Annual Financial Report

for the year ended
31 December 2023

ETHNIKI
First in Insurance

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

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Statement of the Chairman of the Board

Athanasios Zarkalis

“We are embracing transformation, honouring our rich history, and forging a sustainable, resilient future for all."

In the year 2023, Ethniki Insurance embarked on a transformative journey, one that was both an affirmation to our rich history and a strategic leap into the future. We are proud of our 133-year legacy as the first insurance Company in Greece, a dependable partner for Greek families and enterprises. Reliability is a core value in our organization, deeply embedded in our corporate culture and operational practices.

While we respect our history, we understand the importance of adapting to meet our customers' changing needs. We're actively becoming a more modern, flexible company, supported by digital changes, reshaping our product portfolio, and streamlining our operations and organization.

The year 2023 was marked by trials and triumphs. The Greek economy, despite geopolitical tensions, inflation, and natural disasters, displayed remarkable resilience. The insurance industry saw growth and offers potential, as it is gradually catching up to EU averages.

Our 2023 financial outcomes mirror a crucial stage in our lifecycle. We maintained a high Solvency Capital Requirement ratio of 197% at Group level and saw robust growth in Gross Written Premiums, which reached €773.1 million at Group level. Our underlying financial health in 2023 remained robust, despite transformation costs, the evolution of legacy Health business and the Daniel storm claims which resulted in a loss for the Group of (€36.1) million. Without taking into account non-recurring items, the Group recorded a profit of €100.2 million.

Our commitment to sustainability, demonstrated through our focus on environmental, social, and governance (ESG) factors, remains a key part of our strategy. This dedication won us the EcoVadis Gold Award, a testament to our focus on managing ESG risks and corporate sustainability, which we plan to incorporate more deeply into our operations.

Our team, our greatest asset, is a diverse blend of experience, loyalty, energy, and innovation. They have been instrumental in driving our continued success.

As we venture into 2024, we aim to accelerate our transformation, striving to build a stronger, modern, and trusted Ethniki. As a leading force in the insurance landscape, we are committed to standing by our customers, infusing growth in the Greek economy, offering development opportunities for our people, ensuring returns for our shareholders, and upholding our ESG commitments.

Ethniki Insurance is actively shaping its present, with a clear vision for the future. We are committed to fostering a future that inspires optimism and confidence in everyone, ensuring a brighter and more secure tomorrow.

Awards & Distinctions

Corporate Responsibility & Sustainable Development

Best Compliance Team - Insurance Sector

Dissemination of the vision of Olympism

Statement of the Chief Executive Officer

Robert Gauci

“We have finalized the first phase of our transformation journey in 2023 with a clear strategic roadmap to deliver sustainable value in the future.”

2023 was a key year for the Ethniki Insurance Group, which despite the adverse market conditions and inflationary pressures, achieved selective growth in profitable market segments, maintaining a strong presence in the Greek Insurance Market with a 13.9% share of gross written premiums; 16.6% in life insurance and 11.3% in non-life insurance. The number of Ethniki Insurance’s customers exceeded 1.72 million after 133 thousand new insureds were added to its customer base with a cross-selling index exceeding 1.2 contracts per customer.

Core business developed at a robust rate and maintained its positive profitability while the negative result stemmed evolution of the long-term Health business and losses from the Daniel storm as well as from one off transformation costs.

The Group’s pre-tax result, as calculated with the application of the new accounting standards, amounted in 2023 to €100.2 million, without the impact from the revision of the assumptions of the health portfolios, the losses associated with the effects of the storm ‘Daniel’ and the non-recurring expenses for the transformation of the Group, compared to a corresponding profit of €92.8 million in 2022.

The net pre-tax result for 2023, including the impact of the evolution of the long-term health portfolio as well as the effects of the Daniel storm, amounted to a loss of (€36.1) million.

Pre-tax profits for the Life business amounted to €65.5 million without the impact from the evolution of the long-term Health business and non-recurring expenses. Gross written premiums amounted to €557.0 million, an increase of 10.6% compared to 2022.

Pre-tax profit for the Non-Life business reached €34.7 million for 2023, excluding Daniel storm losses and adjusted costs and gross written premiums amounted to €216.1m, up 14.9% compared to 2022.

2023 was the year of first implementation of IFRS 17, with the transition date being 1.1.2022. The Contractual Service Margin ("CSM") from insurance contracts issued, which represents future profitability, recognized at that date amounted to €510.8 million, indicating he Group's strong future prospects.

The Group maintained a strong and healthy capital base, with the solvency capital requirement ratio reaching 197% on 31.12.2023. It is noted that the Group also fully covers the solvency capital requirements without the use of the transitional measure of technical provisions.
Progress on ESG is also worth noting, where the following milestones have been achieved:

where the following milestones have been achieved:

- Creating an ESG strategy
- Being the first insurance company in Greece to apply PCAF
- Awarded with the Ecovadis award

Customer-centricity, digitization and teamwork are expected to characterize the next day of Ethniki Insurance in its effort to accelerate growth rates and lead to a higher market share.

To reinforce the positive business momentum and secure sustainable profitable growth, the core of Ethniki's strategy is to strengthen its presence in all protection fields to cover customer needs in a holistic way and provide policyholders a well-diversified product mix.

€ 100.2m
Pre – tax result
(excl. non recurring items)

€ 34.7m
Pre – tax result Non-Life insurance
(excl. non recurring items)

€65.5m
Pre – tax result Life insurance
(excl. . non recurring items & Daniel

€ 773.1m
Gross written premiums

Financial Performance

Gross Written Premiums

Group and Company Gross Written Premiums ("GWP") for the year 2023 reached €773.1 million and €734.3 million respectively, increased by 11.8% and 12.0% compared to 2022.

In 2023, there was an increase of new customers of the Company by 133 thousand to 1.72 million, compared to 2022, with the cross-selling index reaching 1.2 contracts per customer.

The Group and the Company aim to the constant development of their core business, which achieved growth for the Group and Company respectively of 20.1% and 21.5% in the life business, 13.5% and 13.9% in the health business, and 14.9% and 15.1% in the non-life business, with overall growth of GWP in the core business amounting to 16.1% and 16.8% respectively.

GWP by segment and by portfolio for the years 2023 and 2022 is presented in the tables below:

Life and Health

Group	2023					2022				
	Legacy		Core			Legacy		Core		
	Health	Life	Health	Life	Total life	Health	Life	Health	Life	Total life
Agency	19.6	54.6	147.9	50.8	272.9	19.3	59.8	136.2	35.8	251.1
Brokers	12.6	10.5	80.0	37.8	140.9	12.3	10.8	65.3	29.8	118.2
Bancassurance	0.0	26.5	4.8	65.7	97.0	0.0	28.4	3.0	66.0	97.4
Direct	0.3	0.5	21.8	23.6	46.2	0.3	0.5	19.8	16.5	37.1
Total	**32.5**	**92.1**	**254.5**	**177.9**	**557.0**	**31.9**	**99.5**	**224.3**	**148.1**	**503.8**

Company	2023					2022				
	Legacy		Core			Legacy		Core		
	Health	Life	Health	Life	Total Life	Health	Life	Health	Life	Total Life
Agency	19.6	54.6	140.1	35.3	249.6	19.3	59.8	128.7	21.7	229.5
Brokers	12.6	10.5	78.9	36.7	138.7	12.3	10.8	64.2	28.8	116.1
Bancassurance	0.0	26.5	4.8	65.6	96.9	0.0	28.4	3.0	65.9	97.3
Direct	0.3	0.5	21.4	23.2	45.4	0.3	0.5	19.4	15.9	36.1
Total	**32.5**	**92.1**	**245.2**	**160.8**	**530.6**	**31.9**	**99.5**	**215.3**	**132.3**	**479.0**

GWP increase in the core life business is mainly a result of the increased premiums of the new single premium Unit Linked product "Full Bond 10", as well as higher contributions in Group Pension Contracts.

GWP of core Health increased due to the robust performance of the "Full Health" product new business.

12% GWP Increase in 2023

133.000 New Customers

1.2 Contracts per Customer

**Company figures*

The agency and broker distribution channels have demonstrated a dynamic growth in 2023 with premiums increasing respectively by 8.3% and 15.3% in the Group and 8.3% and 15.5% in the Company, compared to 2022. The agency channel will be further strengthened with the operation of the Agency Portal aiming to enhance the acquisition of new contracts and the broker channel by creating incentives through the new sales regulation. The Bancassurance channel shows a steady course with the prospect of increasing the production of a new health portfolio through the products "Full Life Health" and "Full Life Plan".

Non-life

Group	2023				2022			
	Motor	Property	Other Non-Life	Total	Motor	Property	Other Non-Life	Total
Agency	24.8	10.8	4.7	40.3	24.2	9.4	4.4	38.0
Brokers	39.2	22.2	30.3	91.7	40.4	16.5	26.7	83.6
Bancassurance	4.9	29.5	0.1	34.5	5.3	30.6	0.2	36.1
Direct	6.3	37.1	6.2	49.6	5.2	18.5	6.6	30.3
Total	**75.2**	**99.6**	**41.3**	**216.1**	**75.1**	**75.0**	**37.9**	**188.0**

Company	2023				2022			
	Motor	Property	Other Non-Life	Total	Motor	Property	Other Non-Life	Total
Agency	21.1	9.5	4.1	34.7	20.9	8.2	3.9	33,0
Brokers	35.4	21.4	29.5	86.3	37,0	15.7	26,0	78.7
Bancassurance	4.9	29.2	0.1	34.2	4.8	30.2	0.1	35.1
Direct	5.8	36.7	6.0	48.5	5.2	18.3	6.6	30.1
Total	**67.2**	**96.8**	**39.7**	**203.7**	**67.9**	**72.4**	**36.6**	**176.9**

GWP increased in the Non-Life business, by 14.9% in the Group and 15.1% in the Company on an annual basis, mainly due to increased production in the corporate portfolio of the Property business. As for the Other Non-Life business, GWP demonstrated an upward trend with the prospect of growth due to the development of new products, such as cyber security insurance as well as the strengthening of cross-selling.

Gross Written Premiums 2023

Health
+12.0%

Life
+9.0%

Non-life
+14.9%

The largest part of the growth comes from the broker and direct channels in the Property and Other Non-Life businesses, indicating the Company's potential to attract corporate business.

