2018–2020 Cycle** (effective for annual periods beginning on or after 1 January 2022, as issued by the IASB)

The amendments applicable to the Group are the following:

- IFRS 9 Financial Instruments: "Fees in the '10 per cent' test for derecognition of financial liabilities". The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognize a financial liability. Only fees paid or received between the entity (the borrower) and the lender are included, including fees paid or received by either the entity or the lender on the other's behalf.

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

The amendments to existing standards effective after 2021 have been endorsed by the EU, except for the amendments to IAS 1 Presentation of Financial Statements; IAS 1 and IFRS Practice Statement 2; IAS 8 Accounting policies, Changes in Accounting Estimates and Errors; IAS 12 Income Taxes.

2.4 Consolidated Financial Statements

2.4.1 Basis of consolidation

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

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

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

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

2.4.2 Non-controlling interests

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

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

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

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

2.4.4 Loss of control

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

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

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

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

2.4.6 Associates

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

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

2.4.7 Joint arrangements

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

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

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

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

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

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

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

In case of a joint operator the Parent Company recognizes:

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

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

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

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

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

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

2.5 Business combinations

2.5.1 Acquisition method

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

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

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

2.5.2 Goodwill

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

2.5.3 Contingent consideration

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

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

2.5.4 Business combination achieved in stages

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

2.5.5 Provisional Accounting

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

2.6 Foreign currency translations

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

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

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

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

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

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

This category has the following two sub-categories:

- Trading and

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

2.7.1 Trading portfolio

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

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

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

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

a. Doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mismatch") that would otherwise arise if the related derivatives were treated as held for trading and the underlying financial instruments were carried at amortised cost such as loans and advances to policyholders and debt securities in issue;
b. A group of financial assets, financial liabilities or both is managed and its performance is measured on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group of financial assets is provided internally on that basis to the Group's key management , for example the Board of Directors and Chief Executive Officer;
c. The financial instruments contain one or more embedded derivatives that significantly modify the cash flows resulting from those financial instruments and would have to be separated if not in this category.

The fair value designation, once made, is irrevocable.

2.7.3 Measurement

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

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

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

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

2.8 Investment securities

2.8.1 Initial recognition

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

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

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

2.8.2 Subsequent recognition

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

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

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

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

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

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

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

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

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

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

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

2.9 Reclassification of financial instruments

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

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

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

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

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

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

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

2.10 Fair value of financial instruments

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

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

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

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

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

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

2.11 Insurance operations

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

2.11.1 Contract classification

2.11.1.1 Insurance contracts

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

2.11.1.1.1 Life insurance contracts

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

Existing contracts do not contain embedded derivatives.

2.11.1.1.1.1 Traditional insurance contracts

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

Life Insurance Contracts with profit participation features:

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

Life Insurance Contracts without profit participation features:

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

2.11.1.1.1.2 Unit-Linked Life insurance

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

2.11.1.1.2 Non-life insurance contracts

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

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

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

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

2.11.1.2 Investment contracts

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

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

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

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

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

2.11.1.3 Unbundling of deposit component

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

2.11.2 Deferred acquisition costs (DAC)

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

Life insurance:

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

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

Non-life insurance:

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

2.11.3 Insurance reserves

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

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

The main categories of insurance reserves are set out below:

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

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

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

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

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

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

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

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

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

2.11.4 Reinsurance Treaties

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

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

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

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

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

2.12 Insurance receivables

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

2.12.1 Provision for impairment of insurance receivables

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

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

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

2.13 Sale and repurchase agreements

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

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

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

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

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

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

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

2.15 Investment property

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

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

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

2.16 Goodwill, software, and other intangible assets

2.16.1 Goodwill

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

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

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

2.16.2 Software

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

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

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

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

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

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

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

2.16.3 Impairment

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

2.17 Leases

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

2.17.1 A Group company is the lessee

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

At the commencement date of the lease the Group:

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

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

3. Recognises depreciation on the RoU asset.

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

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

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

2.17.2 RoU assets

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

RoU assets are presented in "Property & Equipment".

2.17.3 Lease liabilities

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

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

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

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

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

2.17.5 A Group company is the lessor

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

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

2.18 Cash and cash equivalents

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

2.19 Provisions

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

2.20 Financial guarantee contracts

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

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

2.21 Employee benefits

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

2.21.1 Defined benefit plans

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

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

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

2.21.2 Defined contribution plans

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

2.21.3 Termination benefits

Termination benefits are employment benefits provided in exchange for the termination of an employee's employment as a result of either (a) an entity's decision to terminate an employee's employment before the normal retirement date or (b) an employee's decision to accept an offer of benefits in exchange for the termination of employment (including the voluntary exit schemes offered by the Group to its personnel).

As far as the recognition of the termination benefits is concerned, the Group recognises a liability and an expense at the earlier of the following dates:

(a) when it can no longer withdraw the offer of those benefits; and

(b) when it recognises costs for a restructuring that involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Termination benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.22 Income taxes

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

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

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

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

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

Recognition of deferred tax assets is based on management’s belief that it is probable that the tax benefits associated with certain temporary differences, such as tax losses carried forward and tax credits, will be realized, based on all available evidence. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. In making such determination, the Group and the Parent Company consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income and recent financial results. In the event the Group and the Parent Company were to determine that it would be able to realize their deferred income tax assets in the future in excess of their recorded amount, it would make an adjustment to increase the carrying amount of deferred tax assets.

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

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

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

2.23 Debt securities in issue and other borrowed funds

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

2.24 Share capital

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

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

2.25 Business segments

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

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

2.26 Assets and liabilities held for sale

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

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

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

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

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

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

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

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

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

2.27 Related party transactions

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

2.28 Revenue recognition

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

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

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

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

2.29 Off - setting

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

2.30 Derecognition

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

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

NOTE 3: MANAGEMENT CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

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

The use of available information and the application of judgement are inherent in the formation of estimates in the following areas: valuation of securities not traded in regulated markets, post-retirement benefits, insurance reserves, impairment of receivables, unaudited tax years and pending litigation. The results of the actual future events may differ materially from the above estimates. The management of the Group is certain that the estimates and the assumptions that have been carried out for the preparation of the Consolidated and Parent company Financial Statements reflect fully the events and the conditions as of 31 December 2021.

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

3.1 Valuation of insurance provisions

Life insurance

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

Non-Life Insurance

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

3.2 Provision for income tax

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

3.3 Deferred tax

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

The management of the Parent Company considers that the recovery of the recognized deferred tax assets on December 31, 2021 is highly probable. The aforementioned estimation that future taxable profits will offset any increase of the deferred tax asset is based on the approved by the Board of Directors business plan.

3.4 Impairment of investment securities

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

3.5 Impairment of premium receivables

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

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

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

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

3.6 Impairment of property, plant and equipment and investment property

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

3.7 Fair value of financial instruments

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

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

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

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

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

3.8 Cost of defined benefit plans

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

NOTE 4: INSURANCE AND FINANCIAL RISK MANAGEMENT

4.1 Risk management framework

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

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

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

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

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

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

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

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

4.1.1 Risk Management Committee

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

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

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

4.1.2 Risk Management Division

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

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

4.1.3 Asset – Liability Management

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

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

4.2 Insurance risk

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

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

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

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

4.2.1 Life insurance contracts

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

4.2.1.1 Traditional Life insurance contacts

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

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

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

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

Group has also significant exposure to contracts with guaranteed return.

Key assumptions

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

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

- *Mortality*: Assumptions are based on appropriate standard industry and national tables, according to the type of contract written, reflecting the recent historical experience of the Group and thus reflecting the best estimate for that year. Assumptions are differentiated by sex and type of insurance plan.

- *Expenses*: Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force contracts. The current level of expenses, as at 31 December 2021, is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.
- *Lapse and surrender rates*: Lapses relate to the termination of contracts due to non-payment of premiums. Surrenders relate to the voluntary termination of contracts by policyholders. Policy termination assumptions are determined using historical statistical measures based on the Group's experience and vary by product type.
- *Discount rate:* The liability adequacy test is based on the estimate of future cash flows. Future cash flows are discounted using the risk free curve, published by EIOPA, plus a spread known as illiquidity premium. The illiquidity premium is defined as the parallel shift of the risk-free curve that achieves the matching of liabilities and assets, less by the fundamental spread published by EIOPA.
- *Rate that option to surrender is exercised at the beginning of retirement*: The percentage of policyholders in individual insurance programs which elect for a lump-sum benefit (surrender value) instead of a monthly pension benefit, which is estimated based on Company's past experience.

Liability adequacy test

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

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

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

ii. *Unit-Linked contracts with guaranteed return at maturity :*

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

iii. *Unit-Linked contracts with guaranteed death penalty :*

Following the termination of sales of contracts with a guaranteed benefit, the company has issued new investment contracts without guaranteed return. For such contracts, apart from the unit-fund reserve, no additional reserve has resulted upon assessment of the underlying risks (mortality risk and level of expenses).

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

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

Sensitivity Analysis

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

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

2021	Change in assumptions	Increase/(Decrease) on Insurance Liabilities *(€ thousands)*
Discount Rate	+0.50%	(10,538)
	-0.50%	45,964
Lapse / Surrender Rates	increase by +10%	(888)
	decrease by -10%	1,676
Mortality Rates	increase by +10%	(1,456)
	decrease by -10%	1,585
Operating Expenses	increase by +10%	281

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

4.2.1.2 Riders on Life insurance products

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

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

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

Key assumptions

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

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

Liability adequacy test

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

i. Hospitalisation riders:

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

ii. Other riders:

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

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

Sensitivity analysis

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

2021	Change in assumptions	Increase/(Decrease) on insurance Liabilities *(€ thousands)*
Disability Rates	increase by +10%	2,245
	decrease by -10%	(2,252)
Morbidity Rates	increase by +5%	42,373
	decrease by -5%	-

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

4.2.2 Non-life Insurance

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

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

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

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

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

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

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

Liability adequacy test

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

Claims development tables

The tables below present the development of the incurred claims cost for each accident year from 2015 to 2021. In addition, the corresponding amounts of the cumulative actual claims payments are included, in order for there to be a distinction between actual payments and reserves. Outstanding claims estimates for years prior to 2015 are presented for reconciliation reasons. Note that for Motor TPL, where additional reserves, resulted from the LAT performed (for both IBNR claims and adverse future deviation of the case estimates for reported claims) are included in the estimates presented.

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

The Motor and Fire lines of business account for over 80% of the outstanding claim reserves balances.

Motor TPL claims development				*(€ thousands)*					
Accident year	**Reserves prior to 2015**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**Total**
Accident year	-	49,720	47,832	40,213	45,080	43,006	34,886	39,351	
One year later	-	51,943	45,799	50,398	52,258	46,747	37,951		
Two years later	-	51,094	47,687	50,701	53,165	49,598			
Three years later	-	51,049	48,298	50,860	52,336				
Four years later	-	50,736	47,011	50,888					
Five years later	-	50,079	46,119						
Six years later	-	35,470							
Current estimate of cumulative claims		**35,470**	**46,119**	**50,888**	**52,336**	**49,598**	**37,951**	**39,351**	**-**
Accident year	-	(11,494)	(10,832)	(10,198)	(9,994)	(9,353)	(8,318)	(8,482)	
One year later	-	(18,386)	(19,605)	(17,048)	(17,093)	(14,975)	(12,954)		
Two years later	-	(21,134)	(21,950)	(19,772)	(19,795)	(16,500)			
Three years later	-	(22,719)	(23,585)	(20,944)	(22,354)				
Four years later	-	(25,259)	(25,550)	(23,586)					
Five years later	-	(26,465)	(26,838)						
Six years later	-	(27,947)							
Cumulative payments		**(27,947)**	**(26,838)**	**(23,586)**	**(22,354)**	**(16,500)**	**(12,954)**	**(8,482)**	
Total outstanding claims reserve	**49,511**	**7,523**	**19,281**	**27,302**	**29,982**	**33,098**	**24,997**	**30,869**	**222,563**

Fire claims development				(€ thousands)					
Accident year	Reserves prior to 2015	2015	2016	2017	2018	2019	2020	2021	Total
Accident year	-	36,378	17,467	14,246	14,086	9,852	7,669	11,783	
One year later	-	34,477	21,241	22,263	18,618	8,786	7,992		
Two years later	-	13,540	21,629	22,112	18,511	8,441			
Three years later	-	13,890	22,230	20,821	18,379				
Four years later	-	12,458	21,098	19,718					
Five years later	-	12,413	21,026						
Six years later	-	12,389							
Current estimate of cumulative claims		**12,389**	**21,026**	**19,718**	**18,379**	**8,441**	**7,992**	**11,783**	**-**
Accident year	-	(4,679)	(12,306)	(2,759)	(8,651)	(3,259)	(1,805)	(2,921)	
One year later	-	(10,957)	(15,386)	(7,231)	(11,773)	(5,949)	(5,856)		
Two years later	-	(11,391)	(17,786)	(8,152)	(12,049)	(6,385)	-		
Three years later	-	(11,478)	(19,308)	(10,429)	(12,229)				
Four years later	-	(11,587)	(20,784)	(10,557)					
Five years later	-	(11,589)	(20,796)						
Six years later	-	(11,599)							
Cumulative payments		**(11,599)**	**(20,796)**	**(10,557)**	**(12,229)**	**(6,385)**	**(5,856)**	**(2,921)**	
Total outstanding claims reserve	**4,166**	**790**	**230**	**9,161**	**6,150**	**2,056**	**2,136**	**8,862**	**33,551**

4.3 Credit Risk

Credit Risk Concentration

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

The solvency capital requirements for the counterparty default risk as at 31.12.2021 amounted to a lower amount by 3.6% of the total Solvency capital requirement after the sharing of the benefit of risk differentiation (2020: 3.1%).

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

Exposure to credit risk

The following table sets out the maximum exposure of the Group and the Parent Company to credit risk by asset, as recognized in the statement of financial position (without taking into account any guarantees or/and collaterals as they are reported on the statement of financial position). Among domestic government bonds, the parent company possesses Greek Government Bonds (GGBs) amounting to €604,119 thousands and €649,059 thousands for 2021 and 2020 respectively and has short term placements in Greek Treasury Bills (T-bills) amounting to €433,263 thousands and €467,701 thousands for 2021 and 2020 respectively.

	Note	GROUP 31/12/2021	GROUP 31/12/2020	PARENT COMPANY 31/12/2021	PARENT COMPANY 31/12/2020
		(€ thousands)		(€ thousands)	
Available-for-sale securities					
- Debt securities (Bonds)					
- Greek Government	26	1,037,382	1,116,760	1,037,382	1,116,760
- Foreign Government	26	1,201,663	1,106,794	1,191,839	1,096,072
- Greek Corporate-listed	26	214,531	119,571	214,531	119,571
- Foreign Corporate-listed	26	287,535	303,891	287,535	303,891
- Mutual funds					
- Greek	26	219,131	200,330	219,131	200,330
- EU	26	203,048	185,589	203,048	185,589
FVTPL securities					
- Trading Securities					
Debt securities (Bonds)					
-Foreign Government	27	19,111	19,616	-	-
- Greek Corporate-listed	27	637	-	-	-
- Total FVTPL securities excl. Trading securities and Unit - Linked					
Mutual funds					
- Foreign	27	7,367	6,274	-	-
- Derivative financial instruments	27	119	907	119	907
Securities classified as loans and receivables					
- Greek Corporate – Listed	28	-	-	-	-
- Foreign Government	28	41,018	41,153	41,018	41,153
Insurance premium receivables and other receivables	30	111,079	117,890	99,848	107,266
Reinsurance receivables	31	91,978	81,321	73,839	64,351
Cash and cash equivalents					
-Greek banks	32	79,723	56,888	75,390	51,670
- Non Greek banks	32	8,793	9,540	-	-
Total credit risk		**3,523,115**	**3,366,524**	**3,443,680**	**3,287,560**

The table below presents an analysis of debt securities as at 31 December 2021 and 31 December 2020 by credit rating and investment category, based on Standard and Poor's (S&P) or an equivalent rating agency in case there is no available rating by the (S & P). Category AAA is the highest rating. The “Not Rated” category includes mainly Greek Treasury Bills and the mutual funds.

31 December 2021	AAA	AA	A	BBB	BB	B	CCC	CC	C	Not Rated	Total
Credit rating						GROUP (*€ thousands*)					
Available-for-sale securities											
- Debt securities (Bonds)	74,783	312,581	150,469	701,810	659,450	42,541	21,779	-	-	777,698	**2,741,111**
- Equities	-	-	-	-	-	-	-	-	-	41,177	**41,177**
- Mutual funds	-	-	-	-	-	-	-	-	-	422,179	**422,179**
Securities at fair value through profit or loss											
Trading securities											
- Debt securities (Bonds)	-	-	-	18,899	-	849	-	-	-	-	**19,748**
- Equities	-	-	-	-	-	4	-	-	-	6	**10**
Mutual funds	-	5,162	-	1,579	-	626	-	-	-	-	**7,367**
- Unit Linked (Contracts that the policyholder bears the risk)	-	-	3,124	24,492	80,252	337,970	-	-	-	166,961	**612,799**
- Derivative financial instruments	-	-	-	-	119	-	-	-	-	-	**119**
Securities classified as loans and receivables	-	-	-	-	41,018	-	-	-	-	-	**41,018**
Insurance premium and other receivables	-	-	-	-	-	-	-	-	-	45,576	**45,576**
Loans receivables	-	-	-	-	-	-	-	-	-	14,854	**14,854**
Reinsurance receivables	-	43,605	36,363	7,964	-	-	614	-	-	3,432	**91,978**
Cash and Cash Equivalent	-	-	2,759	50	-	50,508	31,052	-	-	4,147	**88,516**
Total credit risk	**74,783**	**361,348**	**192,715**	**754,794**	**780,839**	**432,497**	**53,445**	**-**	**-**	**1,476,030**	**4,126,451**

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

31 December 2021	PARENT COMPANY										
Credit rating	AAA	AA	A	BBB	BB	B	CCC	CC	C	Not Rated	Total
	(€ thousands)										
Available-for-sale securities											
- Debt securities (Bonds)	74,783	312,581	150,469	691,986	659,450	42,541	21,779	-	-	777,698	**2,731,287**
- Equities	-	-	-	-	-	-	-	-	-	41,177	**41,177**
- Mutual funds	-	-	-	-	-	-	-	-	-	422,179	**422,179**
Securities at fair value through profit or loss											
Trading securities											
- Debt securities (Bonds)	-	-	-	-	-	-	-	-	-	-	**-**
- Equities	-	-	-	-	-	-	-	-	-	-	**-**
Mutual funds	-	-	-	-	-	-	-	-	-	-	**-**
- Unit Linked (Contracts that the policyholder bears the risk)	-	-	-	5,458	79,702	333,478	-	-	-	158,400	**577,038**
- Derivative financial instruments	-	-	-	-	119	-	-	-	-	-	**119**
Securities classified as loans and receivables	-	-	-	-	41,018	-	-	-	-	-	**41,018**
Insurance premium and other receivables	-	-	-	-	-	-	-	-	-	35,581	**35,581**
Loans receivables	-	-	-	-	-	-	-	-	-	14,854	**14,854**
Reinsurance receivables	-	33,636	28,763	7,964	-	-	614	-	-	2,862	**73,839**
Cash and Cash Equivalent	-	-	737	-	-	42,557	31,052	-	-	1,044	**75,390**
Total credit risk	**74,783**	**346,217**	**179,969**	**705,408**	**780,289**	**418,576**	**53,445**	**-**	**-**	**1,453,795**	**4,012,482**

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

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

GROUP	31/12/2021				31/12/2020			
	<180 days	181 - 360 days	>360 days	Total past due, non impaired receivables	<180 days	181 - 360 days	>360 days	Total past due, non impaired receivables
	(€ thousands)				*(€ thousands)*			
Insurance premium and other receivables	43,512	737	1,327	**45,576**	43,949	2,815	2,245	**49,009**
Loans receivables	508	117	14,229	**14,854**	433	163	15,399	**15,995**
Reinsurance receivables	20,103	1,208	70,667	**91,978**	18,854	(386)	62,853	**81,321**
Total	**64,123**	**2,062**	**86,223**	**152,408**	**63,236**	**2,592**	**80,497**	**146,325**

PARENT COMPANY	31/12/2021				31/12/2020			
	<180 days	181 - 360 days	>360 days	Total past due, non impaired receivables	<180 days	181 - 360 days	>360 days	Total past due, non impaired receivables
	(€ thousands)				(€ thousands)			
Insurance premium and other receivables	34,992	(297)	886	**35,581**	37,168	958	1,383	**39,509**
Loans receivables	508	117	14,229	**14,854**	433	163	15,399	**15,995**
Reinsurance receivables	9,923	(1,623)	65,539	**73,839**	9,220	(2,659)	57,790	**64,351**
Total	**45,423**	**(1,803)**	**80,654**	**124,274**	**46,821**	**(1,538)**	**74,572**	**119,855**

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

4.4 Liquidity risk

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

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

GROUP 31 December 2021	Up to 1 year	1 to 3 yrs	4 to 8 yrs (€ thousands)	Over 8 yrs	Total
Mathematical reserves, technical insurance provisions and investment contracts	443,111	443,987	783,508	1,187,324	**2,857,930**
Financial and other liabilities	83,064	(371)	170,699	-	**253,392**
Reinsurance liabilities	24,813	9	38	-	**24,860**
Total	**550,988**	**443,625**	**954,245**	**1,187,324**	**3,136,182**

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

PARENT COMPANY 31 December 2021	Up to 1 year	1 to 3 yrs	4 to 8 yrs	Over 8 yrs	Total
			(€ thousands)		
Mathematical reserves, technical insurance provisions and investment contracts	420,071	438,077	771,984	1,142,472	**2,772,604**
Financial and other liabilities	71,676	(389)	174,863	-	**246,150**
Reinsurance liabilities	24,397	6	38	-	**24,441**
Total	**516,144**	**437,694**	**946,885**	**1,142,472**	**3,043,195**

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

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

GROUP 31 December 2021	*Current assets**	*Non-current assets*	*Unit-Linked*	*Total assets*
		(€ thousands)		
Deferred acquisition costs (DAC)	15,011	29,964	-	**44,975**
Available-for-sale securities	446,386	2,758,081	-	**3,204,467**
Securities at fair value through profit or loss	5,543	21,701	612,799	**640,043**
Securities classified as loans and receivables	-	41,018	-	**41,018**
Insurance premium and other receivables	86,538	24,541	-	**111,079**
Reinsurance receivables	21,312	70,666	-	**91,978**
Cash and cash equivalents	88,717	-	-	**88,717**
Total	**663,507**	**2,945,971**	**612,799**	**4,222,277**

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

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

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

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

PARENT COMPANY **31 December 2021**	*Current assets**	*Non-current assets*	*Unit-Linked*	*Total assets*
		(€ thousands)		
Deferred acquisition costs (DAC)	11,826	29,964	-	**41,790**
Available-for-sale securities	446,386	2,748,257	-	**3,194,643**
Securities at fair value through profit or loss	-	119	577,038	**577,157**
Securities classified as loans and receivables	-	41,018	-	**41,018**
Insurance premium and other receivables	76,299	23,549	-	**99,848**
Reinsurance receivables	8,300	65,539	-	**73,839**
Cash and cash equivalents	75,394	-	-	**75,394**
Total	**618,205**	**2,908,446**	**577,038**	**4,103,689**

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

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

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

4.5 Market Risk

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

4.5.1 Foreign exchange risk

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

The Group's exposure to foreign exchange risk is limited since its commercial transactions in other currencies are not extensive. However, it is exposed to foreign exchange risk due to reinsurance contracts including a foreign currency clause, sight deposits and the operating activities of subsidiaries but such exposure is not considered significant at Group level, due to the minor effect of the foreign currency risk in the total assets and liabilities respectively. The receivables of the Parent Company on foreign currency consist of the 0.3% of the total assets (2020:0.2%). The respective percentage for the Group amounts to 0.7% (2020: 0.7%).

In order to mitigate foreign exchange risk on liabilities, the Group matches assets and liabilities from insurance and investment contracts by currency.
In accordance with Group, the Group's exposure to foreign exchange risks regularly monitored by Management.

4.5.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

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

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

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

Parent Company **31 December 2021**	**Up to 1 year**	**1 to 2 yrs**	**2 to 5 yrs**	**Over 5 yrs**
		(€ thousands)		
	+ 25 bps. - Impact on valuation: increase / (decrease)			
Bonds - Impact on Equity	(530)	(331)	(3,031)	(52,150)
	- 25 bps. - Impact on valuation: increase / (decrease)			
Bonds - Impact on Equity	596	346	3,108	55,239

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

The increased impact of changes in interest rates on bonds is mainly due to the increase in the company's bond portfolio through new purchases during the year. It mainly concerns bonds maturing over 5 years, as most of the new investments were directed there. The increase of the bond portfolio and its composition was decided by ALCO in in order to match maturity of investments to that of insurance reserves.

The above sensitivity analysis refers to bonds and debt securities of the Available-for-Sale portfolio as at 31 December 2021, a change in the value of which would affect shareholders' Equity.

4.5.3 Equity risk

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

Sensitivity analysis of holdings of shares in fluctuations of prices:

Index 31.12.2021	**Change of variables**	**Impact on Equity**	**Index 31.12.2020**	**Change of variables**	**Impact on Equity**
GI ASE	+5%	1,058	GI ASE	+5%	1,417
GI ASE	-5%	(1,058)	GI ASE	-5%	(1,417)

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

4.5.4 Risk of guarantees

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

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

4.6 Concentration risk

Concentration risk for the Group relates mainly to financial assets (market risk concentration) as well as to insurance premium receivables, reinsurance receivables, loans and other receivables (default risk concentration). The Group manages concentration risk by setting limits and guidelines in its Investment policy, by diversification of its insurance contract portfolio and by entering into treaties only with highly rated reinsurers. Since the transition to the new Solvency II supervisory framework and onwards, the Group has been measuring concentration risk according to the provisions of that framework. There are no solvency capital requirements for the concentration risk at 31.12.2021 in relation to the total capital requirement (2020: 0.0%).

4.7 Operational risk

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

4.8 Capital management

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

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

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

4. 9 Climate change

Climate change refers to long-term changes in temperature and weather patterns. These changes are mainly the result of human activities due to the burning of fossil fuels such as coal, oil and gas. The consequences of climate change include severe droughts, water scarcity, severe fires, rising sea levels, floods, melting polar ice caps, catastrophic storms and biodiversity loss. The risks associated with climate change are:

• Natural hazards: The hazards arising from the effects of natural phenomena and include:

- Severe natural hazards: hazards arising from specific phenomena, and in particular weather phenomena, such as storms, floods, fires or heat waves.