Operating expenses

Operating expenses of the Group and the Company, excluding transformation expenses and voluntary exit scheme costs, amounted to €93.5 million and €86.7 million respectively in 2023 compared to €94.8 million and €83.7 million in 2022, and are analyzed in the table below:

	Group			Company		
	2023	2022	Variance	2023	2022	Variance
Personnel costs	(52.5)	(46.3)	(6.2)	(48.1)	(42.0)	(6.1)
General and administrative expenses	(21.1)	(32.3)	11.2	(19.1)	(26.3)	7.2
Advertising and promotion	(5.6)	(2.2)	(3.3)	(5.4)	(2.1)	(3.3)
Building maintenance expenses	(3.0)	(3.5)	0.5	(2.9)	(3.4)	0.5
Depreciation & impairments of assets	(9.5)	(8.8)	(0.6)	(8.9)	(8.3)	(0.6)
Financial expenses	(2.1)	(1.8)	(0.3)	(2.1)	(1.8)	(0.3)
Provision for non-performing receivables	0.2	0.2	0.0	0.2	0.2	0.0
Total operating expenses (excluding transformation expenses)	**(93.5)**	**(94.8)**	**1.3**	**(86.3)**	**(83.7)**	**(2.6)**
Transformation expenses	(24.8)	(19.0)	(5.8)	(24.8)	(19.0)	(5.8)
Voluntary exit scheme	(14.2)	-	(14.2)	(14.2)	-	(14.2)
Total Operating Expenses	**(132.5)**	**(113.8)**	**(18.7)**	**(125.3)**	**(102.7)**	**(22.6)**

Due to the transformation process, the Company has incurred expenses of €39.0 million in 2023, including the cost of the staff voluntary exit scheme. Transformation expenses amounted to €19.0 million in 2022. When the transformation is completed, the Company will significantly improve its profitability.

The Board of Directors of the Company, during the meeting held on 4 April 2023, approved the provision of incentives for the voluntary exit of personnel (employees and salaried lawyers) from the Company, provided that they met certain criteria.

Employees' compensation was calculated based on employees' age and years of service.

The number of participants of this program reached 90 employees, while the annual payroll cost reduction is estimated at €6.2 million. This action is about to further improve the Company's competitiveness and create significant development opportunities of the remaining staff.

Transition to IFRS 17 and IFRS 9

The Group applied IFRS 17 and IFRS 9 for the first time on January 1, 2023. Both standards bring significant changes to the recognition, valuation and presentation of insurance and reinsurance contracts and financial instruments, respectively.

Regarding the adoption of IFRS 17, the Group applied the following measurement models to its portfolios of insurance contracts:

The General Measurement Model which is applied to long-term life and health insurance policies.

The Variable Fee Approach (VFA) which is applied to Unit-Linked contracts without guaranteed return.

The Premium Allocation Approach (PPA) which is applied to short-term Non-life, Life and Health insurance contracts.
This approach is also applied to portfolios of reinsurance contracts held.

For each measurement model, insurance contract liabilities are calculated as the sum of (a) the Liability for Remaining Coverage and (b) the Liability for Incurred Claims (LIC).

For the groups of insurance contracts measured under GMM and VFA, the liability for remaining coverage is calculated as the sum of:

- Fulfillment cash flows, i.e., the present value of future cash flows within the boundary of each insurance contract, applying to them the current discount rate and incorporating the adjustment for non-financial risk (Risk Adjustment – "RA"), plus
- The Contractual Service Margin which represents the unearned profit which is gradually recognized during the coverage period of the contract.

For groups of contracts measured applying the Premium Allocation Approach, the liability for remaining coverage is calculated as the sum of premiums received minus acquisition costs and the net amount of premiums recognized in profit or loss relating to the part of the coverage period that has expired.

The Liability for Incurred Claims (LIC) includes the present value of future cash flows for insurance events that have already occurred by incorporating the adjustment for non-financial risk.

During transition to IFRS 17, the Company has identified the following approaches:

- For Non-Life products and those related to Life and Health insurance that are measured according to the PAA model, the retrospective approach was applied.
- For individual life contracts issued after 1.1.2016, the full retrospective approach was applied, while for generations of contracts before 1.1.2016 the fair value approach was applied.

The total impact on the Group and Company's Equity from the adoption of the new standard is €444.3 million and €449.7 million respectively, which is attributed to the following factors:

- The CSM is a new element of insurance contract liabilities and corresponds to the future profitability that will be reflected in the Group and Company results over the life of the insurance policies as revenue. The CSM at transition date of €510.8 million for the Group and €498.7 million for the Company mainly stems from long term life and health policies with a smaller part attributed to non-guaranteed Unit-Link contracts.

- The Risk Adjustment ("RA") is also a new element of insurance contract liabilities and reflects the compensation required by the Group and the Company for assuming the risk related to the uncertainty over the amount and timing of cash flows arising from non-financial risk, such as lapse risk and expense risk. The RA at transition date of €102.6 million for the Group and €100.7 million for the Company, stems from life and health policies and the remainder from non-life insurance policies.

- Other measurement differences have a positive impact on Equity during the transition to the new standard (IFRS 17) and arise mainly from:
  - ✓ Different grouping and contract boundaries when measuring under IFRS 17, compared to IFRS 4, which leads to the classification of future net inflows into specific Life and Health portfolios
  - ✓ Use of different discount curves during transition to IFRS 17 relative to the discount rates used in the measurement of the remaining maturity and the liability adequacy test under IFRS 4. An impact on Equity is also observed due to the discounting of future flows in the liability for incurred claims.
  - ✓ Deferral of a larger amount of insurance acquisition costs in short-term contracts than under current practice

- The derecognition of IFRS 4 Deferred Acquisition Costs ("DAC"), which affected Equity during the transition, concerns long-term contracts measured under the General Measurement Model, for which the Fair Value Approach was applied at the transition date. The derecognition of the remaining DAC had no effect on the amount of Equity as it is reclassified within insurance contract liabilities.

- The recognition of a deferred tax asset concerns all the above temporary differences with their tax base.

The Group and Company applied IFRS 9 for the first time in 2023 and based on the provisions of the new standard, they did not restate the comparative reporting periods.

IFRS 9 introduces three (3) new categories for the valuation of financial assets:

- Amortized cost
- Fair Value through Other Comprehensive Income – FVOCI
- Fair Value through Profit & Loss – FVTPL

replacing the respective categories of IAS 39:

- held-to-maturity
- loans and receivables
- available-for-sale

The application of the above standards has a significant effect on the financial figures of the Company. All the financial figures in this Report are in accordance with IFRS 17 and IFRS 9 for 2023 and IFRS 17 and IAS 39 for 2022.

The impact of IFRS 9 application on 1 January 2023 on the Group and Company consolidated financial statements was an increase in equity of €114.4 million.

€ +114.4 m

IFRS 9 Equity Impact at 1.1.2023

€ (510.8) m

CSM IFRS 17 Impact at 1.1.2022

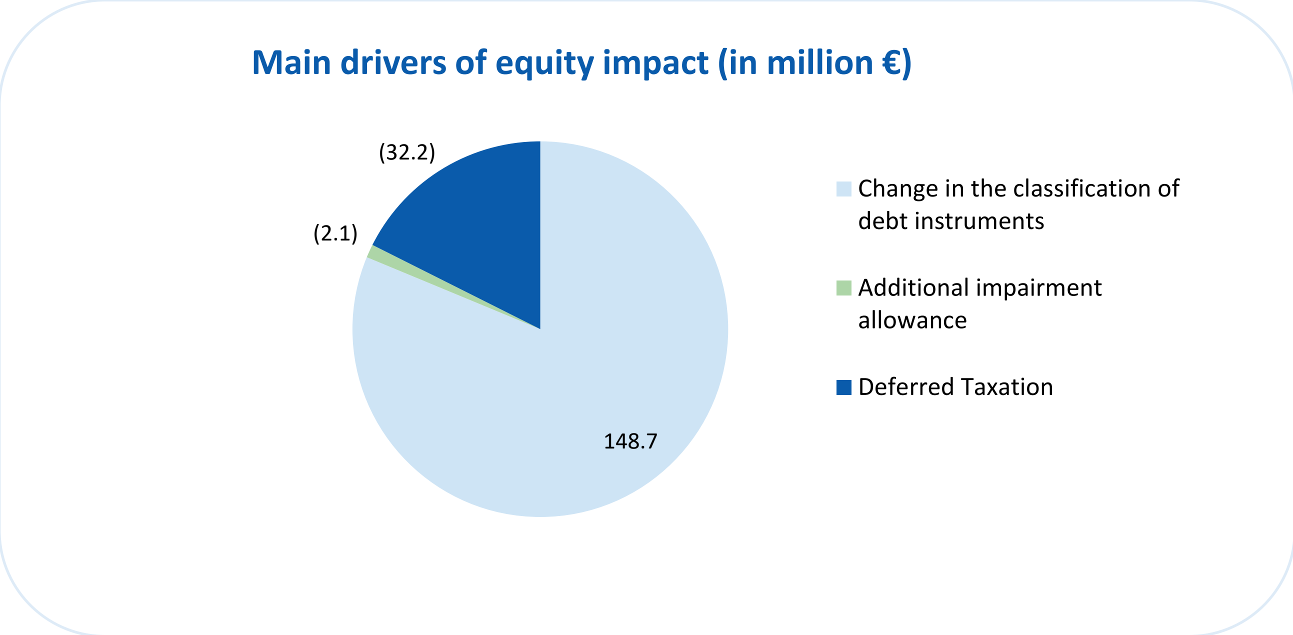
€ (444.3) m

IFRS 17 Equity Impact at 1.1.2022

Main drivers of the equity impact stemming from the initial application of IFRS 9 are presented below (amounts in million):

- Change in the classification of debt instruments: €148.7 million
- Additional impairment allowance: (€2.1) million
- Deferred Taxation: (32.2) million

No changes to classification and measurement of financial liabilities have resulted from the application of IFRS 9.