- Chronic natural hazards: the risks arising from long-term climate change, such as changes in temperature, rising sea levels, shortages of drinking water, losses in biodiversity, changes in land productivity.

• Transition risks: The risks arising from the transition to low carbon economies and climate stabilization.

The Company monitors and evaluates the above risks in the context of the Own Risk and Solvency Assessment (“ORSA”).

NOTE 5: BUSINESS SEGMENTS

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

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

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

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

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

The Group operates in Greece, Romania and Cyprus.

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

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

GROUP		31/12/2021				
	Note	**LIFE**	**MOTOR**	**FIRE**	**OTHER**	**TOTAL**
				(€ thousands)		
Gross earned premiums and related income	6	390,628	82,405	72,310	41,684	587,027
Less: Ceded premiums to reinsurers	7	(8,000)	(7,489)	(39,572)	(16,304)	(71,365)
Net earned premiums and related income		**382,628**	**74,916**	**32,738**	**25,380**	**515,662**
Investment income	8,9,10	66,355	9,087	2,907	1,526	79,875
Impairment of financial assets	11	(1,283)	(87)	(45)	(22)	(1,437)
Total investment income		**65,072**	**9,000**	**2,862**	**1,504**	**78,438**
Other income	12	3,956	747	298	184	5,185
		451,656	**84,663**	**35,898**	**27,068**	**599,285**
Policyholder benefits and claims incurred	13	(269,627)	(33,445)	(6,429)	(7,562)	(317,063)
Commission expenses	14	(58,972)	(12,365)	(3,004)	(5,347)	(79,688)
Movement in mathematical insurance reserves	15	(11,588)	-	-	-	(11,588)
General and administrative expenses		(54,159)	(26,199)	(10,163)	(10,072)	(100,593)
Profit before tax and voluntary exit scheme		**57,310**	**12,654**	**16,302**	**4,087**	**90,353**
Voluntary exit scheme						(21,236)
Profit before tax						**69,117**
Liabilities from insurance and investment contracts						
Mathematical reserves and technical insurance provisions	36	1,084,350	281,902	58,709	77,307	1,502,268
Investment contracts liabilities	37	1,355,662	-	-	-	1,355,662
Total		**2,440,012**	**281,902**	**58,709**	**77,307**	**2,857,930**

GROUP						
		31/12/2020				
	Note	LIFE	MOTOR	FIRE	OTHER	TOTAL
		(€ thousands)				
Gross earned premiums and related income	6	324,862	84,505	78,433	37,018	524,818
Less: Ceded premiums to reinsurers	7	(5,582)	(7,376)	(40,448)	(16,337)	(69,743)
Net earned premiums and related income		**319,280**	**77,129**	**37,985**	**20,681**	**455,075**
Investment income	8,9,10	86,019	8,351	1,084	1,024	96,478
Impairment of financial assets	11	(9,093)	(740)	(413)	(181)	(10,427)
Total investment income		**76,926**	**7,611**	**671**	**843**	**86,051**
Other income	12	5,685	653	280	313	6,931
		401,891	**85,393**	**38,936**	**21,837**	**548,057**
Policyholder benefits and claims incurred	13	(287,044)	(26,032)	(1,412)	(10,424)	(324,912)
Commission expenses	14	(56,152)	(12,641)	(1,748)	(3,536)	(74,077)
Movement in mathematical insurance reserves	15	41,859	-	-	-	41,859
General and administrative expenses		(54,410)	(24,315)	(14,187)	(10,130)	(103,042)
Profit/ (Loss) before tax		**46,144**	**22,405**	**21,589**	**(2,253)**	**87,885**
Liabilities from insurance and investment contracts						
Mathematical reserves and technical insurance provisions	36	1,074,948	290,389	55,077	68,361	1,488,776
Investment contracts liabilities	37	1,276,667	-	-	-	1,276,667
Total		**2,351,615**	**290,389**	**55,077**	**68,361**	**2,765,443**

PARENT COMPANY						
		31/12/2021				
	Note	LIFE	MOTOR	FIRE	OTHER	TOTAL
		(€ thousands)				
Gross earned premiums and related income	6	374,844	71,338	66,612	30,988	543,782
Less: Ceded premiums to reinsurers	7	(6,108)	(4,808)	(35,938)	(15,351)	(62,205)
Net earned premiums and related income		**368,736**	**66,530**	**30,674**	**15,637**	**481,577**
Investment income	8,9,10	68,941	8,979	2,833	1,541	82,294
Impairment of financial assets	11	(1,283)	(87)	(45)	(22)	(1,437)
Total investment income		**67,658**	**8,892**	**2,788**	**1,519**	**80,857**
Other income	12	3,901	391	69	90	4,451
		440,295	**75,813**	**33,531**	**17,246**	**566,885**
Policyholder benefits and claims incurred	13	(264,999)	(26,862)	(5,998)	(4,302)	(302,161)
Commission expenses	14	(57,227)	(10,749)	(3,232)	(3,420)	(74,628)
Movement in mathematical insurance reserves	15	(9,121)	-	-	-	(9,121)
General and administrative expenses		(51,584)	(22,145)	(8,798)	(7,900)	(90,427)
Profit before tax and voluntary exit scheme		**57,364**	**16,057**	**15,503**	**1,624**	**90,548**
Voluntary exit scheme						(21,236)
Profit before tax						**69,312**
Liabilities from insurance and investment contracts						
Mathematical reserves and technical insurance provisions	36	1,026,930	267,118	53,304	69,590	1,416,942
Investment contracts liabilities	37	1,355,662	-	-	-	1,355,662
Total		**2,382,592**	**267,118**	**53,304**	**69,590**	**2,772,604**

PARENT COMPANY						
		31/12/2020				
	Note	LIFE	MOTOR	FIRE	OTHER	TOTAL
		(€ thousands)				
Gross earned premiums and related income	6	310,341	74,366	72,673	26,073	483,453
Less: Ceded premiums to reinsurers	7	(3,876)	(5,133)	(36,759)	(15,640)	(61,408)
Net earned premiums and related income		**306,465**	**69,233**	**35,914**	**10,433**	**422,045**
Investment income	8,9,10	81,933	7,937	787	718	91,375
Impairment of financial assets	11	(9,093)	(740)	(413)	(181)	(10,427)
Total investment income		**72,840**	**7,197**	**374**	**537**	**80,948**
Other income	12	5,646	393	68	116	6,223
		384,951	**76,823**	**36,356**	**11,086**	**509,216**
Policyholder benefits and claims incurred	13	(282,068)	(21,482)	(1,142)	(5,866)	(310,558)
Commission expenses	14	(54,526)	(11,181)	(2,010)	(1,432)	(69,149)
Movement in mathematical insurance reserves	15	48,949	-	-	-	48,949
General and administrative expenses		(51,663)	(21,085)	(12,098)	(7,885)	(92,731)
Profit/ (Loss) before tax		**45,643**	**23,075**	**21,106**	**(4,097)**	**85,727**
Liabilities from insurance and investment contracts						
Mathematical reserves and technical insurance provisions	36	1,020,001	276,355	49,451	60,634	1,406,442
Investment contracts liabilities	37	1,276,667	-	-	-	1,276,667
Total		**2,296,668**	**276,355**	**49,451**	**60,634**	**2,683,109**

NOTE 6: EARNED (GROSS) PREMIUMS & RELATED INCOME

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Written premiums and related income	392,740	325,558	376,982	311,067
Movement in unearned premium reserve	(2,112)	(696)	(2,138)	(726)
Earned life insurance premiums	**390,628**	**324,862**	**374,844**	**310,341**
Written premiums and related income	81,724	84,519	70,283	74,058
Movement in unearned premium reserve	681	(14)	1,055	308
Earned motor insurance premiums	**82,405**	**84,505**	**71,338**	**74,366**
Written premiums and related income	72,373	79,012	66,581	73,228
Movement in unearned premium reserve	(63)	(579)	31	(555)
Earned fire insurance premiums	**72,310**	**78,433**	**66,612**	**72,673**
Written premiums and related income	45,098	38,899	34,149	27,925
Movement in unearned premium reserve	(3,414)	(1,881)	(3,161)	(1,852)
Earned premiums from other lines of business	**41,684**	**37,018**	**30,988**	**26,073**
Total gross earned premiums and related income	**587,027**	**524,818**	**543,782**	**483,453**

Written premiums for year 2021, of the Group and the Parent Company, include premiums from assumed reinsurance of €91 thousands and €125 thousands respectively. The respective amounts for year 2020, were €51 thousands and €140 thousands, respectively.
Earned life insurance premiums do not include premiums from investment contracts amounting to €128,504 thousands for 2021 and €160,759 thousands for 2020 respectively, which are included in "Interest, dividends and other investment income" (see Note 8).

NOTE 7: CEDED PREMIUMS TO REINSURERS

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
		(€ thousands)		
Ceded premiums to reinsurers	(8,313)	(6,330)	(6,443)	(4,646)
Movement in unearned premium reserve	313	748	335	770
Ceded life insurance premiums	**(8,000)**	**(5,582)**	**(6,108)**	**(3,876)**
Ceded premiums to reinsurers	(7,558)	(7,503)	(4,800)	(5,184)
Movement in unearned premium reserve	69	127	(8)	51
Ceded motor insurance premiums	**(7,489)**	**(7,376)**	**(4,808)**	**(5,133)**
Ceded premiums to reinsurers	(39,826)	(41,487)	(36,176)	(37,765)
Movement in unearned premium reserve	254	1,039	238	1,006
Ceded fire insurance premiums	**(39,572)**	**(40,448)**	**(35,938)**	**(36,759)**
Ceded premiums to reinsurers	(21,242)	(15,523)	(20,142)	(14,809)
Movement in unearned premium reserve	4,938	(814)	4,791	(831)
Ceded premiums – Other lines of business	**(16,304)**	**(16,337)**	**(15,351)**	**(15,640)**
Total ceded premiums to reinsurers	**(71,365)**	**(69,743)**	**(62,205)**	**(61,408)**

NOTE 8: INTEREST, DIVIDENDS AND OTHER INVESTMENT INCOME

	GROUP		COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Trading securities				
Dividends	82	29	-	-
Interest income	487	420	-	-
	569	**449**	**-**	**-**
Available-for-sale securities				
Dividends	1,491	4,150	1,491	4,150
Interest income	44,690	44,357	44,363	44,018
	46,181	**48,507**	**45,854**	**48,168**
Securities classified as loans and receivables				
Interest income	2,322	2,573	2,322	2,573
	2,322	**2,573**	**2,322**	**2,573**
Other investments				
Rental income	3,830	3,891	3,817	3,877
Interest on deposits and other interest income	1,359	1,114	1,375	1,054
	5,189	**5,005**	**5,192**	**4,931**
Return attributable to investment contract holders	**(15,798)**	**(18,559)**	**(15,798)**	**(18,559)**
Total interest, dividends and other investment income	**38,463**	**37,975**	**37,570**	**37,113**

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

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

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Available-for-sale securities				
Equities	5,730	2,014	5,730	2,014
Debt securities (bonds)	10,016	23,690	10,016	23,690
Mutual funds	12,828	14,260	12,828	14,260
Realized gains on Investments	**28,574**	**39,964**	**28,574**	**39,964**

During 2021, the Parent Company recognised gains of €28,574 thousands, mainly due to the disposal of both mutual funds and Greek Government Bonds and to a lesser extent of equities (see Note 26).

NOTE 10: UNREALISED GAINS/(LOSSES) ON INVESTMENTS

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Trading				
Equities	1	(13)	-	-
Debt securities (bonds)	(2,034)	1,688	-	-
Derivatives	(788)	191	(788)	191
Subtotal	**(2,821)**	**1,866**	**(788)**	**191**
Other investments				
Mutual funds	192	107	-	-
Unit-Linked valuation differences	15,467	16,566	16,938	14,107
Subtotal	**15,659**	**16,673**	**16,938**	**14,107**
Total unrealized gains from investments	**12,838**	**18,539**	**16,150**	**14,298**

Valuation of investments relating to Unit-Linked products of the Parent company, exhibited an increase in 2021 compared to 2020, despite the adverse economic conditions for a second consecutive year as a result of the great uncertainty caused by the Covid-19 pandemic.

NOTE 11: IMPAIRMENT OF FINANCIAL ASSETS

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

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)		(€ thousands)	
Impairment charge for securities				
Debt securities (bonds)	(1,224)	(1,427)	(1,224)	(1,427)
Equity securities	(59)	(6,655)	(59)	(6,655)
Mutual Funds	(154)	(2,345)	(154)	(2,345)
Total impairment loss on financial assets	**(1,437)**	**(10,427)**	**(1,437)**	**(10,427)**

Impairment losses on financial assets are mainly attributed to Greek corporate bonds and amounted to (€1,437) thousands, being significantly reduced as compared to 2020.

NOTE 12: OTHER INCOME

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
		(€ thousands)		
Gains on foreign exchange differences	273	251	156	70
Unit-Linked fees	3,544	3,842	3,544	3,842
Other fees from third parties	23	24	23	24
Gain on disposal of fixed assets	12	1,510	-	1,503
Other fees from third parties	1,333	1,304	728	784
Total other income	**5,185**	**6,931**	**4,451**	**6,223**

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

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

NOTE 13: POLICYHOLDER BENEFITS AND CLAIMS INCURRED

GROUP	TOTAL	REINSURER SHARE	GROUP SHARE	TOTAL	REINSURER SHARE	GROUP SHARE
		31/12/2021			31/12/2020	
		(€ thousands)			(€ thousands)	
Life insurance	(269,131)	360	(268,771)	(292,021)	1,356	(290,665)
Non-life insurance - Motor	(43,342)	2,149	(41,193)	(40,339)	1,275	(39,064)
Non-life insurance - Fire	(10,077)	6,122	(3,955)	(10,841)	7,300	(3,541)
Non-life insurance - Other lines	(8,287)	3,616	(4,671)	(11,460)	3,491	(7,969)
Paid claims	**(330,837)**	**12,247**	**(318,590)**	**(354,661)**	**13,422**	**(341,239)**
Life insurance	(248)	(608)	(856)	5,136	(1,515)	3,621
Non-life insurance - Motor	7,700	48	7,748	13,241	(209)	13,032
Non-life insurance - Fire	(803)	(1,671)	(2,474)	3,707	(1,578)	2,129
Non-life insurance - Other lines	3,601	(6,492)	(2,891)	4,270	(6,725)	(2,455)
Change in outstanding claims	**10,250**	**(8,723)**	**1,527**	**26,354**	**(10,027)**	**16,327**
Total policyholder benefits and claims incurred	**(320,587)**	**3,524**	**(317,063)**	**(328,307)**	**3,395**	**(324,912)**

PARENT COMPANY	TOTAL	REINSURER SHARE	COMPANY SHARE	TOTAL	REINSURER SHARE	COMPANY SHARE
		31/12/2021 (€ thousands)			31/12/2020 (€ thousands)	
Life insurance	(264,601)	195	(264,406)	(285,854)	225	(285,629)
Non-life insurance - Motor	(35,175)	542	(34,633)	(34,411)	(29)	(34,440)
Non-life insurance - Fire	(9,497)	6,060	(3,437)	(10,068)	6,708	(3,360)
Non-life insurance - Other lines	(4,569)	3,571	(998)	(5,622)	3,345	(2,277)
Paid claims	**(313,842)**	**10,368**	**(303,474)**	**(335,955)**	**10,249**	**(325,706)**
Life insurance	(94)	(499)	(593)	4,060	(499)	3,561
Non-life insurance - Motor	8,138	(367)	7,771	13,325	(367)	12,958
Non-life insurance - Fire	(1,021)	(1,540)	(2,561)	3,758	(1,540)	2,218
Non-life insurance - Other lines	3,288	(6,592)	(3,304)	3,003	(6,592)	(3,589)
Change in outstanding claims	**10,311**	**(8,998)**	**1,313**	**24,146**	**(8,998)**	**15,148**
Total policyholder benefits and claims incurred	**(303,531)**	**1,370**	**(302,161)**	**(311,809)**	**1,251**	**(310,558)**

The decrease in paid claims is mainly attributed to Life portfolio as a result of the decrease in expiries and surrenders relating to the Unit-Linked products with guaranteed returns.

The afore-mentioned products are no longer offered by the Company and therefore the decrease in expiries follows the evolution of this legacy Unit-Linked portfolio, while the decrease in surrenders follows the gradual decrease of the management actions' impact.

NOTE 14: COMMISSION EXPENSES

GROUP	COMMISSION EXPENSE	COMMISSION INCOME FROM REINSURERS	TOTAL	COMMISSION EXPENSE	COMMISSION INCOME FROM REINSURERS	TOTAL
		31/12/2021 *(€ thousands)*			31/12/2020 *(€ thousands)*	
Life insurance	(62,230)	3,258	(58,972)	(58,181)	2,029	(56,152)
Non-life insurance - Motor	(12,556)	191	(12,365)	(12,810)	169	(12,641)
Non-life insurance - Fire	(10,787)	7,783	(3,004)	(11,813)	10,065	(1,748)
Non-life insurance - Other lines	(6,548)	1,201	(5,347)	(5,201)	1,665	(3,536)
Total commission expenses	**(92,121)**	**12,433**	**(79,688)**	**(88,005)**	**13,928**	**(74,077)**

PARENT COMPANY	COMMISSION EXPENSE	COMMISSION INCOME FROM REINSURERS	TOTAL	COMMISSION EXPENSE	COMMISSION INCOME FROM REINSURERS	TOTAL
		31/12/2021 *(€ thousands)*			31/12/2020 *(€ thousands)*	
Life insurance	(59,435)	2,208	(57,227)	(55,752)	1,226	(54,526)
Non-life insurance - Motor	(10,749)	-	(10,749)	(11,181)	-	(11,181)
Non-life insurance - Fire	(9,574)	6,342	(3,232)	(10,713)	8,703	(2,010)
Non-life insurance - Other lines	(4,248)	828	(3,420)	(2,850)	1,418	(1,432)
Total commission expenses	**(84,006)**	**9,378**	**(74,628)**	**(80,496)**	**11,347**	**(69,149)**

NOTE 15: MOVEMENT IN MATHEMATICAL INSURANCE RESERVES

GROUP	TOTAL	REINSURERS' SHARE	GROUP SHARE	TOTAL	REINSURERS' SHARE	GROUP SHARE
		31/12/2021 (€ thousands)			31/12/2020 (€ thousands)	
Movement in mathematical insurance reserves	(11,480)	(108)	(11,588)	40,861	998	41,859
Total movement in mathematical insurance reserves	**(11,480)**	**(108)**	**(11,588)**	**40,861**	**998**	**41,859**

PARENT COMPANY	TOTAL	REINSURERS' SHARE	COMPANY SHARE	TOTAL	REINSURERS' SHARE	COMPANY SHARE
		31/12/2021 (€ thousands)			31/12/2020 (€ thousands)	
Movement in mathematical insurance reserves	(9,116)	(5)	(9,121)	48,960	(11)	48,949
Total movement in mathematical insurance reserves	**(9,116)**	**(5)**	**(9,121)**	**48,960**	**(11)**	**48,949**

The decrease in mathematical insurance reserves is mainly attributed to the reduction of the Parent's closed portfolio of the Unit-Linked contracts as a result of expiries and surrenders, as well as the increase in the yield curve that is used to discount insurance reserves.

NOTE 16: GENERAL AND ADMINISTRATIVE EXPENSES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Personnel costs	(70,941)	(50,018)	(64,203)	(43,461)
Third party fees	(13,918)	(13,836)	(13,369)	(13,199)
Advertising and promotion	(3,262)	(2,752)	(3,144)	(2,598)
Taxes / duties	(1,571)	(1,821)	(1,519)	(1,650)
Depreciation & impairment of assets	(10,431)	(9,359)	(9,534)	(8,515)
Telecommunications-Postage	(5,524)	(5,493)	(5,410)	(5,363)
Rentals	(175)	(315)	(150)	(306)
Transport and travel expenses	(971)	(448)	(870)	(353)
Stationery	(551)	(499)	(437)	(380)
Repairs and maintenance	(1,631)	(2,322)	(1,434)	(2,083)
Insurance premiums	(480)	(478)	(429)	(434)
Provision for non-performing receivables	2,375	(689)	2,315	(719)
Provision for ligitation	231	(604)	252	(191)
Value of granted contracts	(2,087)	(3,812)	(2,087)	(3,812)
Other	(5,924)	(5,458)	(4,949)	(4,754)
Total general and administrative expenses	**(114,860)**	**(97,904)**	**(104,968)**	**(87,818)**

Personnel costs are analyzed as follows:

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Wages and salaries	(35,721)	(35,146)	(29,801)	(29,357)
Obligatory social security contributions	(9,693)	(10,390)	(9,218)	(9,960)
Defined benefit plan costs	(22,912)	(1,973)	(22,912)	(1,973)
Premiums of company's employees DAF contracts	(2,615)	(2,509)	(2,272)	(2,171)
Total personnel costs	**(70,941)**	**(50,018)**	**(64,203)**	**(43,461)**

Line item "Premiums of company's employees DAF contracts" includes contributions of the Parent Company for 2021 of €770 thousands (€749 thousands for 2020), relating to the group policy of the personnel's defined contribution.

During 2021, the Group had an average of 893 employees, while the Parent Company had an average of 673 (2020: 901 employees for the Group, and 673 employees for the Parent Company).

In December 2021, the Parent Company announced a voluntary exit scheme offered to its employees for an overall cost of €21.2 million (€19.6 million severance indemnities and an additional €1.6 million for benefits under DAF contracts - see note 5 and 41). The aforementioned cost is included in line item "Defined benefit plan costs" of the above table.

NOTE 17: FINANCE COSTS

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Interest on subordinated loan	(5,925)	(3,914)	(5,925)	(3,914)
Interest expense to reinsurers	(427)	(502)	(427)	(502)
Other	(547)	(626)	(342)	(428)
Total finance costs	**(6,899)**	**(5,042)**	**(6,694)**	**(4,844)**

NOTE 18: INCOME TAX EXPENSE

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Current tax - current year	(13,095)	(15,953)	(12,571)	(15,331)
Current tax - previous years	11,626	1,634	11,626	1,634
Deferred tax	(15,662)	(5,151)	(16,448)	(5,336)
Total income tax	**(17,131)**	**(19,470)**	**(17,393)**	**(19,033)**

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Profit before tax	**69,117**	**87,885**	**69,312**	**85,727**
Tax calculated based on the current tax rate	**(15,206)**	**(21,092)**	**(15,249)**	**(20,574)**
Effect of tax rate change in Greece	(7,393)	-	(7,393)	-
Effect of different tax rates in other countries	219	(349)	-	-
Income not subject to taxation	2,613	1,968	2,613	1,968
Non tax - deductible expenses	-	(2,058)	-	(2,058)
Previous years' income tax	2,328	1,634	2,328	1,634
Other differences	308	427	308	(3)
Tax calculated based on the effective tax rate	**(17,131)**	**(19,470)**	**(17,393)**	**(19,033)**
Applicable tax rate	22%	24%	22%	24%
Effective tax rate	25%	22%	25%	22%

Based on Article 120 of Greek Law 4799/2021 (Government Gazette A78/18.5.2021), effective from 2021, the corporate income tax rate for legal entities, other than credit institutions, was reduced to 22% from 24%.

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

COMPANY	COUNTRY OF OPERATIONS	UNAUDITED TAX YEARS
ETHNIKI HELLENIC GENERAL INSURANCE S.A.	GREECE	2016 - 2021
ETHNIKI GENERAL INSURANCE CYPRUS LTD	CYPRUS	2012 - 2021
ETHNIKI INSURANCE CYPRUS LTD	CYPRUS	2012 - 2021
NATIONAL INSURANCE AGENTS & CONSULTANTS LTD	CYPRUS	2008 - 2021
SOCIETATE COMERCIALA GARANTA ASIGURARI S.A.	ROMANIA	2003 - 2021

NOTE 19: TAX IMPACT ON OTHER COMPREHENSIVE INCOME

GROUP		31/12/2021			31/12/2020	
	Gross	Tax	Net	Gross	Tax	Net
			(€ thousands)			
Available-for-sale securities	(119,838)	30,965	(88,873)	126,443	(28,499)	97,944
Post retirement benefit plans	(1,225)	47	(1,178)	(3,624)	870	(2,754)
Currency translation differences	(264)	-	(264)	24	-	24
Other comprehensive income of period	**(121,327)**	**31,012**	**(90,315)**	**122,843**	**(27,629)**	**95,214**

PARENT COMPANY		31/12/2021			31/12/2020	
	Gross	Tax	Net	Gross	Tax	Net
			(€ thousands)			
Available-for-sale securities	(119,109)	30,851	(88,258)	126,056	(28,439)	97,617
Post retirement benefit plans	(1,225)	47	(1,178)	(3,624)	870	(2,754)
Other comprehensive income of period	**(120,334)**	**30,898**	**(89,436)**	**122,432**	**(27,569)**	**94,863**

The “available-for-sale securities” line item of the Group and the Parent Company does not include for 2021 an amount of €1,437 thousands (2020: €10,427 thousands) relating to the impairment losses of available-for-sale securities (equities, mutual funds and bonds), which is included in the statement of total comprehensive income of the corresponding period (see Note 11).