Financial Results following IFRS 17/9 Adoption

Profit before non-recurring items of the Company as calculated with the application of the new accounting standards, amounted to €97.8 million in 2023 compared to a profit of €102.2 million in 2022, representing a change of (4.3%) compared to 2022. On the contrary, Group results increased by 7.9% in 2023, compared to the previous year, with profit before non-recurring items amounting to €100.2 million in 2023 and €92.8 million in 2022, respectively. This does not include the losses from the evolution of the long-term Health business, claims related to the Daniel storm and non-recurring expenses. The reason for the increase in the Group results compared to the decrease in Company results are the valuation losses on financial investments of Ethniki Cyprus and the higher impairment of Garanta at Group level compared to Company level in 2022. A breakdown of the results is presented in the table below:

	Group		Company	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
Insurance revenue	546.3	488.5	521.0	465.2
Insurance service expenses	(453.5)	(371.7)	(432.8)	(353.9)
Insurance service result before reinsurance contracts held	92.8	116.8	88.2	111.4
Net expense from reinsurance contracts held	(53.4)	(56.8)	(51.5)	(55.1)
Insurance service result	39.4	60.0	36.7	56.3
Net insurance financial result	(26.6)	16.2	(21.6)	9.6
Net investment income	114.6	33.4	108.7	57.1
Other income/expenses	(27.3)	(16.8)	(26.0)	(20.8)
Result befote tax and non-recurring items	**100.2**	**92.8**	**97.8**	**102.2**
Non-recurring items*	(136.3)	(22.6)	(136.3)	(22.6)
Result before tax	**(36.1)**	**70.2**	**(38.4)**	**79.6**

Non-recurring items include the evolution of the long-term Health business, losses from the retention of "Daniel" storm claims and non-recurring expenses.
The long-term Health business experienced both an increase in frequency in 2023, as well as inflationary pressures, leading to experience adjustments and a revision of estimates, which have resulted in losses of €85.4 million.
Losses incurred by the Group from the Daniel storm had been estimated at €60.1 million on a gross of reinsurance basis at the end of 2023; these were contained to €11.9m for the Group's own retention, taking also into account the effect on commission income from reinsurers.
Non-recurring expenses amounting to €39.0 million include costs incurred for the Company's transformation and comprise of consultancy fees and IT system implementation and decommissioning expenses, as well as the cost of the Company's Voluntary Exit Scheme amounting to €14.2 million.

The analysis of the financial results between Life and Health, and Non-Life Business is presented in the sections below.

Analysis of Life and Health results

The portfolio of the Company is divided into Legacy and Core. The Legacy portfolio includes life products with guaranteed returns as week as lifetime health covers that are not expected to contribute to future profitability. The core portfolio includes unit-linked products, protection products, annually renewable health policies, long-term health covers that are expected to generate future profitability. It also includes group life and health policies as well as non-life insurance policies.

The analysis of the results in Life and Health is presented in the table below:

Group	31/12/2023					31/12/2022				
	Legacy		Core			Legacy		Core		
	Health	Life	Health	Life	Total	Health	Life	Health	Life	Total
Insurance revenue	45.4	18.7	227.4	49.6	341.2	43.6	16.2	199.7	43.4	302.9
Insurance service expenses	(55.6)	(16.2)	(228.8)	(29.7)	(330.3)	(50.3)	(15.1)	(194.3)	(22.6)	(282.3)
Insurance service result before reinsurance contracts held	**(10.2)**	**2.5**	**(1.4)**	**19.9**	**10.9**	**(6.7)**	**1.1**	**5.4**	**20.8**	**20.6**
Net expense from reinsurance contracts held	-	(0.4)	(0.3)	(4.4)	(5.1)	-	(0.5)	(0.2)	(3.4)	(4.1)
Insurance service result	**(10.2)**	**2.1**	**(1.6)**	**15.5**	**5.8**	**(6.7)**	**0.6**	**5.2**	**17.4**	**16.5**
Net insurance financial result	(0.1)	0.1	(1.0)	(24.3)	(25.3)	2.1	1.7	(0.9)	12.6	15.5
Net investment income	**7.8**	**49.1**	**6.1**	**37.2**	**100.2**	**6.6**	**44.1**	**0.3**	**(11.0)**	**40.0**
Other income/expenses	(1.3)	(0.9)	(10.5)	(2.6)	(15.3)	(1.0)	(0.7)	(8.2)	(2.3)	(12.2)
Result before tax and non- recurring items	**(3.8)**	**50.5**	**(7.1)**	**25.9**	**65.5**	**1.0**	**45.7**	**(3.6)**	**16.8**	**59.9**
Non recurring items*	(46.7)	(1.3)	(56.7)	(3.6)	(108.4)	(0.9)	(1.5)	(7.6)	(1.4)	(11.4)
Result before tax	**(50.5)**	**49.1**	**(63.8)**	**22.3**	**(42.9)**	**0.1**	**44.2**	**(11.2)**	**15.4**	**48.5**

Company	31/12/2023					31/12/2022				
	Legacy		Core			Legacy		Core		
	Health	Life	Health	Life	Total	Health	Life	Health	Life	Total
Insurance revenue	45.4	18.7	223.3	40.3	327.7	43.6	16.2	195.2	35.3	290.3
Insurance service expenses	(55.6)	(16.2)	(224.2)	(24.5)	(320.5)	(50.3)	(15.1)	(190.5)	(17.9)	(273.7)
Insurance service result before reinsurance contracts held	**(10.2)**	**2.5**	**(0.9)**	**15.8**	**7.2**	**(6.7)**	**1.1**	**4.7**	**17.5**	**16.7**
Net expense from reinsurance contracts held	-	(0.4)	(0.2)	(3.9)	(4.5)	-	(0.5)	(0.2)	(2.9)	(3.6)
Insurance service result	**(10.2)**	**2.1**	**(1.1)**	**11.9**	**2.7**	**(6.7)**	**0.6**	**4.5**	**14.6**	**13.1**
Net insurance financial result	(0.1)	0.1	(1.0)	(19.6)	(20.6)	2.1	1.7	(0.9)	6.2	9.1
Net investment income	**7.8**	**49.1**	**5.7**	**32.5**	**95.1**	**6.6**	**44.1**	**1.0**	**0.9**	**52.6**
Other income/expenses	(1.3)	(0.9)	(10.4)	(2.3)	(14.8)	(1.0)	(0.7)	(8.3)	(1.2)	(11.2)
Result before tax and non- recurring items	**(3.8)**	**50.5**	**(6.9)**	**22.5**	**62.4**	**1.0**	**45.7**	**(3.7)**	**20.6**	**63.6**
Non recurring items*	(46.7)	(1.3)	(56.7)	(3.6)	(108.4)	(0.9)	(1.5)	(7.6)	(1.4)	(11.4)
Result before tax	**(50.5)**	**49.1**	**(63.5)**	**18.9**	**(46.0)**	**0.1**	**44.2**	**(11.3)**	**19.2**	**52.2**

**Non-recurring items include the evolution of the long-term Health business (€ 85.4 million) and non-recurring expenses.*

In the life and health insurance business, the Group and Company result before tax for the year 2023 was negatively affected by the evolution of the long-term Health business by €85.4 million. For the year 2023 the result before tax without this effect for the Group and the Company amounted to a profit of €65.5 million and €62.4 million respectively, against to a profit of €59.9 million and €63.6 million respectively in the prior year being, up by 9.4% for Group and slightly down by 1.9% for Company. The main driver of the positive impact in the Group is the higher investment income net of insurance financial result in 2023 compared to the prior year, which was offset to a large extent by the lower insurance service and insurance finance result net of reinsurance. The latter, coupled by higher expenses, led o the slight decrease of the result before tax and non-recurring items in the Company.

In the core business, the increase in insurance revenue of annually renewable health contracts was offset by higher claims incurred within 2023 resulting in a lower insurance service result by €8.7 million and €8.3 million in the Group and the Company respectively. GWP of core Health increased due to the robust performance of the "Full Health" product new business that was launched within 2023, the increase of the contributions to Group Health policies and the limited premium increases aiming to capture the increased inflation in insurance claims payments.

The insurance service result in the legacy portfolios of the Group and the Company deteriorated by €2.0 million in 2023 compared to 2022, mainly due to the increased inflation and the increase of frequency of losses in Health insurance portfolios.

The positive valuations of underlying items in direct participating contracts (i.e. Unit Linked without guarantees) resulted in higher insurance finance expenses for both the Group and the Company compared to insurance finance income in 2022, due to valuation losses of mutual funds.

The increase in investment income is due to the positive valuations of the Company's equity and investment portfolio of Mutual Funds, due to the positive market performance, part of which benefited holders of investment-related contracts, as evidenced by the decrease in the net financial insurance result. It should be noted that net investment income in 2023 has been measured in accordance with IFRS 9 and in 2022 it has been measured in accordance with IAS 39.

Analysis of Non-life insurance results

The adjusted result for the Non-Life business amounted to €34.7 million and €35.4 million in 2023 compared to €32.8 million and €38.5 million in 2022 for the Group and the Company respectively. This result does not include the impact net of reinsurance stemming from Daniel storm damages and other non-recurring items.

The result before tax of the Group and Company Non-life business, based on IFRS 17, is presented in the tables below:

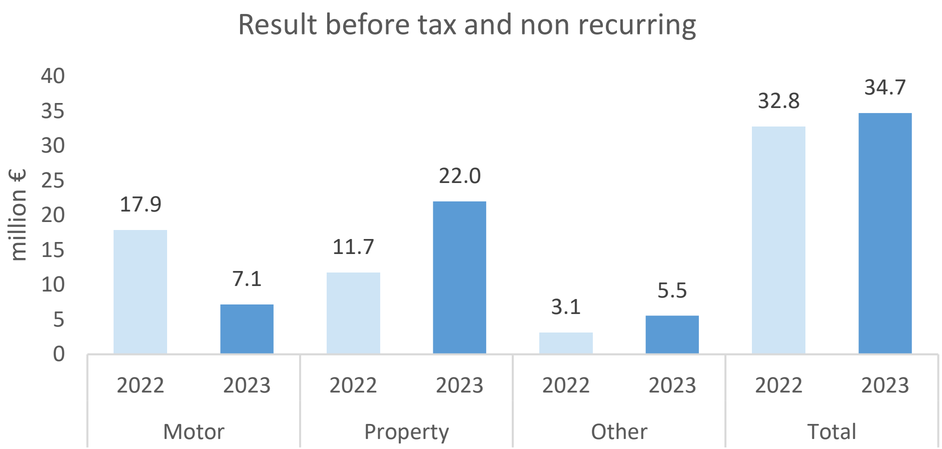
Group	2023 Core business Motor	Property	Other	Total	2022 Core business Motor	Property	Other	Total
Insurance revenue	73.8	90.9	40.4	205.1	75.2	73.5	36.8	185.6
Insurance service expenses	(61.5)	(41.7)	(20.0)	(123.2)	(45.7)	(26.2)	(17.5)	(89.4)
Insurance service result before reinsurance contracts held	**12.3**	**49.2**	**20.4**	**81.9**	**29.5**	**47.4**	**19.4**	**96.2**
Net expense from reinsurance contracts held	(4.3)	(28.6)	(15.4)	(48.3)	(4.9)	(32.3)	(15.6)	(52.8)
Insurance service result	**8.0**	**20.6**	**5.0**	**33.6**	**24.6**	**15.1**	**3.8**	**43.5**
Net insurance financial result	**(0.9)**	**(0.1)**	**(0.3)**	**(1.3)**	**0.9**	**(0.1)**	**(0.1)**	**0.7**
Net investment income	**7.3**	**4.8**	**2.2**	**14.4**	**2.7**	**(0.1)**	**0.4**	**3.0**
Other income/expenses	(7.2)	(3.4)	(1.4)	(12.0)	(10.3)	(3.1)	(1.0)	(14.4)
Result before tax and non- recurring items	**7.1**	**22.0**	**5.5**	**34.7**	**17.9**	**11.7**	**3.1**	**32.8**
Non recurring items*	(9.7)	(11.2)	(7.0)	(27.9)	(8.8)	(4.3)	2.0	(11.1)
Result before tax	(2.6)	10.8	(1.5)	6.8	**9.1**	**7.4**	**5.1**	**21.7**

Company	2023 Core business Motor	Property	Other	Total	2022 Core business Motor	Property	Other	Total
Insurance revenue	66.1	88.1	39.0	193.2	68.4	70.9	35.6	174.9
Insurance service expenses	(52.6)	(40.4)	(19.3)	(112.2)	(38.9)	(24.9)	(16.4)	(80.2)
Insurance service result before reinsurance contracts held	**13.5**	**47.7**	**19.8**	**81.0**	**29.5**	**46.0**	**19.2**	**94.7**
Net expense from reinsurance contracts held	(4.2)	(27.6)	(15.2)	(47.0)	(4.2)	(31.8)	(15.5)	(51.5)
Insurance service result	**9.3**	**20.1**	**4.6**	**34.1**	**25.3**	**14.1**	**3.8**	**43.2**
Net insurance financial result	**(0.7)**	**(0.1)**	**(0.3)**	**(1.0)**	**0.7**	**(0.2)**	**(0.1)**	**0.4**
Net investment income	**6.9**	**4.6**	**2.1**	**13.5**	**3.5**	**0.4**	**0.6**	**4.5**
Other income/expenses	(6.8)	(3.0)	(1.4)	(11.1)	(5.6)	(2.6)	(1.3)	(9.6)
Result before tax and non- recurring items	**8.8**	**21.6**	**5.1**	**35.4**	**23.9**	**11.7**	**2.9**	**38.5**
Non recurring items*	(9.7)	(11.2)	(7.0)	(27.9)	(8.8)	(4.3)	2.0	(11.1)
Result before tax	(0.9)	10.4	(1.9)	7.6	**15.2**	**7.4**	**4.9**	**27.5**

**Non-recurring items include losses from the impact of the Daniel storm (€11.9 million) and non-recurring expenses.*

The Motor line of business remained profitable in 2023 with the adjusted result amounting to €7.1 and €8.8 for the Group and the Company respectively. Lower profits in 2023 compared to 2022 mainly stemmed from lower premium income and higher loss ratio.

On the contrary, the Property line of business, excluding losses from Daniel storm, improved its result from €11.7 million at Group level and Company level in 2022 to €22.0 million and €21.6 million in 2023 respectively. Main factor of this increase is the higher insurance revenue because of increased production during 2023.



Balance Sheet

Investment Portfolio

The carrying amount of the Group and Company investment portfolio on 31.12.2023, excluding Unit-Linked investments, is analyzed below:

	Group				Company			
Investment Categories	**2023**	**%**	**2022**	**%**	**2023**	**%**	**2022**	**%**
Bonds & T-Bills	2.241,3	78%	2.089,1	77%	2.218,6	78%	2.072,1	77%
Equities	29,3	1%	28,2	1%	29,3	1%	28,2	1%
Mutual funds	472,3	16%	441,8	16%	465,5	16%	435,4	16%
Own funds (Private Assets)	63,1	2%	13,7	1%	63,1	2%	13,7	1%
Cash equivalents	55,5	2%	74,2	3%	43,2	2%	62,7	2%
Property	24,7	1%	73,7	3%	24,7	1%	73,7	3%
Total	**2.886,2**	**100%**	**2.720,7**	**100%**	**2.844,4**	**100%**	**2.685,8**	**100%**

The factors that affected the composition of the investment portfolio during the year, besides the change in prices, were the decrease in EU periphery government bonds, the increase in the government bonds of Core Europe and the increase in investments in private assets and money market Mutual Funds in order to maintain the high liquidity of the portfolio.

The investment portfolio of the Group and Company's Unit-Linked contracts amounted to €614.4 million and €573.9 million respectively on 31.12.2023, against €615.7 million and €583.2 million in 2022, and is analyzed as follows:

	Group				Company			
Investment Categories	**2023**	**%**	**2022**	**%**	**2023**	**%**	**2022**	**%**
Bonds	83.9	14%	100.1	16%	67.1	12%	75.8	13%
Term Deposits	267.5	44%	338.9	55%	258.2	45%	320.8	55%
Mutual funds	251.2	41%	164.9	27%	244.1	43%	175.0	30%
Equity	2.8	0%	1.6	0%	0.7	0%	0.0	0%
Cash & Cash equivalents	9.0	1%	10.2	2%	3.8	1%	11.7	2%
Total	**614.4**	**100%**	**615.7**	**100%**	**573.9**	**100%**	**583.2**	**100%**

The factors that mainly affected the composition of the Unit Linked portfolio during the year were the launch of a new product, maturities of existing contracts and the restructuring of the Domestic open-ended fund portfolios, to deal with the intense volatility observed in the capital markets in 2023.

Insurance Liabilities

Insurance liabilities, calculated in accordance with IFRS 17 increased in 2023 by 11.5% at a Group level and 11.3% at a Company level compared to the previous year due to:

- Increase in fulfilment cash flows ("FCF"), mainly stemming from changes in assumptions in the health old portfolio during 2023 and the decrease of interest rates. Total increase in FCF stemming from changes in non-economic assumptions was partially offset by a corresponding decrease of the CSM, resulting in no impact in the carrying amount of insurance liabilities.
- Increase in the Present Value of Future Cash Flows ("PVFC") in the liabilities for incurred claims, mainly stemming from higher claims and lower discount rates applied in the 2023.

In the Non-Life portfolios, a significant increase in the liability for incurred claims is noted in the Property portfolio mainly due to the Daniel storm and lower interest rates.

The following tables provide a breakdown of the Group's and Company's insurance contract liabilities and the Contractual Service Margin ("CSM"):

Group	2023								
	LIFE & HEALTH					NON-LIFE			
	Legacy portfolio		Core Portfolio			Core Portfolio			
	Health	Other	Health	Other Life	Total	Motor	Property	Other non-life	Total
Insurance Contract Liabilities	509.7	665.3	184.4	524.7	1,884.1	185.9	168.3	77.8	432.0
CSM of Insurance Liabilities	49.2	73.4	419.5	58.9	601.0	N/A	N/A	N/A	N/A

Company	2023								
	LIFE & HEALTH					NON-LIFE			
	Legacy portfolio		Core Portfolio			Core Portfolio			
	Health	Other	Health	Other Life	Total	Motor	Property	Other non-life	Total
Insurance Contract Liabilities	509.7	632.2	181.9	501.1	1,824.9	176.9	168.3	75.7	420.9
CSM of Insurance Liabilities	49.2	62.9	419.5	48.8	580.3	N/A	N/A	N/A	N/A

Group	2022								
	LIFE and HEALTH					NON-LIFE			
	Legacy portfolio		Core Portfolio			Core Portfolio			
	Health	Other	Health	Other Life	Total	Motor	Property	Other non-life	Total
Insurance Contract Liabilities	466.9	648.8	158.0	516.6	1.790,3	192.8	36.9	56.4	286.0
CSM of Insurance Liabilities	55.5	80.2	436.1	52.5	624.2	N/A	N/A	N/A	N/A

Company	2022								
	LIFE and HEALTH					NON-LIFE			
	Legacy portfolio		Core Portfolio			Core Portfolio			
	Health	Other	Health	Other Life	Total	Motor	Property	Other non-life	Total
Insurance Contract Liabilities	466.9	622.0	155.8	496.9	1,741.7	185.3	36.9	54.2	276.4
CSM of Insurance Liabilities	55.5	71.4	436.1	43.8	606.8	N/A	N/A	N/A	N/A

Changes in CSM - Future Profitability of Long-Term Life Contracts

The CSM is a new element introduced by IFRS 17 and represents the future profitability of the Company. It is calculated at the contract issuance (initial recognition) for insurance contracts measured under GMM and VFA, as the difference between the discounted estimated future cash inflows minus the estimated future cash outflows and the risk adjustment. It is then amortized as services are provided during the life of the contracts. The CSM is affected by changes in actuarial assumptions but remains unaffected by changes in the yield curve, under GMM, whereas for insurance contracts measured under the VFA, the CSM is also adjusted for the entity's share of fair value of underlying items and changes in the yield curve.

The bigger part of the CSM stems from long-term life contracts that also include health covers and the remaining CSM stems from long-term life contracts without health covers, and to a lesser extent, from Unit-Linked contracts without guaranteed returns.

The size of the CSM demonstrates the significant estimated future profitability of the Company, which will be recognized in the future through its amortization. The CSM amortization, which is part of insurance revenue amounted to €25.4 million and €26.5 million in 2023 for the Group and the Company respectively versus €26.7 and €27.7 million in 2022 for the Group and the Company respectively.