NOTE 20: PROPERTY AND EQUIPMENT / ASSETS HELD FOR SALE

TANGIBLE ASSETS

GROUP	Land	Buildings	Right of use assets	Vehicles & equipment	Leasehold improvements	Assets under construction	Total
				(€ thousands)			
Cost							
Balance at 1/1/2020	**57,038**	**101,088**	**3,292**	**28,289**	**1,826**	**2,447**	**193,980**
Additions	-	322	923	1,828	22	198	3,293
Transfers	25	214	-	-	-	(20)	219
Disposals & write offs	-	-	(186)	(25)	(192)	-	(403)
Balance at 31/12/2020	**57,063**	**101,624**	**4,029**	**30,092**	**1,656**	**2,625**	**197,089**
Accumulated depreciation and impairment							
Balance at 1/1/2020	**(1,214)**	**(42,188)**	**(999)**	**(26,630)**	**(1,601)**	**-**	**(72,631)**
Disposals & write offs	-	-	251	20	154	-	425
Transfers' Depreciation charge	-	(71)	-	-	-	-	(71)
Depreciation charge	-	(2,487)	(1,137)	(793)	(72)	-	(4,489)
Impairment charge	356	383	-	-	-	-	739
Balance at 31/12/2020	**(858)**	**(44,363)**	**(1,885)**	**(27,403)**	**(1,519)**	**-**	**(76,028)**
Net book value at 31/12/2020	**56,205**	**57,261**	**2,144**	**2,689**	**137**	**2,625**	**121,061**
Cost							
Balance at 1/1/2021	**57,063**	**101,624**	**4,029**	**30,092**	**1,656**	**2,625**	**197,089**
Additions	11	534	475	640	12	11	1,683
Transfers	(292)	615	-	-	-	(924)	(601)
Disposals & write offs	-	-	(240)	(91)	(228)	-	(559)
Balance at 31/12/2021	**56,782**	**102,773**	**4,264**	**30,641**	**1,440**	**1,712**	**197,612**
Accumulated depreciation and impairment							
Balance at 1/1/2021	**(858)**	**(44,363)**	**(1,885)**	**(27,403)**	**(1,519)**	**-**	**(76,027)**
Disposals & write offs	-	-	233	91	227	-	551
Transfers' Depreciation charge	(16)	60	-	-	-	-	44
Depreciation charge	-	(2,653)	(1,132)	(930)	(45)	-	(4,760)
Impairment charge	16	(15)	-	-	-	-	1
Balance at 31/12/2021	**(858)**	**(46,971)**	**(2,784)**	**(28,242)**	**(1,337)**	**-**	**(80,192)**
Net book value at 31/12/2021	**55,924**	**55,802**	**1,480**	**2,399**	**103**	**1,712**	**117,420**

PARENT COMPANY

	Land	Buildings	Right of use assets	Vehicles & equipment	Leasehold improvements	Assets under construction	Total
				(€ thousands)			
Cost							
Balance at 1/1/2020	**56,128**	**94,715**	**2,012**	**25,229**	**1,665**	**2,447**	**182,196**
Additions	-	306	807	1,650	9	198	2,970
Transfers	25	85	-	-	-	(20)	90
Disposals & write offs	-	-	(182)	-	(192)	-	(374)
Balance at 31/12/2020	**56,153**	**95,106**	**2,637**	**26,879**	**1,482**	**2,625**	**184,882**
Accumulated depreciation and impairment							
Balance at 1/1/2020	**(1,148)**	**(40,025)**	**(604)**	**(24,018)**	**(1,530)**	-	**(67,325)**
Disposals & write offs	-	-	106	-	154	-	260
Transfers' Depreciation charge	-	(70)	-	-	-	-	(70)
Depreciation charge	-	(2,320)	(680)	(666)	(57)	-	(3,723)
Impairment charge	352	385	-	-	-	-	737
Balance at 31/12/2020	**(796)**	**(42,030)**	**(1,178)**	**(24,684)**	**(1,433)**	**-**	**(70,121)**
	-						
Net book value at 31/12/2020	**55,357**	**53,076**	**1,459**	**2,195**	**49**	**2,625**	**114,761**
Cost							
Balance at 1/1/2021	**56,153**	**95,106**	**2,637**	**26,879**	**1,482**	**2,625**	**184,882**
Additions	11	445	349	503	12	11	1,331
Transfers	(292)	615	-	-	-	(924)	(601)
Disposals & write offs	-	-	(219)	-	(228)	-	(447)
Balance at 31/12/2021	**55,872**	**96,166**	**2,767**	**27,382**	**1,266**	**1,712**	**185,165**
Accumulated depreciation and impairment							
Balance at 1/1/2021	**(796)**	**(42,030)**	**(1,178)**	**(24,684)**	**(1,433)**	**-**	**(70,121)**
Disposals & write offs	-	-	81	-	227	-	308
Transfers' Depreciation charge	-	45	-	-	-	-	45
Depreciation charge	-	(2,484)	(720)	(787)	(33)	-	(4,024)
Balance at 31/12/2021	**(796)**	**(44,469)**	**(1,817)**	**(25,471)**	**(1,239)**	**-**	**(73,792)**
Net book value at 31/12/2021	**55,076**	**51,697**	**950**	**1,911**	**27**	**1,712**	**111,373**

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

The management of the Parent Company engaged certified independent appraisers to value some of its own-used property (103-105 Syggrou Avenue (building A, secured parking areas), 25-27 Ethnikis Antistaseos str., Piraeus - 555 Vouliagmenis Avenue, Helioupoli – 37 Skalidi str., Chania Crete– 7 Eleftheriou Venizelou str., Veria - 9A Orfeos str., Komotini – Ethnikis Antistasis Square, Kalamata – 26 Eleftherias Square, Heraklion, Crete – Vassilisis Sofias & 31-33 Papakiriazi str., Larissa – 2 Thermopylon str., Xanthi – 22 Papapavlou str., Serres - 68 Vas. Georgiou str., Argostoli Kefalonia – 68 Megalou Alexandrou str., Drama – 27 Tsimiski str., Thessaloniki – 70-72 Papanastasiou str., Larissa – 135 Syggrou Anenue & Kratitos, Athens – 144 Vasilissis Olgas str., Thessaloniki – 121 Ethnikis Antistaseos str., Thessaloniki – 17 Pol. Konstanta str., Corfu – 6. Ethnikis Antistaseos str., Arta –7 Katsadhma str., Ioannina – 213 Vasilissis Olgas str., Thessaloniki – 17 Chatzidimitriou str., Giannitsa).

The estimated fair value of the Parent Company's own-used property as at 31st December 2021 was set at €130,517 thousands, whereas property held for sale was fair valued at €8,058 thousands being higher than its carrying value of €7,827 thousands. The fair value of properties held for sale at 97 Ippokratous str. & 8 Kallidromiou str., Athens, - 20 Iasonos str., Volos – kalamaki, Isthmia Corinthia (plot) – Kouklia, Pafos Cyprus (residence)– 54 Kolindrou str., Katerini was based on the proposed selling price, while the fair value of the municipality of Hellenikon property was set by reference to the 31.365/20.06.2017 Preliminary contract.

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

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

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

ASSETS HELD-FOR-SALE

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Plot of Elliniko - 35th str.	6,120	6,120	6,120	6,120
97 Ippokratous & 8 Kall/miou str. - Athens	81	81	81	81
20 Iasonos str., Korai, Argonafton - Volos	1,070	-	1,070	-
Kalamaki - Isthmia Korinthias (plot)	59	-	59	-
Kouklia VILAGE HA POTAMI No 19 Pafou, Cyprus	423	-	423	-
54 Kolindrou str., Katerini	74	-	74	-
Total assets held for sale	**7,827**	**6,201**	**7,827**	**6,201**

As regards the above mentioned property items, a preliminary contract was signed on 20/06/2017 for property item “Plot of Hellenikon - 35th str.” with “KTIRIAKES YPODOMES SA.”, providing a gradual settlement of the Company’s claims (amounting to €6,120 thousands, plus interest), by a series of installments. The aforementioned claim was paid in full in 2019, however, as at 31/12/2021 the legal transfer of the property has not been finalised.

On 21.03.2022, the Board awarded the contracts to the successful bidders for the property at 97 Ippokratous & 8 Kallidromiou Str. in Athens and the plot in Kalamaki, Isthmia Corinthia.

NOTE 21: INVESTMENT PROPERTY

	GROUP				PARENT COMPANY			
	Land	Buildings	Assets under construction	Total	Land	Buildings	Assets under construction	Total
				(€ thousands)				
Cost								
Balance at 1/1/2020	**49,161**	**97,723**	**-**	**146,884**	**49,044**	**97,114**	**-**	**146,158**
Transfers	(25)	(49)	-	(74)	(25)	(85)	-	(110)
Additions	-	32	-	32	-	32	-	32
Balance at 31/12/2020	**49,136**	**97,706**	**-**	**146,842**	**49,019**	**97,061**	**-**	**146,080**
Accumulated depreciation and impairment								
Balance at 1/1/2020	**(2,409)**	**(59,673)**	**-**	**(62,082)**	**(2,409)**	**(59,393)**	**-**	**(61,802)**
Depreciation charge	-	(2,721)	-	(2,721)	-	(2,710)	-	(2,710)
Disposals	-	31	-	31	-	71	-	71
Impairment charge	53	70	-	123	53	39	-	92
Balance at 31/12/2020	**(2,356)**	**(62,293)**	**-**	**(64,649)**	**(2,356)**	**(61,993)**	**-**	**(64,349)**
Net book value at 31/12/2020	**46,780**	**35,413**	**-**	**82,193**	**46,663**	**35,068**	**-**	**81,731**
Cost								
Balance at 1/1/2021	**49,136**	**97,706**	**-**	**146,842**	**49,019**	**97,061**	**-**	**146,080**
Transfers	(2,046)	(551)	-	(2,597)	(2,046)	(551)	-	(2,597)
Additions	-	15	-	15	-	15	-	15
Balance at 31/12/2021	**47,090**	**97,170**	**-**	**144,260**	**46,973**	**96,525**	**-**	**143,498**
Accumulated depreciation and impairment								
Balance at 1/1/2021	**(2,356)**	**(62,293)**	**-**	**(64,649)**	**(2,356)**	**(61,993)**	**-**	**(64,349)**
Depreciation charge	-	(2,742)	-	(2,742)	-	(2,717)	-	(2,717)
Transfers	976	557	-	1,533	976	551	-	1,527
Impairment charge	-	6	-	6	-	-	-	-
Balance at 31/12/2021	**(1,380)**	**(64,472)**	**-**	**(65,852)**	**(1,380)**	**(64,159)**	**-**	**(65,539)**
Net book value at 31/12/2021	**45,710**	**32,698**	**-**	**78,408**	**45,593**	**32,366**	**-**	**77,959**

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

Rental income for the Group and the Parent Company for the year ended 31st December 2021, amounted to €3,830 thousands and €3,817 thousands respectively. For 2020, rental income for the Group and the Parent Company amounted to €3,891 thousands and €3,877 thousands respectively (see Note 8).

The management of the Parent Company had engaged certified independent appraisers to value certain investment property owned by the Group (103-105 Syggrou Ave. (building B, Conference center), Athens – 4 Korai str., Athens – 8 Karageorgi Servias str., Athens – 39 Dimokratias str., Edessa – 19 Vas. Georgiou, Central Square and 28th Oktobriou str. (Stoa Orphea), Ioannina), the fair value of which at 31.12.2021 was determined at €94,502 thousands.

NOTE 22: INTAGIBLE ASSETS

	GROUP			PARENT COMPANY		
	Goodwill	Software	Total	Goodwill	Software	Total
			(€ thousands)			
Cost						
Balance at 1/1/2020	**671**	**47,372**	**48,043**	**-**	**45,865**	**45,865**
Additions	-	4,623	4,623	-	4,501	4,501
Balance at 31/12/2020	**671**	**51,995**	**52,666**	**-**	**50,366**	**50,366**
Accumulated amortization and impairment						
Balance at 1/1/2020	**(187)**	**(39,397)**	**(39,584)**	**-**	**(38,432)**	**(38,432)**
Amortization charge	-	(3,013)	(3,013)	-	(2,911)	(2,911)
Balance at 31/12/2020	**(187)**	**(42,410)**	**(42,597)**	**-**	**(41,343)**	**(41,343)**
Net book value at 31/12/2020	**484**	**9,585**	**10,069**	**-**	**9,023**	**9,023**
Cost						
Balance at 1/1/2021	**671**	**51,995**	**52,666**	**-**	**50,366**	**50,366**
Additions	-	4,132	4,132	-	3,991	3,991
Disposals & write offs	-	(36)	(36)	-	-	-
Balance at 31/12/2021	**671**	**56,091**	**56,762**	**-**	**54,357**	**54,357**
Accumulated amortization and impairment						
Balance at 1/1/2021	**(187)**	**(42,410)**	**(42,597)**	**-**	**(41,343)**	**(41,343)**
Amortization charge	-	(2,935)	(2,935)	-	(2,793)	(2,793)
Disposals & write offs	-	36	36	-	-	-
Balance at 31/12/2021	**(187)**	**(45,309)**	**(45,496)**	**-**	**(44,136)**	**(44,136)**
Net book value at 31/12/2021	**484**	**10,782**	**11,266**	**-**	**10,221**	**10,221**

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

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

NOTE 23: DEFERRED ACQUISITION COSTS (DAC)

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

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Deferred acquisition costs - Life insurance	35,846	33,988	35,330	33,472
Deferred acquisition costs - Non-life insurance	9,129	9,520	6,460	7,052
Total deferred acquisition costs	**44,975**	**43,508**	**41,790**	**40,524**

MOVEMENT OF ACQUISITION COSTS

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Deferred acquisition costs - Life and Non Life insurance - at beginning of the period	**43,508**	**39,883**	**40,524**	**37,127**
Movement in new production	21,263	21,204	21,062	20,976
Other movements during the period	(19,796)	(17,579)	(19,796)	(17,579)
Deferred acquisition costs - Life and Non Life insurance - at end of the period	**44,975**	**43,508**	**41,790**	**40,524**