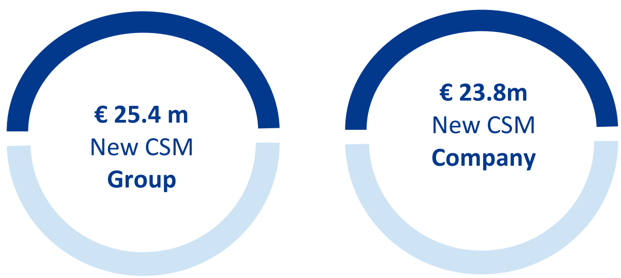
The table below sets out the total change of CSM in 2023 and 2022:

	Group		Company	
Long-term contracts	**2023**	**2022**	**2023**	**2022**
Contractual Service Margin (CSM) on 01/01	624.2	515.1	606.8	498.7
Initial identification of contracts in use	25.4	29.1	23.8	27.0
Insurance interest (income)/expense	2.3	(0.4)	2.3	(0.5)
Changes to the assumptions that adjust the CSM	(24.5)	108.2	(27.1)	108.4
CSM income recognition	(26.5)	(27.7)	(25.4)	(26.7)
Contractual service margin (CSM) at 12/31	600.9	624.2	580.3	606.8

The CSM that was recognized at the date of transition to IFRS 17 amounted to €515.1 million and €498.7 million for Group and Company respectively. In 2022 the CSM increased by €108.2 million for Group and €108.4 million for Company due to the positive effect of change in actuarial assumptions on profitable life contracts with health covers attached, due to premium increases. The CSM was reduced by €24.5 million and €27.2 in 2023 for the Group and the Company respectively due to inflationary pressures as well as due to the increase in the frequency of life contracts with health riders. Despite the decrease in CSM in 2023, due to specific facts that negatively affected the Company's results, the CSM still remains at high levels, demonstrating the Company's future outlook for strong profitability.

The Company continues to generate profitable contracts, with the CSM stemming from New Business amounting to €25.4 million and €23.8 million for Group and Company respectively in 2023 compared to €29.1 million and €27.0 million for the Group and the Company respectively in 2022.

The new CSM recognized by the Group and the Company derives from new life insurance policies (€18.8 million for Group and €18.4 million for Company) and Unit Linked contracts without guarantees (€6.6 million for Group and €5.4 million for Company).



Equity and Capital

Total equity for the Group and the Company on 31.12.2023 amounted to €438.4 million and €420.6 million respectively, higher by 32.1% and 33.0% compared to 31.12.2022. The main driver of the increase is the initial application of IFRS 9 which led to the reclassification of specific portfolios of debt instruments.

In detail Equity movement for the Group and the Company in 2023 is presented below:

	Group	Company
Total Equity 31/12/2022	**331.9**	**316.3**
IFRS 9 Adoption impact	114.4	114.4
Change in Securities Valuation Reserve	31.7	32.2
Change in Insurance Financial Income / Expenses Reserve	(11.6)	(11.6)
Change of Liabilities from defined benefit plans and other reserves	1.3	0.9
Results for the period	(29.3)	(31.6)
Total Equity 31/12/2023	**438.4**	**420.6**

With regards to the Company's capital position, the following table presents the key Solvency II figures of the Group and the Company for the fiscal years 2023 and 2022:

	Group		Company	
Basic Solvency II Measures	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Total eligible own funds for SCR	599.9	659.2	658.9	750.3
Solvency Capital Requirement (SCR)	304.3	328.7	307.5	332.9
Solvency Ratio (SCR coverage)	**197%**	**201%**	**214%**	**225%**

Group Solvency II figures relate to the Ethniki Holdings S.á.r.l. *Group*

Shareholder structure

The Company is a subsidiary of Ethniki Holding S.á.r.l. based in Luxembourg, which owns 100% of its shares. The current Financial Statements are also included in the consolidated financial statements of the Ethniki Holdings S.á.r.l.. There were no changes in the shareholder structure of the Company in 2023.

Financial Environment

Financial Market Review & Outlook

The year 2023 was dominated by the return of inflation and restrictive monetary policies. Key Central Banks including the Fed and the ECB began to aggressively raise interest rates, driving bond yields higher despite fears of rising unemployment and economic recession. In addition, several other events occurred including the collapse of several US banks, labor strikes across the US and unrest in the Middle East compounding the overall volatile environment both political and economic.

However, despite this volatile economic backdrop and as the inflation picture began to look more positive in partnership with resilient corporate earnings, most asset classes delivered positive returns as Central bank rhetoric turned more dovish throughout the year driving equity markets to deliver double digit returns and bond markets to rally as market participants priced in lower yields.

Looking ahead as inflation seems to have converged back to Central Bank targets but with elevated geopolitical risk, the volatile market environment is likely to continue with no clear signs of recession on the horizon. This should support market returns in 2024.

As interest rates are expected to drop in 2024 the Group's focus and commitment on a robust balance sheet and capital management become even more important and diversifying actions taken over the last two years should help to stabilize its solvency position.

The asset portfolio backing both policyholder and shareholder funds remains defensively positioned as we look to achieve our Strategic Asset Allocation. We continue to look to improve the quality of the portfolio both across sectors and asset classes while maximizing the liquidity of the portfolio.

The insurance industry in 2023 in Greece and worldwide demonstrated its resilience in the difficult economic environment, during inflationary pressures and geopolitical issues. Greek businesses are required to operate in a constantly uncertain environment. Greece is required to adapt to the main challenge that the whole of Europe also faces, competition in an age of interdependence.

Greek Insurance Industry

In 2023, the insurance industry in Greece experience notable developments and faced several challenges as it navigated a dynamic economic landscape. The sector continued its gradual recovery from the economic downturns of the past decade, bolstered by a growing economy and increased consumer confidence.

Market GWP compared to prior year increasing by 8.9% to €5.3 billion. Life Insurance GWP were up 5.7% to €2,6 billion and Non-Life Insurance GWP were up 12.1% to €2.7 billion, according to the Hellenic Association of Private Insurance Companies.

On the claims side, 2023 was market by the "Daniel" storm and the summer wildfires. Total losses for these events amounted to €420 million, which is the highest amount in record of claims paid by Greek insurance companies in a single year for catastrophic events. In total, the claims paid by the Greek insurance companies in 2023 amounted to €2.4 billion. Climate change and natural catastrophies are at the forefront of the industry's concerns. The focus is on uninsured losses, which are considered to be high in Greece. It is indicative that only 17% of private homes and 40% of businesses are insured against such risks. The recent law providing a discount in property tax for houses that are insured is considered as a step in the right direction, as is the mandatory insurance of businesses with a turnover exceeding €2 million.

With regards to the Health business, the post-Covid environment let to an increase in claims frequency in 2023, compared to prior years, which coupled by inflationary pressured created a significant strain in the market, leading to premium increases.

According to Law 5078/2023, the tax treatment between Group Pension Contracts and Occupational Pension Funds has been equalized. In 2024, both life and non-life insurance businesses are expected to experience growth. Additionally, the ongoing digital transformation within the sector is streamlining operations and improving customer service, making insurance products more accessible and attractive. The optimistic outlook is further supported by strategic investments and innovations aimed at addressing emerging risks, such as those related to climate change and cybersecurity.

Events after the balance sheet date

On 12.5.2024, the Group announced that after the completion of the first phase of the Group's transformation plan and new corporate strategy, Mr. Robert Gauci will step down as CEO of the Company at the beginning of July this year. As part of the Group's selection process and subject to regulatory approvals, Mr. Dimitris Mazarakis will be appointed as the new CEO of the Company with an effective date 8.7.2024.

On 30.4.2024, the Company completed the sale of the property in 4 Korai & 30 Stadiou street in Athens that was held for sale at the end of the current reporting period. The consideration received amounted to €48 million.

Going concern principle

The time period that the Board of Directors has considered in evaluating the appropriateness of the going concern basis in preparing the financial statements for 2023 is a period of twelve months from the date of approval of these financial statements ('the assessment period').

In making the assessment, the Directors have considered a wide range of information relating to present and future conditions, including the performance of the Group's business, solvency and liquidity, future projections of profitability, cash flows, capital requirements and capital resources together with a range of other factors such as the economic outlook for the Greek economy and the current global macroeconomic and geopolitical environment.

The matters of primary considerations by the Directors are set out below:

Capital
The Group has developed capital plans under base and stress scenarios and the Directors believe that the Group has sufficient capital to meet its regulatory capital requirements throughout the period of assessment.

Solvency and liquidity
The Directors have considered the Group's solvency and liquidity position and are satisfied that the Group continues to maintain strong solvency and liquidity positions throughout the period of assessment.

Conclusion
On the basis of the above, the Board is satisfied that the Group as a whole has adequate resources to continue operations for the next 12 months from the date of this report and meet liabilities as they fall due. No material uncertainties that may cast significant doubt on the ability of the Group to continue as a going concern have been identified. The Directors therefore consider it appropriate to continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2023.

Network & Affiliated Companies

Company Network

The Company's production network extends throughout Greece and consists of 129 Sales Network Offices with 1.649 Corporate Network Insurance Agents, 1.149 Collaborating Insurance Agencies and 136 Collaborating Insurance Brokers. The production network is supported by a network of 6 branches, which are located in Athens, Corinth, Patras, Chania, Rhodes and Thessaloniki. The Company's products are also available through the extensive network of NBG branches as well as through the Company's website.

Ethniki Insurance (Cyprus) Ltd

Results before tax of Ethniki Insurance (Cyprus) Ltd amounted profit of €2.7 million, against losses of €4.9 million in 2022. The results increased compared to the previous year due to last year's decrease in the valuation of the investment portfolio. Ethniki Insurance (Cyprus) Ltd is active in all insurance lines of business. Its network consists of 7 branches and 2 Insurance Offices, which are located in all major cities of Cyprus (Nicosia, Limassol, Larnaca, Paphos, Famagusta), 130 insurance consultants and 46 collaborating insurance agencies.

Garanta Asigurari S.A.

Garanta Asigurari S.A. (Garanta) operates in the field of insurance and reinsurance in all insurance lines of business. It has 12 branches in the following cities: Bucharest (2), Bacau, Craiova, Constanta, Deva, Galati, Iasi, Pitesti, Ploiesti, Oradea and Timisoara. Its network includes 135 agents, 3 insurance consultants, while its insurance products are sold through the banking network of Eximbank (formerly Banca Romaneasca), Alpha Bank Romania and First Bank Romania.

The size of this subsidiary is particularly small in relation to the Company.

In the last quarter of 2022, the Company decided to consider the possibility of divestment from this subsidiary and has activated the process of finding interested investors. The subsidiary has now been included in assets held for sale. In the context of the assessment for its classification as an asset intended for sale, an impairment provision of €11.4 million at Group level and €9.7 million at Company level was recognized. The sale process has not been completed.

Risk Management

Risk Management Framework

The Group, by acknowledging its risk exposure and the necessity of effective management has developed a risk management system, supported by the appropriate organizational framework, in order to avoid and/or reduce potential losses. The Risk Management Framework at 31.12.2023 complies with existing regulatory requirements. The system and the organizational risk management framework are summarized in the following elements:

- the Board of Directors ("BoD"), identifies the disposition for risk appetite 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 Division, supports Management to establish an efficient 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, wherein the framework and the risk management principles, the disposition for risk-taking and the roles of those involved in the system are set,

- 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 of the Group, 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 counterparties, 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 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 debtors 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 and conducting cash planning. It calculates and monitors the expected cash flows and takes the appropriate measures to maintain an adequate level of available cash balances to cover cash needs.

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. It also monitors the risk that may incur from inadequate matching of insurance liabilities and assets (Risk of asset-liability mismatch).

Concentration Risk

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

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

Operational Risk

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

The sub-categories of operational risk framework which are examined, are the following:

Internal Fraud, External Fraud, Employment Practices and Workplace Safety, Clients, Products and Business Practices, Damage to Physical Assets, Business Disruption and System Failures, Execution, Delivery & Process Management.

To reduce operational risk, the Company 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 Company 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 Company, 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:

- Reputational risk
- Strategy risk
- Sustainability risk

Non-Financial Report (NFR)

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. 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) 2021/2178 of the European Commission. Based on the required disclosures from above regulations, this chapter includes the following sections:

- Sustainable Development Goals and Sustainable Development Strategy,
- Environmental matters,
- 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 2023,
- Disclosures based on article 8 of the taxonomy regulation.

As part of the implementation efforts to meet the disclosure requirements for Non-Financial information, the Group took into account international practice and related standards, i.e. OECD instructions for multinational corporations (2011). The Company has already published four Social & Corporate Responsibility reports (years 2018-2021) and a Sustainability Report in 2022 with the aim to provide a comprehensive and transparent update of all interested parties around initiatives of the sustainability strategy of Ethniki Insurance, while the updated Report for year 2023 will be made available after the publishing of Annual IFRS Financial Statements 31.12.2023 and will be based on the standards for publishing Sustainability reports of Global Reporting Initiative (GRI) and SASB standards and more specifically based on the Standards version (In Accordance – Core) that is recognized as the most updated and most demanding worldwide.

Sustainable Development Goals and Sustainable Development Strategy

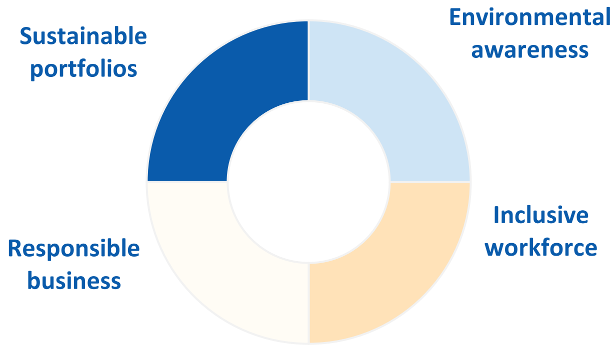
The Company has adopted the 2030 Agenda for Sustainable Development of the United Nations, encapsulated in the 17 Sustainable Development Goals (SDGs). Through a thorough analysis of the Company's activities, the significant role it plays in achieving these objectives is acknowledged. To provide a holistic perspective, the Company has aligned its ESG material topics with the relevant United Nations Sustainable Development Goals (SDGs). This strategic approach allows the Company to focus its energy and efforts in the most impact-generating activities. By embracing the UN's 2030 Agenda, the Company maintains a steadfast commitment to promoting a more sustainable and equitable future for all.

Sustainable Development Goals	ESG material topics	GRI and SASB Standards
No Poverty	Communities economic, social, and cultural rights Equitable access to Affordable Insurance	
Zero Hunger	Waste management and recycling Communities economic, social, and cultural rights Equitable access to Affordable Insurance	GRI 306-2
Good Health and Well-Being	Working Conditions	GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 407-1, GRI 401-2, 401-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-5, GRI 403-6, GRI 403-9, GRI 403-10
Quality Education	Working Conditions Customer Centricity Sustainable Products	GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 407-1, GRI 401-2, 401-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-5, GRI 403-6, GRI 403-9, GRI 403-10, FN-IN-270a.3
Gender Equality	Working Conditions Equal treatment and opportunities for all	GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 407-1, GRI 401-2, 401-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-5, GRI 403-6, GRI 403-9, GRI 403-10, GRI 405-1, GRI 405-2, GRI 406-1
Affordable and Clean Energy	Energy consumption	GRI 302-1, GRI 302-3, GRI 302-4
Decent Work and Economic Growth	Waste management and recycling Working Conditions Communities economic, social, and cultural rights Finance function transparency Natural Disasters and Insurance Coverage Customer Centricity Sustainable Products Digitalization Responsible Investments	GRI 306-2, GRI 2-7, GRI 2-8, GRI 2-30, GRI 401-1, GRI 407-1, GRI 401-2, 401-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-5, GRI 403-6, GRI 403-9, GRI 403-10, GRI 207-1, FN-IN-270a.1, FN-IN-450a.1, FN-IN-270a.3
Industry, Innovation, and Infrastructure	Digitalization	
Reduced Inequality	Equal treatment and opportunities for all	GRI 405-1, GRI 405-2, GRI 406-1
Sustainable cities and communities	GHG emissions and climate change	GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5
Responsible consumption and production	GHG emissions and climate change Sustainable Supply chain Corruption and bribery Equitable access to Affordable Insurance Natural Disasters and Insurance Coverage Sustainable Products	GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 204-1, FN-IN-270a.1, FN-IN-450a.1
Climate action	GHG emissions and climate change Energy consumption Sustainable Supply chain Natural Disasters and Insurance Coverage	GRI 305-1, 305-2, 305-3, 305-4, 305-5, GRI 302-1, 302-3, 302-4, GRI 204-1, FN-IN-270a.1, FN-IN-450a.1
Peace, justice, and strong institutions	Equal treatment and opportunities for all Finance function transparency Corruption and bribery Data privacy and cybersecurity Customer Centricity Responsible Investments	GRI 405-1, 405-2, 406-1, GRI 207-1, GRI 418-1, FN-IN-270a.3
Partnerships for the goals	Waste management and recycling Finance function transparency Corruption and bribery Responsible Investments	GRI 306-2, GRI 207-1

In 2023 the Company formulated its ESG strategy including sustainability commitments, targets and an ESG roadmap to facilitate the ESG transition. As part of its strategy, Company will build a company specific insurance framework to classify new, existing products and portfolios as sustainable, should they be EU Taxonomy aligned according to the Article 8 of the EU Taxonomy Regulation. This is the first year of the ESG strategy adoption and thus, the relevant actions and status of the ESG targets completion are underway according to the designated timelines and historical comparison will be applicable as of next year.

The Company is committed to not only meeting but going beyond ESG standards, empowering its employees and the broader community for positive change at scale. Therefore, it has established four (4) main pillars: **"Environmental consciousness"**, **"Inclusive workforce"**, **"Responsible business"** and **"Sustainable portfolios"**, each encompassing a set of specific targets/commitments. These specific ESG targets are outlined, offering a clear and concise overview of the efforts to drive sustainable growth, foster social well-being, and uphold ethical governance standards.

The Four Fundamental Pillars



2023 ESG Targets	Status
Enviromental Consiousness	
Reduce by 30% Scope 1, 2 emissions by 2027 vs. 2021	In progress
Reduce by 30% energy consumption per employee by 2027 vs 2021	In progress
Reduce by 80% total paper consumption per employee by 2027 vs 2022	In progress
Inclusive workforce	
Achieve 50% of women in supervisory positions by 2025 vs 2022*	In progress
Guarantee an average employee engagement index above 75% by 2027	In progress
Ensure equal pay transparency by 2025	In progress
Ensure no act of any form of unfair discrimination by 2027	In progress
Responsible business	
Reinvest annualy 0.5% of the operating result (profit before taxes) back to society through CSR actions by 2027	In progress
Evaluate 50% of the strategic suppliers based on ESG criteria by 2025	In progress
Achieve an at least 25% of gender representation in the BoD by 2028 vs 2022	In progress
Double the amount of sustainable insurance solutions across the product platform by 2025	In progress
Increase by 50% responsible investments by 2027	In progress
Maintain an enterprise NPS above the industry average by 2025 and achieve a market leading eNPS by 2027 enabled by digitalization	In progress

**Organizational changes underway may impact the perimeter of women in leadership positions in future sustainability disclosures*

To ensure a disciplined execution of the ESG strategy, the Company approved a new governance structure around climate risk and ESG in 2023 to proactively respond to upcoming risk and regulatory expectations (e.g., EIOPA guidelines on climate risk), align with reputable voluntary standards (e.g., Taskforce on Climate related Finance Disclosures – TCFD) and drive business requirements beyond regulatory compliance.

The new ESG governance model has been embedded across all organizational layers - strategic, operational and tactical - to ensure a holistic approach on sustainable development. In particular, the Company introduced the following governance structures / roles:

a) Appointed a dual ESG / Climate expert at the Board of Directors layer (one Executive and one non-Executive BoD member) to update the BoD on ESG-related matters and make recommendations about the future ESG strategy.