NOTE 24: INVESTMENT IN SUBSIDIARIES

		31/12/2021		31/12/2020	
	Country	% of ownership	Carrying value	% of ownership	Carrying value
Participation			*(€ thousands)*		
Parent Company					
SOCIETATE COMERCIALA GARANTA ASIGURARI S.A.	Romania	94.96%	6,528	94.96%	6,528
ETHNIKI INSURANCE (CYPRUS) LTD	Cyprus	100.00%	5,704	100.00%	5,704
Total investments in subsidiaries			**12,232**		**12,232**

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

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

NOTE 25: DEFFERED TAX ASSETS / LIABILITIES

GROUP

	Balance at 31/12/2019	Recognized in profit or loss	Recognized in equity	Balance at 31/12/2020 (€ thousands)	Recognized in profit or loss	Recognized in equity	Balance at 31/12/2021
Amortisation adjustment for intangible assets	13	3	-	16	(1)	-	15
Post retirement benefits	421	(415)	704	710	4,343	47	5,100
Provision for non-performing receivables	13,574	(1,751)	-	11,823	(10,794)	-	1,029
Depreciation adjustment for investment property	(6,162)	461	-	(5,701)	952	-	(4,749)
Depreciation adjustment for property & equipment	(4,666)	8	-	(4,658)	408	-	(4,250)
Special tax reserve - trading securities	(172)	(46)	-	(218)	191	-	(27)
Special tax reserve - securities classified as loans and receivables	7	(27)	-	(20)	(1)	-	(21)
Special tax reserve - available-for-sale securities	(36,700)	(470)	(28,439)	(65,609)	(3,561)	30,851	(38,319)
PSI loss (Greek Law 4046/12)	65,274	(2,967)	-	62,307	(7,912)	-	54,395
Other provisions	1,863	(132)	-	1,731	500	-	2,231
Deferred tax assets	**33,452**	**(5,336)**	**(27,735)**	**381**	**(15,875)**	**30,897**	**15,403**
Depreciation adjustment for property & equipment	(16)	5	-	(11)	11	-	-
Depreciation adjustment for investment property	(24)	2	-	(22)	22	-	-
Other provisions	376	(253)	-	123	(123)	-	-
Special tax reserve - available-for-sale securities	62	61	-	123	(123)	-	-
Deferred tax liabilities	**398**	**(185)**	**-**	**213**	**(213)**	**-**	**-**

PARENT COMPANY

	Balance at 31/12/2019	Recognized in profit or loss	Recognized in equity	Balance at 31/12/2020 (€ thousands)	Recognized in profit or loss	Recognized in equity	Balance at 31/12/2021
Amortisation adjustment of intangible assets	13	3	-	16	(1)	-	15
Post retirement benefits	421	(415)	704	710	4,343	47	5,100
Provision for non-performing receivables	13,574	(1,752)	-	11,822	(10,794)	-	1,028
Depreciation adjustment for investment property	(6,162)	461	-	(5,701)	917	-	(4,784)
Depreciation adjustment for property & equipment	(4,666)	8	-	(4,658)	397	-	(4,261)
Special tax reserve - trading securities	(172)	(46)	-	(218)	191	-	(27)
Special tax reserve - securities classified as loans and receivables	7	(27)	-	(20)	(1)	-	(21)
Special tax reserve - available-for-sale securities	(36,700)	(470)	(28,439)	(65,609)	(3,554)	30,851	(38,312)
PSI loss (Greek Law 4046/12)	65,274	(2,967)	-	62,307	(7,912)	-	54,395
Other provisions	1,863	(131)	-	1,732	(34)	-	1,698
Deferred tax assets	**33,452**	**(5,336)**	**(27,735)**	**381**	**(16,448)**	**30,897**	**14,830**

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

The impairment loss under Greek Law 4046/2012 that arose as a result of the exchange of Greek Government Bonds (“GGBs”), is considered a tax deductible expense and is amortized in 30 equal annual installments. The unutilized debit difference as at 31st December 2021 amounts to €247,248 thousands.

For the investment portfolio of the above table, a surplus of € 19,894 thousand has emerged, relating to the valuation of corporate bonds, on which a deferred tax liability has not been calculated according to Ministerial Circular 1032/2015 as the surplus from sale is exempt from tax income until its distribution or capitalization (see Note 35).

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

For the calculation of the deferred tax, the effect from the change of the income tax rate has been taken into account, according to Article 120 of Greek Law 4799/2021 (Government Gazette A78/18.5.2021), effective from 2021 (see Note 18).

NOTE 26: AVAILABLE-FOR-SALE SECURITIES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
DEBT SECURITIES (BONDS)				
Greek Government	1,037,382	1,116,760	1,037,382	1,116,760
Foreign Government	1,201,663	1,106,794	1,191,839	1,096,072
Corporate - Listed	502,066	423,462	502,066	423,462
	2,741,111	**2,647,016**	**2,731,287**	**2,636,294**
EQUITIES				
Listed	25,238	33,338	25,238	33,338
Non-listed	15,939	10,833	15,939	10,833
	41,177	**44,171**	**41,177**	**44,171**
MUTUAL FUNDS				
Greek	219,131	200,330	219,131	200,330
Other EU	203,048	185,589	203,048	185,589
	422,179	**385,919**	**422,179**	**385,919**
Total available-for-sale securities	**3,204,467**	**3,077,106**	**3,194,643**	**3,066,384**

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

	GROUP					PARENT COMPANY				
	LEVEL 1	LEVEL 2	LEVEL 3	Fair value not available	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	Fair value not available	TOTAL
	(€ thousands)									
Available for sale										
31.12.2021	1,466,617	1,721,911	15,939	-	**3,204,467**	1,466,617	1,712,087	15,939	-	**3,194,643**
31.12.2020	1,336,700	1,729,573	10,825	8	**3,077,106**	1,336,699	1,718,852	10,825	8	**3,066,384**

The increase in the available for-sale securities portfolio during 2021, as compared to 2020, is attributed to additional purchases of securities (mainly bonds and to a lesser extent due to mutual funds and equities).

During 2021, available for-sale portfolio securities worth of €36,068 thousands were transferred from Level 1 to Level 2, while securities worth of €36,542 thousands were transferred from Level 2 to Level 1. During 2020, available for-sale portfolio securities worth of €37,617 thousands and €6,934 thousands were transferred from Level 1 to Level 2.

The available for-sale portfolio also includes non-listed shares which relate to investments in specific investment schemes (Private Equity Funds), and are valued according to the Group's equity shareholding percentage. The valuation methodology of the equities in the investment schemes follows the principals of the international financial reporting standards. These investment funds have a maximum total duration of 10 years, are not listed on regulated markets and invest in equities and/or bonds issued by small and medium Greek enterprises with prospects for dynamic growth. On 31 December 2021 their fair value amounted to €15,931 thousands, while on 31 December 2020 amounted to €10,825 thousands.

The increase in the value of non-listed shares during year 2021, compared to 2020, is attributed to revaluation gains.

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

In 2008 the Parent Company transferred shares from the trading portfolio to the available for sale portfolio. On 31 December 2021, the carrying amount and the fair value of securities transferred in 2008 and are still held by the Parent Company, was €69 thousands and €69 thousands respectively. Had those securities never been removed and impaired, an additional loss of (€2) thousands would have been recognised within valuation losses of the investment portfolio.

NOTE 27: SECURITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
		(€ thousands)		
TRADING SECURITIES				
Debt securities (bonds)				
Foreign Government	19,111	19,616	-	-
Greek Corporate - Listed	637	-	-	-
	19,748	**19,616**	**-**	**-**
Equities				
Listed	4	3	-	-
Non-listed	6	6	-	-
	10	**9**	**-**	**-**
Total trading securities	**19,758**	**19,625**	**-**	**-**
UNIT-LINKED				
Mutual Funds	159,832	102,022	158,399	100,746
Debt securities (bonds)	106,917	122,337	85,160	100,117
Equities	4,775	3,502	-	-
Deposits	341,275	342,180	333,479	334,756
Total Unit - Linked	**612,799**	**570,041**	**577,038**	**535,619**
FVTPL SECURITIES excl. TRADING SECURITIES AND UNIT-LINKED				
Mutual funds				
Foreign	7,367	6,274	-	-
Total FVTPL securities excl. trading securities and Unit - Linked	**7,367**	**6,274**	**-**	**-**
Derivative financial instruments	**119**	**907**	**119**	**907**
Total securities at fair value through profit or loss	**640,043**	**596,847**	**577,157**	**536,526**

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

	GROUP				
	LEVEL 1	LEVEL 2	LEVEL 3	Fair value not available	TOTAL
			(€ thousands)		
31.12.2021					
Unit-Linked	173,449	439,350	-	-	612,799
Other FVTPL	7,367	-	-	-	7,367
Trading securities	4	19,748	-	6	19,758
Derivative financial instruments	-	119	-	-	119
Total	**180,820**	**459,217**	**-**	**6**	**640,043**
31.12.2020					
Unit-Linked	114,815	455,226	-	-	570,041
Other FVTPL	6,274	-	-	-	6,274
Trading securities	3	19,616	-	6	19,625
Derivative financial instruments	-	907	-	-	907
Total	**121,092**	**475,749**	**-**	**6**	**596,847**

PARENT COMPANY					
	LEVEL 1	LEVEL 2	LEVEL 3	Fair value not available	TOTAL
			(€ thousands)		
31.12.2021					
Unit-Linked	164,061	412,977	-	-	577,038
Trading securities	-	-	-	-	-
Derivative financial instruments	-	119	-	-	119
Total	**164,061**	**413,096**	**-**	**-**	**577,157**
31.12.2020					
Unit-Linked	106,721	428,898	-	-	535,619
Trading securities	-	-	-	-	-
Derivative financial instruments	-	907	-	-	907
Total	**106,721**	**429,805**	**-**	**-**	**536,526**

NOTE 28: SECURITIES CLASSIFIED AS LOANS AND RECEIVABLES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
		(€ thousands)		
DEBT SECURITIES (BONDS)				
Greek Government	41,018	41,153	41,018	41,153
Total securities classified as loans and receivables	**41,018**	**41,153**	**41,018**	**41,153**

The fair value of the securities classified as loans and receivables, and their categorisation according to IFRS 13, for 2021 has as follows: €52,851 thousands in level 2. As at year end 2020, the fair value of the securities classified as loans and receivables was €56,196 thousands and categorized in level 2.There were no securities transferred from Level 1 to Level 2 or 3 during 2021.

NOTE 29: PORTFOLIO ANALYSIS BY TYPE OF INTEREST RATE

GROUP 31/12/2021	Available for sale	Trading	Held-to-maturity	Loans & receivables	TOTAL
		(€ thousands)			
Fixed interest rate	2,741,111	19,748	-	41,018	2,801,877
Total	**2,741,111**	**19,748**	**-**	**41,018**	**2,801,877**

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

PARENT COMPANY 31/12/2021	Available for sale	Trading	Held-to-maturity	Loans & receivables	TOTAL
		(€ thousands)			
Fixed interest rate	2,731,287	-	-	41,018	2,772,305
Total	**2,731,287**	**-**	**-**	**41,018**	**2,772,305**

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

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

NOTE 30: INSURANCE PREMIUM AND OTHER RECEIVABLES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Insurance premium receivables	104,967	110,781	94,199	100,448
Provision for doubtful Insurance premium receivables	(59,391)	(61,772)	(58,618)	(60,939)
Insurance premium receivables	**45,576**	**49,009**	**35,581**	**39,509**
Staff mortgage loans	9,422	10,059	9,422	10,059
Loans to personnel - agents	4,200	4,422	4,200	4,422
Loans on life insurance contracts	1,459	1,665	1,459	1,665
Provision for doubtful loan receivables	(227)	(151)	(227)	(151)
Loans receivables	**14,854**	**15,995**	**14,854**	**15,995**
Sundry receivables	11,868	13,708	11,186	13,136
Accrued interest	28,264	28,026	28,032	27,779
Receivables from the Hellenic Republic under litigation	326	326	326	326
Claims receivables	8,679	9,514	8,679	9,514
Other income receivables	916	797	594	492
Amicable settlement claims	760	824	760	824
Provision for doubtful other receivables	(164)	(309)	(164)	(309)
Other receivables	**50,649**	**52,886**	**49,413**	**51,762**
Total insurance premium and other receivables	**111,079**	**117,890**	**99,848**	**107,266**

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

MOVEMENT OF PROVISION FOR DOUBTFUL RECEIVABLES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Provision for doubtful receivables at beginning of the period	**(62,232)**	**(61,548)**	**(61,399)**	**(60,685)**
Releases	2,720	196	2,660	186
Amounts written off during the period	42	51	-	-
Provision for the period	(312)	(931)	(270)	(900)
Provision for doubtful receivables at end of the period	**(59,782)**	**(62,232)**	**(59,009)**	**(61,399)**

NOTE 31: REINSURANCE RECEIVABLES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Receivables from reinsurers	94,202	83,511	76,063	66,541
Provision for doubtful receivables from reinsurers	(2,699)	(2,633)	(2,699)	(2,633)
Receivables from cedants	475	443	475	443
Total reinsurance receivables	**91,978**	**81,321**	**73,839**	**64,351**

MOVEMENT OF PROVISION FOR DOUBTFUL REINSURANCE RECEIVABLES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Provision for reinsurance receivables at beginning of the period	**(2,633)**	**(2,627)**	**(2,633)**	**(2,627)**
Releases	166	173	166	173
Provision for the period	(232)	(179)	(232)	(179)
Provision for reinsurance receivables at end of the period	**(2,699)**	**(2,633)**	**(2,699)**	**(2,633)**

NOTE 32: CASH AND CASH EQUIVALENTS

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Cash in hand	201	119	4	5
Sight deposits	31,230	16,120	26,897	10,902
Time deposits with financial institutions	57,286	50,308	48,493	40,768
Total cash and cash equivalents	**88,717**	**66,547**	**75,394**	**51,675**

The carrying amount of cash and cash equivalents as at 31.12.2021, approximates its fair value.