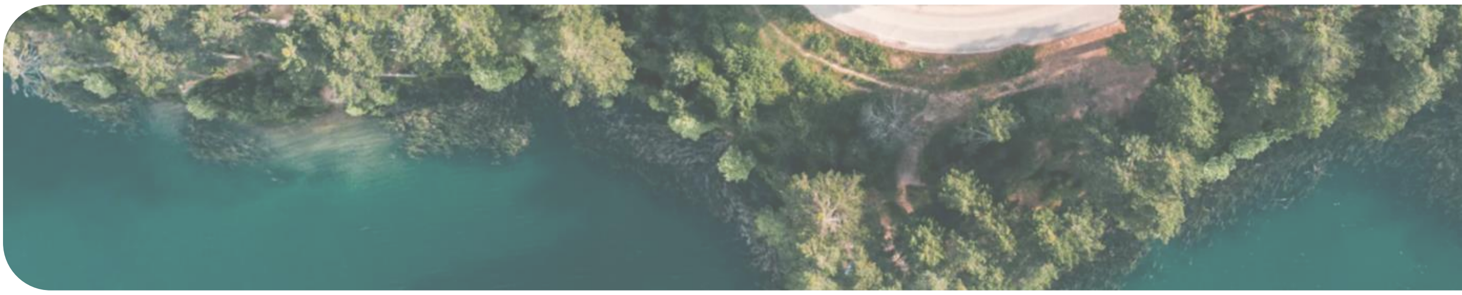
   The BoD maintains the responsibility to:
   - To define and keep oversight of the ESG Strategy
   - Approve strategic ESG-related initiatives
   - Assign the responsibility for ESG as well as climate-related and environmental risks to a BoD member

b) Introduced an ESG Management Committee that matches an Extended Executive Committee at the C-management layer with the responsibility to:

   - Integrate the elements of the ESG strategy into the Company's business model & operations
   - Submit ESG issues for information/review and approval to the BoD
   - Approve ESG related reports / sustainability disclosures and ensure that are in accordance with related Standards and Guidelines

c) Hired a Head of ESG at divisions layer and appointed ESG Ambassadors across functional areas to assume responsibility on the following:

   - Coordination of the participation to ESG ratings assessments related to the ESG strategy and monitoring of sustainability performance through identified KPIs.
   - Coordination of all ESG related reports (Sustainability Report, EU Taxonomy, etc.) along with ESG Ambassadors in accordance with relevant frameworks and guidelines.
   - Submission of action plan proposals for the implementation of the ESG strategy to the ESG Extended ExCo in cooperation with the ESG Ambassadors.
   - Reporting of material ESG strategy issues to the ESG / Climate expert for consideration.



Environmental Matters

The Company takes proactive strides towards environmental consciousness, showcasing a profound commitment to sustainable practices. Through transparent reporting of GHG emissions and climate change, energy consumption, waste management and recycling efforts, it aims to materially reduce its environmental footprint. By actively engaging in innovative initiatives aimed at environmental stewardship, it attempts to set a pioneering example within the industry, advocating for a greener future and contributing to the well-being of both the global community and the planet.
In alignment with its core ESG strategy, the Company is dedicated to promoting environmental protection by channeling efforts into the following key environmental topics:

1. Energy consumption
2. GHG emissions and climate change
3. Waste management and recycling

Data in this section is presented for years 2021 and 2022 as data for year 2023 is not yet available.

1. Energy Consumption

The Company has pledged to optimize energy efficiency and embrace renewable energy alternatives. By highlighting the efforts to minimize environmental impacts while maximizing operational efficiency, it underscores its dedication to promoting responsible energy management. Through strategic initiatives, it aims to set new benchmarks for energy stewardship and pave the way for transformative change
The Company's energy consumption is presented in detail in the table below:

Electricity consumption	2021	2022
Natural gas	1,480.0	1,415.5
Electricity	7,063.0	6,115.6

In the pursuit of our sustainability goals, the Company closely monitors energy consumption. To this extent, total energy consumption decreased from 8,543.0 MWh in 2021 to 7,531.0 MWh in 2022, representing a total drop of approximately 11.8%. This decline underlines the Company's pledge on limiting energy consumption and minimizing its environmental footprint. Moreover, in 2022, the energy consumption in intensity figures was 13.8 MWh per employee. *(it is noted that employee base decreased from 2021 to 2022)*

In 2022 the Company has undertaken specific environmental actions that include:

- the replacement of traditional lamps with energy-efficient LED technology.
- initiated the installation of advanced printers, a step forward in optimizing the operational processes
- conducted a preliminary evaluation for installing solar panels on the main building.
- exploring the possibility of obtaining LEED certification for three buildings.

2. GHG emissions and climate change

The Company presents a transparent disclosure of the Company's GHG emissions. Understanding the significant impact of the Company's own operations and portfolios on the environment, it takes a proactive approach to measure, manage, and reduce its carbon footprint. The Company has proceeded with the calculation of Scope 1, Scope 2 and Scope 3 emissions, including Category 15 of financed emissions through the usage of the PCAF methodology providing valuable insights relative to the various emission sources across the Company's operations and value chain. In parallel, it is in the process of calculating the carbon footprint related to its associated emissions from the underwriting portfolios.

Emissions (equivalent tons of CO2)	2021	2022
Direct emissions of gaseous pollutants of Scope 1	567.0	540.5
Indirect emissions of gaseous pollutants Scope 2 (calculation with the location-based method)	3,756.0	3,233.1
Indirect emissions of gaseous pollutants of Scope 2 (calculation with the market-based method)	3,405.0	3,250.0

**The above data for the year 2023 will be available after the publication of the Financial Statements.*
*** In 2022, the Scope 1 & 2 (location-based) GHG emissions calculations methodology was changed and followers ISO 14064 guidelines to align with National Climate Law. Prior to this, the calculations were based on the guidelines of the GHG Protocol.*

In its ongoing commitment to environmental responsibility, the Company has closely monitored and managed its Scope 1 and Scope 2 emissions throughout the year. In Scope 2 emissions' calculation, the location-based method reflects the average emissions intensity of grids on which energy consumption occurs and uses grid-average emission factors (generally regional or country level). The market-based method reflects specifically the carbon intensity of the electricity purchased by Ethniki. In 2022, its Scope 1 and Scope 2 (location-based) emissions, amounted to 540.5 t CO_2e and 3,233.1 t CO_2e accordingly. This reflects its commitment to reducing its environmental impact within its operational perimeter and is a testament of its efforts to limit emissions across its supply chain and energy procurement.

In the context of the Company's insurance and investment portfolios, the associated emissions become a core point in assessing its carbon footprint. Its insurance and investment portfolio comprises a diverse range of underlying assets, such as equity, corporate / sovereign bonds, mutual funds and real estate assets, selected to yield returns and cater to the financial needs of its customers. When it invests in various entities, it indirectly contributes to their operations and, consequently, their emissions. Acknowledging this intercorrelation is pivotal for its environmental responsibility. The Company assesses the influence of its investment choices on the environment, monitors its exposure in emission intense industries and engages in several initiatives to steer its portfolio towards ESG-focused and sustainable investments.

3. Waste Management and recycling

The Company delivers on its promise to minimize its environmental footprint and positively contribute to communities. Through innovative practices and strategic partnerships, it highlights its endeavor to reduce waste generation, optimize resource utilization and foster a circular economy. Through innovative approaches and sustainable partnerships, it continues to align its waste management strategies with its overarching ESG strategy.

As part of the Company's waste management system, the following measures were implemented:

- adopted alternative management, reuse, and recycling practices for various printing consumables.
- collaborated with partner companies that possess waste management certifications (e.g., Active Computer Systems S.A for recycling, Polygreen for collecting disused materials, etc.)
- reduced use / consumption of plastic
- implemented MPS (Managed Printing Services) project and homogenized and efficient management of printing operations

The following table and figures represent both the tons of paper and batteries recycled for the years 2021 and 2022:

Waste management	2021	2022
Recycled paper (tons)	7.2	20.0
Recycled batteries (kg)	83.0	72.0

In the context of waste management, the Company has achieved a significant milestone in 2022 by recycling 20 tons of paper, reflecting a significant increase of 177% compared to the prior year.

This accomplishment reflects the Company's commitment to sustainable practices and environmental protection. Through targeted initiatives and operational adjustments, the Company has not only effectively diverted paper waste from landfills, but also demonstrated its capacity to enact meaningful change in line with its ESG objectives.

This noteworthy increase in paper recycling serves as a testament to the Company's dedication to resource efficiency and its pivotal role in fostering a more environmentally conscious corporate landscape. At the same time, in 2022, the Company successfully recycled 72 kg of batteries, remaining resolute in its mission to promote responsible battery recycling and will continue to explore ways to further enhance its environmental impact in the future. Regarding paper consumption, in 2022, approximately 90 tons of paper were consumed, resulting in 40.7 kg of paper consumed per employee.

Social & Labor Issues

One of the main goals of the Group is to support the society and the economy, acknowledging the important position it has in it. To that end, the Group 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 Group continuously supports the efforts of various institutions with recognized social action.

Special mention must be made to the important role the Group has shown in the promotion of culture and sports, by supporting related organizations which promote culture and reinforce the sport ideal, sponsoring sports activities (e.g., NoFinishLine 2022) 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 Group supports organizations and institutions, by financing conferences and events aimed at strengthening the awareness, of the insurance conscience, in Greece. Since its founding, the Group consistently supports a human-centered vision that defines all its activities.
The ongoing goal of the Group 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 framework, under which, Management and employees perform their duties. In line to the Code of Conduct and Ethics, the Group:

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

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

The Group is committed to:

- Compliance with the regulations and 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 to support employees in cases of incidents of violence.

Respecting Human rights

The Group's philosophy is based on the cornerstone of respecting every employee's personality. The protection of human dignity constitutes a fundamental principle; 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.
- 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 prevails.
- Expressly and unequivocally states that all forms of violence and harassment that occur during, or related to, or including violence and sexual harassment are strictly prohibited.
- 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.

By promoting open dialogue and implementing robust policies, the Group establishes an atmosphere where diversity is highly valued, and any act / form of discrimination is penalized. Through proactive initiatives and continuous improvement, the Group aspires to create a culture, respecting Employees' uniqueness and ensuring that every individual is treated with dignity and fairness, regardless of their background, race, gender, religion, or any other characteristic.

All employees are informed about our Code of Ethics and Anti-Violence & Harassment Policy through trainings and the Company's portal. For 2023, no discrimination incidents have been reported regarding Ethniki Insurance's operations.