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

	31/12/2021				31/12/2020			
	Cash in hand	Sight deposits and repos	Time deposits with financial institutions	TOTAL	Cash in hand	Sight deposits and repos	Time deposits with financial institutions	TOTAL
	(€ thousands)				(€ thousands)			
GROUP								
Fixed interest rate	-	7,637	57,286	64,923	-	4,070	49,999	54,069
Non interest bearing	201	23,593	-	23,794	119	12,050	309	12,478
Total	**201**	**31,230**	**57,286**	**88,717**	**119**	**16,120**	**50,308**	**66,547**
PARENT COMPANY								
Fixed interest rate	-	7,039	48,493	55,532	-	3,907	40,459	44,366
Non interest bearing	4	19,858	-	19,862	5	6,995	309	7,309
Total	**4**	**26,897**	**48,493**	**75,394**	**5**	**10,902**	**40,768**	**51,675**

NOTE 33: SHARE CAPITAL

The share capital of the Parent Company as at 31 December 2021 amounts to €235,021 thousands, divided in 196,017,480 registered shares with a nominal value of €1.2 each, while at 31 December 2020 it stood at €490,044 thousands, divided in 196,017,480 registered shares with a nominal value of €2.5 each. As at 31 December 2021, the Parent Company was a subsidiary of National Bank of Greece (NBG) which held 100% of the Company's share capital.

Following the resolution of the Extraordinary General Shareholders' Meeting held on 22.04.2021, the Company's share capital has been reduced by €254,823 thousands resulting in the full elimination of the previous years' accumulated losses of €252.801 thousands and the establishment of a special reserve of €2,022 thousands (in accordance with law 4548/2018, para 2 of article 31). The reduction in the share capital was performed through reduction of the nominal value of each share from €2.5 to €1.20.

NOTE 34: RESERVES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Statutory reserve	26,207	24,480	26,862	25,074
Special reserves	2,027	2	2,027	2
Extraordinary reserves	1,205	1,205	1,205	1,205
Available-for-sale securities reserve	242,494	331,336	242,472	330,730
Reserve from non taxable income	1,678	1,681	1,678	1,681
Liabilities from defined benefit plans	(9,652)	(8,474)	(9,652)	(8,474)
Currency translation differences	(4,761)	(4,510)	-	-
Other reserves	1,963	1,962	49	49
Total reserves	**261,160**	**347,682**	**264,641**	**350,267**

MOVEMENT OF AVAILABLE-FOR-SALE RESERVE

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Balance at beginning of the period	**331,336**	**233,408**	**330,730**	**233,113**
Net gain/(loss) from changes in fair value	(72,390)	123,350	(71,807)	123,040
Net profit transferred to profit or loss	(25,397)	(34,252)	(25,397)	(34,252)
Impairment losses	1,340	8,828	1,340	8,829
Effect of tax rate change	7,606	-	7,606	-
Other movements	(1)	2	-	-
Balance at end of the period	**242,494**	**331,336**	**242,472**	**330,730**

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

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

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

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

NOTE 35: RETAINED EARNINGS

Retained earnings of the Parent Company for 2021 include realized gains on the disposal of E.U. bonds, which based on Ministerial Circular 1032/2015 are exempted from income tax, and according to article 47 par. 1 of the Greek Law 4172/2013, will be taxed upon their distribution or capitalization, as well as profits from the transfer of government bonds that resulted from the application of Ministerial Decision 1332/2017, which according to Circular 1174/2017 are exempted from income tax and will be taxed upon their distribution or capitalization, and goodwill from free distribution of shares (special reserve, law 2065/1992). The above gains for which taxation has been suspended, amount to €91,050 thousands. The Parent Company does not have the intention to sell them in the foreseeable future therefore no deferred tax liability has been recognised, nevertheless the Company will assess on an annual basis the ability and degree of their distribution.

NOTE 36: MATHEMATICAL RESERVES AND INSURANCE TECHNICAL RESERVES

GROUP

	31/12/2021			31/12/2020		
	Group share	Reinsurers' share	Total	Group share	Reinsurers' share	Total
			(€ thousands)			
LIFE INSURANCE RESERVES						
Mathematical reserves, liability adequacy reserves and unearned premium reserve	627,768	11,136	638,904	650,124	10,908	661,032
Outstanding claims reserves	131,375	1,687	133,062	130,806	2,055	132,861
Total life insurance reserves	**759,143**	**12,823**	**771,966**	**780,930**	**12,963**	**793,893**
Unit-Linked reserves	247,366	25	247,391	203,839	-	203,839
Unit-Linked guarantee reserve	64,993	-	64,993	77,216	-	77,216
Total Unit-Linked reserves	**312,359**	**25**	**312,384**	**281,055**	**-**	**281,055**
Total Life reserves	**1,071,502**	**12,848**	**1,084,350**	**1,061,985**	**12,963**	**1,074,948**
NON-LIFE INSURANCE RESERVES						
Unearned premium reserve	50,268	20,465	70,733	52,221	15,447	67,668
Outstanding claims reserves	284,584	62,601	347,185	287,995	58,165	346,160
Total non-life insurance reserves	**334,852**	**83,066**	**417,918**	**340,216**	**73,612**	**413,828**
Total reserves	**1,406,354**	**95,914**	**1,502,268**	**1,402,201**	**86,575**	**1,488,776**

PARENT COMPANY

	31/12/2021			31/12/2020		
	Group share	Reinsurers' share	Total	Group share	Reinsurers' share	Total
			(€ thousands)			
LIFE INSURANCE RESERVES						
Mathematical reserves, liability adequacy reserves and unearned premium reserve	578,368	4,104	582,472	603,015	3,774	606,789
Outstanding claims reserves	130,830	1,687	132,517	130,252	1,905	132,157
Total life insurance reserves	**709,198**	**5,791**	**714,989**	**733,267**	**5,679**	**738,946**
Unit-Linked reserves	246,948	-	246,948	203,839	-	203,839
Unit-Linked guarantee reserve	64,993	-	64,993	77,216	-	77,216
Total Unit-Linked reserves	**311,941**	**-**	**311,941**	**281,055**	**-**	**281,055**
Total Life reserves	**1,021,139**	**5,791**	**1,026,930**	**1,014,322**	**5,679**	**1,020,001**
NON-LIFE INSURANCE RESERVES						
Unearned premium reserve	39,975	17,587	57,562	42,616	12,566	55,182
Outstanding claims reserves	275,222	57,228	332,450	278,127	53,132	331,259
Total non-life insurance reserves	**315,197**	**74,815**	**390,012**	**320,743**	**65,698**	**386,441**
Total reserves	**1,336,336**	**80,606**	**1,416,942**	**1,335,065**	**71,377**	**1,406,442**

MOVEMENT OF INSURANCE RESERVES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Movement of Life insurance reserves				
Life insurance reserves at beginning of the period	**1,074,948**	**1,120,654**	**1,020,001**	**1,072,694**
Additional liabilities and changes for the year	78,135	55,328	71,325	43,293
Reserve release on death, maturity, surrender, lapse etc.	(68,720)	(101,023)	(64,396)	(95,986)
Foreign exchange differences	(13)	(11)	-	-
Life insurance reserves at end of the period	**1,084,350**	**1,074,948**	**1,026,930**	**1,020,001**
Movement of Non-Life Insurance reserves				
Non-life insurance reserves at beginning of the period	**413,828**	**428,227**	**386,441**	**399,908**
Movement of Unearned Premium Reserve	2,759	2,352	2,056	2,107
Movement of Unexpired Risk Reserve	499	(2,092)	323	(2,141)
Non-life reserve of current year	60,863	64,911	51,664	55,456
Change in non-life reserves of prior years	(11,639)	(18,421)	(14,946)	(20,330)
Non-life claims paid of current year	(20,746)	(23,322)	(12,656)	(15,088)
Non-life claims paid of prior years	(31,732)	(37,100)	(27,041)	(32,821)
Foreign exchange differences	(82)	(78)	-	-
Other movements	4,168	(649)	4,171	(650)
Non-life insurance reserves at end of the period	**417,918**	**413,828**	**390,012**	**386,441**
Total	**1,502,268**	**1,488,776**	**1,416,942**	**1,406,442**

NOTE 37: INVESTMENT CONTRACT LIABILITIES

GROUP & PARENT COMPANY	31/12/2021	31/12/2020
	(€ thousands)	
Group investment contracts		
Balance at beginning of the period	**187,612**	**172,284**
Contributions	36,337	30,146
Withdrawals	(27,810)	(15,452)
Interest	2,312	2,259
Other movements	(2,455)	(1,625)
Balance at end of the period	**195,996**	**187,612**
Investment contracts to individuals		
Balance at beginning of the period	**1,089,055**	**970,692**
Reserve release	(39,281)	(36,061)
New policies	59,873	108,342
Change in reserve	50,053	45,356
Other movements	(34)	726
Balance at end of the period	**1,159,666**	**1,089,055**
Total investment contract liabilities	**1,355,662**	**1,276,667**

Within “Investment contracts to individuals” are included endowment contracts with premium return in case of death worth of €829,479 thousands (2020: €757,149 thousands) and Unit-Linked contracts worth of €330,187 thousands (2020: €331,906 thousands).

NOTE 38: OTHER LIABILITIES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Amounts due to brokers and agents	22,295	23,769	20,413	22,021
Payable expenses and deferred income	12,204	10,841	8,716	7,685
Creditors and suppliers	10,361	11,032	8,936	9,650
Taxes and duties	16,459	15,559	16,445	15,547
Amounts collected on behalf of third parties	197	158	197	158
Amounts due to social security organizations	1,803	1,885	1,803	1,885
Provision for third party claims against the Company	1,176	1,428	1,176	1,428
Provision for accrued expenses	5,729	4,831	5,729	4,831
Other liabilities	7,513	7,244	6,547	5,944
Total other liabilities	**77,737**	**76,747**	**69,962**	**69,149**

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

The IFRS 16 adoption on 1 January 2019 resulted in an increase of the Group's and the Parent Company's assets and liabilities. On 1st January 2019 assets increased by €3,196 thousands for the Group and €1,916 thousands for the Parent Company. The effect in the Group's and Parent Company's liabilities is included within "Other liabilities" and amounted to €1,498 thousands (2020: €2,171 thousands) for the Group and to €965 thousands (2020: €1,478 thousands) for the Parent Company as at 31st December 2021 (see Note 2.17).

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

NOTE 39: FINANCIAL LIABILITIES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Short-term borrowings	2,153	31	2,153	31
Long-term borrowings	175,000	50,000	175,000	50,000
Total borrowed funds	**177,153**	**50,031**	**177,153**	**50,031**

The Parent Company has issued the following bond loans:

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

ii. A 10-year duration subordinated loan of €125.0m, which is entirely held by NBG. The loan has a fixed rate of interest during its whole term, set at 650 basis points (6.50%). The loan meets the criteria for classification under Equity Category 2, in accordance with the provisions of Solvency II.

NOTE 40: REINSURANCE LIABILITIES

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Amounts payable to reinsurers	23,970	20,735	23,551	20,628
Amounts payable to cedants	890	843	890	843
Total reinsurance liabilities	**24,860**	**21,578**	**24,441**	**21,471**

NOTE 41: EMPLOYEE BENEFIT OBLIGATIONS

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)			
Defined benefit plans of the Parent Company	53,441	48,879	53,441	48,879
Retirement Indemnities	25,496	5,462	25,496	5,462
Subtotal	**78,937**	**54,341**	**78,937**	**54,341**
Defined contribution plans of the Parent Company	19,267	17,436	19,267	17,436
Total employee benefits	**98,204**	**71,777**	**98,204**	**71,777**

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

In December 2021 the Parent Company announced a voluntary exit scheme offered to its employees. The application process was completed in February 2022, with 116 employees participated in the scheme. The estimated cost of the voluntary exit scheme is reported within "Increase due to termination of contracts with consensual processes and other" in the table below, which analyses the obligations of the defined benefit and contribution plans (see Note 16 for an overall impact on the result):

	GROUP & PARENT COMPANY	
	31/12/2021	31/12/2020 as reclassified
	(€ thousands)	
Reconciliation of present value of obligation		
Present value of obligations at beginning of period	54,341	49,679
Service cost	1,527	1,480
Interest cost	256	464
Employee contributions	498	494
DAF benefits	(41)	(737)
Indemnities paid by the Company	(106)	(120)
Increase due to termination of contracts with consensual processes and other	21,236	149
(Gain)/ Loss due to financial assumptions	8	2,772
(Gain)/ Loss due to demographic assumptions	799	-
(Gain)/ Loss due to experience adjustments	419	160
Present value of funded obligations at end of period	**78,937**	**54,341**

Reconciliation of amount recognized in other comprehensive income		
Amount recognized in comprehensive income at beginning of period	**(11,149)**	**(8,218)**
Gain/ (Loss) due to changes in assumptions	(807)	(2,771)
Gain/ (Loss) due to experience adjustments	(419)	(160)
Total amount recognized in other comprehensive income during the period	**(1,226)**	**(2,931)**
Amount recognized in other comprehensive income at end of period	**(12,375)**	**(11,149)**

Key assumptions		
Discount rate	0,50%	0,50%
Price inflation	2,00%	1,50%
Plan duration (years)	8,42	8,29

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

PARENT COMPANY Sensitivity analysis of actuarial assumptions			
		Law 4093	DAF
Discount rate	Increase by 50 bps	-3.80%	-4.20%
	Decrease by 50 bps	4.00%	4.50%
Price inflation	Increase by 50 bps	0.20%	0.00%
	Decrease by 50 bps	-0.20%	0.00%
Rate of compensation increase	Increase by 50 bps	3.50%	2.40%
	Decrease by 50 bps	-3.30%	-2.30%
Years of service	More than one year	0.40%	0.50%
	Less than one year	-0.50%	-0.50%

Employer contributions to the defined benefit contracts 2361 and 2740 for 2022 are estimated at €976 thousands.

In May 2021, the IFRS Interpretation Committee published its final agenda decision under the title ”Attributing Benefits in Periods of Service” (IAS 19). The Committee’s decision provides explanatory material and clarifications as to the attribution of benefits for the defined benefit plan illustrated that is different from the way in which the principles of IAS 19 have been previously applied in Greece. In accordance with the requirements of the Due Process Handbook (para 8.3 and 8.6), IFRS companies have to reflect the decisions issued by the Committee in their financial statements and apply an accounting policy change that results from an agenda decision, on the grounds that while an agenda decision cannot add or change the requirements in IFRS standards, the explanatory material in an agenda decision derives its authority from the Standards themselves.

For the defined benefit plan illustrated, the Committee concluded that an employee becomes entitled to retirement benefits only for the last 16 years of employment service, thus limiting the attribution of retirement benefit to each year in which an employee renders service from the age of 46 to the age of 62, unless the retirement age extends beyond the age of 62, in which case the commencing period is amended accordingly. As a result, the entity builds up the provision over the last 16 years of the employment service.

The aforementioned change constitutes a change in accounting policy (see note 2.3.1.2). Comparative figures have been restated where necessary to reflect the impact of the change. The effect of this change was to decrease the defined benefit obligation by €5.874m before tax, with equity increasing by the same amount as disclosed in note 46.

NOTE 42: RELATED PARTY DISCLOSURES

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

	GROUP							
	31/12/2021				31/12/2021			
	Receivables	Liabilities	Income	Expenses	Receivables	Liabilities	Income	Expenses
	(€ thousands)				(€ thousands)			
NBG Parent Company								
- Time deposits	4,000	-	15	-	13,000	-	249	-
- Sight deposits	20,718	-	-	-	8,386	-	-	-
- Insurance services	327,684	4,453	4,699	14,144	329,460	4,045	4,289	13,699
- Other transactions	508	173,765	-	6,208	533	47,318	541	4,521
NBG Group Associates	2,938	6,241	1,867	929	3,939	6,192	2,160	955
Total	**355,848**	**184,459**	**6,581**	**21,281**	**355,318**	**57,555**	**7,239**	**19,175**

	PARENT COMPANY							
	31/12/2021				31/12/2020			
	Receivables	Liabilities	Income	Expenses	Receivables	Liabilities	Income	Expenses
	(€ thousands)				(€ thousands)			
Ethniki Insurance Group Companies	2	211	46	44	1	202	113	32
NBG Parent Company								
- Time deposits	4,000	-	15	-	13,000	-	249	-
- Sight deposits	20,593	-	-	-	8,279	-	-	-
- Insurance services	327,684	4,453	4,699	14,144	329,460	4,045	4,289	13,699
- Other transactions	508	173,765	-	6,208	533	47,318	541	4,521
NBG Group Associates	140	6,234	1,641	860	69	6,180	1,718	877
Total	**352,927**	**184,663**	**6,401**	**21,256**	**351,342**	**57,745**	**6,910**	**19,129**

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

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

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

The Parent Company and the Group have deposits in NBG and NBG Cyprus Ltd., linked to insurance products of the Parent Company and the Group, amounting to €6,103 thousands and €2,316 thousands respectively for 2021 (2020: €5,749 thousands and €5,072 thousands respectively).

In addition, the Parent Company and its subsidiaries own investments in customised deposit products with NBG, linked to investment products of the Parent Company and its subsidiaries, amounting to €327,375 thousands as at 31st December 2021 (2020: €329,006 thousands). The above balance is included within "Insurance services", which also includes uncollected premiums from other insurance activities. More specifically, the Parent Company has established an internal variable fund (IVF) named "Efapax Ethniki", in order to back the respective group life insurance contracts, as well as to the individual life insurance contracts. The entire IVF is placed on a customized deposit product in NBG.

Within "Other transactions" is included (i) the subordinated bond loan of €50.0 million that the Parent Company has issued and is held by NBG and NBG Bank Malta, a 100% subsidiary of NBG, and (ii) the subordinated bond loan of €125.0 million that the Parent Company has issued and is held entirely by NBG (see Note 39).

The Parent Company has capitalized in 2021 a total amount of €912 thousands (2020: €1,811 thousands) relating to transactions with its parent company NBG.

The Parent Company manages DAF contracts for the employees of the NBG Group amounting to €79,620 thousands (2020: €72,541 thousands), out of which €75,023 thousands relate to employees of the Parent Company (2020: €68,818 thousands).

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

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

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

Specifically, as at 31st December 2021, receivables and liabilities amounted to €4 thousands and €464 thousands respectively (2020: €4 thousands and €395 thousands), while in 2021 premiums and claims amounted to €30 thousands and €75 thousands respectively (2020: €42 thousands and €27 thousands).

Total compensation in 2021 amounted to €1,847 thousands (2020: €2,033 thousands), including short-term benefits of €1,815 thousands (2020: €2,001 thousands) and post-retirement benefits of €32 thousands (2020: €32 thousands).

Provision for compensation in case of retirement amounted to €114 thousands (2020: €117 thousands).

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

As at 31 December 2021, as well as at 31 December 2020, neither the Parent Company nor the Group have recognized any provision for non-performing receivables, relating to amounts due from related parties, as related credit risk is considered limited.

NOTE 43: CONTINGENT LIABILITIES

Legal proceedings

Group companies are involved (as defendant and plaintiff) in various judicial and arbitration procedures, in the ordinary course of business. The Management and legal advisors of the Parent Company consider that all pending litigation will be settled without significant adverse impact on the Group's financial position or operating results.

Guarantees

As at 31 December 2021, the Parent Company had issued guarantees of good performance amounting to €1,998 thousands (2020: €2,196 thousands), which mainly relate to participation in tenders for undertaking new insurance business.

Pending tax audits

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

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

Fiscal years from 2017 to 2020 have been tax audited by PricewaterhouseCoopers S.A. and the tax certificates, which were unqualified, were issued on 31 October 2018, 29 October 2019, 23 October 2020 and 22 October 2021 respectively.

Fiscal year 2021 will be also tax audited by PricewaterhouseCoopers S.A. and no additional tax liabilities are expected that could significantly affect the financial position of the Company.

On 31 December 2021, the right of the tax authorities to issue a deed for re-calculation of income tax for the years up to and including year 2015, expired. For the years 2014 and onwards, in accordance with Ministerial Circular 1006/2016, there is no exception from tax audit performed by the tax authorities to those entities that have been tax audited by the independent auditor and its tax audit certificate was unqualified.

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

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

NOTE 44: POST BALANCE SHEET EVENTS

Sales process for Ethniki Insurance Group

On 01.04.2022 National Bank of Greece (by then the Parent Company's sole shareholder) completed its disinvestment of 90.01% of the Parent Company to CVC Capital Partners' Fund VII following the receipt of the required supervisory approvals by national and EU authorities. The transaction comprised the sale of 100% of the Parent Company's shares owned by the Bank to a newly incorporated subsidiary of CVC, Ethniki Holdings S.à r.l. (the "Purchaser") and the Bank's purchase of 9.99% of the shares in the Purchaser.

Russian Invasion of Ukraine

The geopolitical situation in Eastern Europe intensified on February 2022 with Russia's invasion of Ukraine. As events are rapidly developing and sanctions are imposed on Russia, the war takes place at a time of significant global economic uncertainty.

While the Group does not have direct exposure from subsidiaries, operations, investments and contractual arrangements in Ukraine and Russia, there might be significant indirect implications associated with more global economic consequences that result from the conflict on other areas.

The immediate global implication will be higher inflation as natural-resource prices rise. The economic ramifications of volatility in currencies and commodity prices, particularly in energy, food and agriculture, together with unease in stock market trading and interest rate rises could also be felt more widely. What is more, as deeper sanctions and countersanctions take hold, the longer-term consequence will be a further debilitation of the system of globalised supply chains.

Taking into account the timing of the event, the conflict has been assessed to be a non-adjusting event as the invasion of Ukraine occurred during February 2022 and sanctions were imposed after the end of the reporting period. Given that there is no direct or indirect material impact on the Group's business activities at this stage, no adjustments have been made to the amounts recognized as of 31 December 2021.

As the current situation evolves, the Group will continue to monitor closely the changing circumstances for any potential material impacts on its financial statements.

NOTE 45: AUDIT FEES

Price Waterhouse Coopers SA ("PwC") was the legal statutory auditor for the years ended 31 December 2021 and 31 December 2020. The following table presents the aggregate fees for audit services and other professional services rendered by the Group's principal accounting firm PwC, other member related firms and their respective affiliates.

	GROUP		PARENT COMPANY	
	31/12/2021	31/12/2020	31/12/2021	31/12/2020
	(€ thousands)		*(€ thousands)*	
Audit of statutory financial statements	280	280	190	190
Audit-related services	339	282	282	225
Other non audit services	180	276	180	276
Total independent auditor's fees	**799**	**838**	**652**	**691**

NOTE 46: RESTATEMENTS AND RECLASSIFICATIONS

Further to the IFRS Interpretation Committee's agenda decision under the title "Attributing Benefits in Periods of Service" (IAS 19 – see note 2.3.1.2) and in accordance with the requirements of the Due Process Handbook (para 8.3 and 8.6) pertaining to the authority of the agenda decisions, the Group has assessed the new methodology proposed by the

Committee as a change in accounting policy, In doing so, the attribution of benefits is limited to each year in which an employee renders service from the age of 46 to the age of 62 unless the retirement age extends beyond the age of 62, in which case the commencing period is amended accordingly. Employee service rendered before that period does not affect the Group's obligation to provide the retirement benefit, thus the Group builds up the provision over the last 16 years of the employment service.

The above change has been accounted for retrospectively as required under IAS 8 and the comparative period has been restated to reflect this change in accounting treatment. As a result, the opening balance of equity at 1.1.2020 has been adjusted to reflect the cumulative effect of the change on prior years through an increase in retained earnings and reserves of €3,294m (2019: €3,299m) and €1,692m (2019: €1,166m) respectively, being offset by a decrease in the carrying amounts of defined benefit liability and deferred tax assets of €6,561m (2019: €5,874m) and €1,575m (2019: €1,410m) respectively, as presented in the following table.

The rest of the restatements and reclassifications as presented in the below table have been made in order to provide more relevant and faithfully representative information as well as enhancing the comparability of the financial statements.

Statement of total comprehensive income	GROUP 31/12/2020			PARENT COMPANY 31/12/2020		
	Published amounts	Reclassifications (€ thousands)	Reclassified amounts	Published amounts	Reclassifications (€ thousands)	Reclassified amounts
Interest, dividends and other investment income	42,591	(4,616)	37,975	41,729	(4,616)	37,113
Policyholder benefits and claims incurred	(332,817)	7,905	(324,912)	(318,463)	7,905	(310,558)
Movement in mathematical insurance reserves	45,148	(3,289)	41,859	52,238	(3,289)	48,949
General and administrative expenses	(97,898)	(6)	(97,904)	(87,812)	(6)	(87,818)
Profit before tax	**(342,976)**	**(6)**	**(342,982)**	**(312,308)**	**(6)**	**(312,314)**
Income tax expense	(19,471)	1	(19,470)	(19,034)	1	(19,033)
Profit, net of tax	**68,420**	**(5)**	**68,415**	**66,699**	**(5)**	**66,694**

Statement of financial position	GROUP 31/12/2020			PARENT COMPANY 31/12/2020		
	Published amounts	Reclassifications (€ thousands)	Reclassified amounts	Published amounts	Reclassifications (€ thousands)	Reclassified amounts
ASSETS						
Deferred tax assets	1,956	(1,575)	381	1,956	(1,575)	381
Total Assets	**1,956**	**(1,575)**	**381**	**1,956**	**(1,575)**	**381**
LIABILITIES						
Reserves	345,990	1,692	347,682	348,575	1,692	350,267
Retained earnings	(139,058)	3,294	(135,764)	(162,363)	3,294	(159,069)
Mathematical reserves and technical insurance provisions	1,536,019	(47,243)	1,488,776	1,453,685	(47,243)	1,406,442
Investment contracts liabilities	1,229,424	47,243	1,276,667	1,229,424	47,243	1,276,667
Other liabilities	78,338	(6,561)	71,777	78,338	(6,561)	71,777
Total liabilities	**3,050,713**	**(1,575)**	**3,049,138**	**2,947,659**	**(1,575)**	**2,946,084**

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