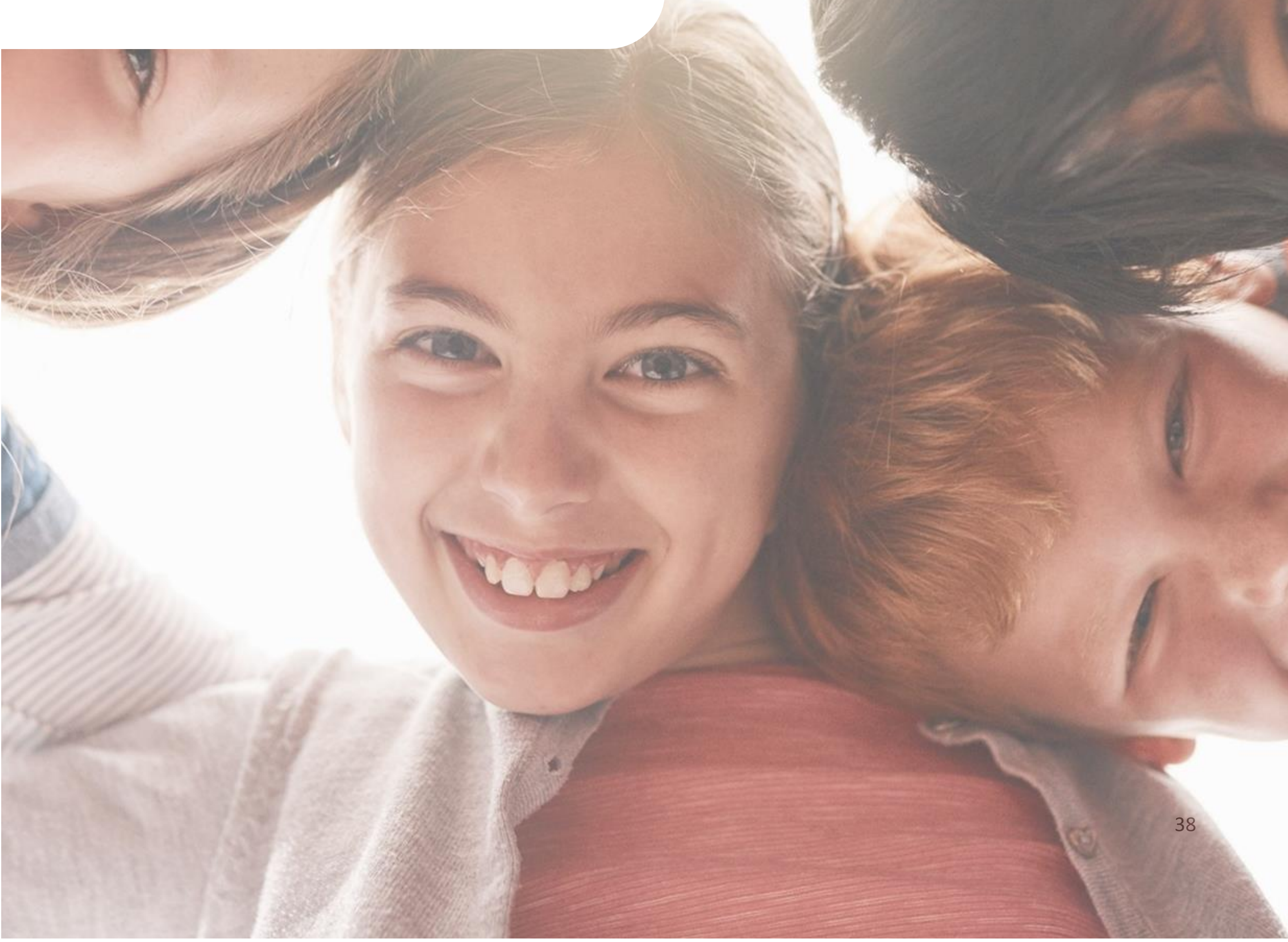
Combating corruption and bribery issues

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 standards and taking into consideration the fact that potential incidents may undermine the Group's governance systems, the following policies and codes have been adopted and are being implemented:

Code of Ethics of the Group

The Group's policy commitments for responsible business conduct are reflected in its Code of Ethics, which sets out the Principles of Ethical Conduct, as well as the relevant rules, in harmonization with the applicable legal and regulatory expectations and international best practices. It applies to all Employees of the Group, including all the BoD Members and Senior 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. The Code is approved by the BoD and is available on the Company's website (www.ethnikiasfalistiki.gr), as well as on its internal portal where all employees can read it and electronically accept it.



The code of ethics and conduct entails 6 fundamental principles:

- Efficiency
- Integrity
- Sustainability
- Transparency
- Accountability
- Reliance

Whistleblowing

The Company has established a Whistleblowing internal framework, consisting of a Policy and a relevant procedure, in order to:

- highlight the importance it attaches to matters of unethical practices
- encourage and guide the stakeholders -staff or third parties- to report, in good faith, any information related to the potential occurrence of wrongdoing / serious irregularity, which they discover while performing their duties;
- reinforce the trust in the established whistleblowing processes and the protection of the bona fide whistleblowers, providing assurances that, when and if, an individual is obligated to report an incident, they will be protected and will remain anonymous, should they wish so.

The Policy was updated in 2021 in harmonization with the requirements of the new labor law (L.4808/2021) regarding violence and harassment in the workplace.

The Company has also established an effective governance model to ensure that cases of serious irregularities reported by its staff, or any third parties are communicated to the Company's BoD.

More specifically, the Board Audit Committee is responsible for continuously supervising the implementation of the Whistleblowing Policy and the relevant procedure, submitting recommendations to the BoD, and reviewing the relevant quarterly or ad hoc reports of the Compliance and Corporate Governance Division, which is the Company's function responsible for collecting whistleblowing reports.

On the website of the Company (www.ethnikiasfalistiki.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 Company and its subsidiaries

The Group is 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 its prospects for success.
The Group, aiming at the fight against the phenomenon of fraud, has adopted an Anti-Fraud Policy, which establishes the basic principles to prevent and deal with fraud. This Policy concerns all personnel and aims at raising awareness among the Group's employees, regarding the prevention and suppression of fraud.

Conflict of Interest Prevention Policy, (i) in the distribution of insurance products (ii) for Board members, Senior Executives and other Related Parties of the Company

The above Policies identify potential areas of conflict of interest and establish 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")

Money Laundering and Financing of Terrorism are against the fundamental values and principles of the Group, and their occurrence could have negative consequences, with a significant impact to the Group's reputation, as well as on the interests of its customers, shareholders and employees.

For this reason, and in accordance with the applicable regulatory requirements for the prevention and combat of Money Launderingand Financial Terrorism phenomena, the Group has adopted the Policy, which also includes a New Customer Acceptance Policy.

This Policy establishes an adequate, effective and harmonized framework for the Group and ensures 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.

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 2023, the Company received significant awards and distinctions such as:

- Awarded by EcoVadis ESG rating platform, a gold medal, placing the Company within the top c.5% of adjacent companies globally relative to their sustainability performance
- Bronze distinction for “responsible business” in the CR Index 2022-2023
- Silver Award in the Compliance Awards 2023, in the category of “Best Compliance Team – Insurance Sector”
- An award for its valuable contribution to the dissemination of the Olympic vision as the Major Sponsor of the Olympic Museum of Thessaloniki

Presentation of the Corporate Social Responsibility actions for 2023

The Company, in the context of providing complete information and being transparent on its CSR activities, communicated to the public that it:

- Supported events, training days and conferences organized by chambers and institutions of the private insurance and economy sector
- Took initiatives to keep society together, supporting organizations and institutions and always stood discretely by the community, intending to keep the social fabric united
- Supported Greek athletes for the promotion of the athletic spirit and fair play
- Reinforced the action of institutions and organizations in the field of education, health and science as well as actions that promote environmental awareness

Disclosures based on article 8 of the taxonomy regulation

Regulatory background

The EU Taxonomy Regulation (EC) 2020/852 ("The Regulation”) 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.

The Regulation establishes a "green" classification framework. This system converts the EU’s environmental goals into specific criteria to assess whether an economic activity can be considered environmentally sustainable and to what extent an investment meets environmental sustainability standards.

Furthermore, the 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, i.e. 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 Non-Financial Reporting Directive 2014/95/EU (NFRD). 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 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. The regulation sets out specific “technical screening criteria" for all environmental objectives.

For the 2022 annual report, a simplified regime was implemented for the disclosure requirements under the EU Taxonomy. This allowed for the reporting of which portions of a company's activities were eligible for alignment with the EU Taxonomy. However, this simplified regime is no longer applicable for the 2023 annual report. Consequently, the Group now also discloses which portions of its activities are actually aligned with the EU Taxonomy criteria, thereby supporting the EU’s sustainability objectives. This year’s disclosure requirements are fulfilled by reporting on the alignment with the two environmental objectives of 'Climate Change Mitigation' and 'Climate Change Adaptation'. The other four objectives are evaluated only for eligible activities.

As an insurance group, Ethniki Insurance shall disclose the Key Performance Indicator (KPI) related to underwriting activities, which represents the proportion of Taxonomy-aligned "gross premiums written" for non-Life insurance and reinsurance services related to the underwriting of climate-related perils (4) relative to the total non-Life insurance and reinsurance gross premiums written. Under the Climate Delegated Act, Non-Life insurance activities through the underwriting of climate-related perils can indeed qualify as contributing substantially to climate change adaptation.

The Group shall also separately disclose the KPI related to investments by insurance or reinsurance undertakings, which present the weighted average of those investments that are directed at funding or are associated with Taxonomy-aligned economic activities. Such indicators measure the extent to which investments by financial undertakings, such as insurers and reinsurers, contribute to reorient capital flows towards sustainable investment.

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:

- Medical expense
- Motor
- Fire
- General Third-Party Liability
- Other Non-Life

The Group 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 Group also evaluates climatic factors that affect the same coverage and adjusts its pre-insurance and reinsurance policy accordingly.

Furthermore, the Regulation states that the European Commission will review the implementation of the regulation by 30.6.2024 to consider the introduction of exposures to central governments and central banks but companies that are not required to notify under Articles 19a or 29a of delegated regulation 2013/34 / EU, in the calculation of performance indicators.

Methodology considerations and limitations

The European Commission (EC) regularly publishes Taxonomy FAQs and notices to clarify the disclosure requirements under the EU Taxonomy Regulation and the Disclosures Delegated Act. The Group acknowledges the interpretative and implementation guidance provided by the EU Commission, particularly the specific guidance for financial undertakings in the draft Third Commission Notice released on December 21, 2023. Given the newness and evolving nature of the legal framework for EU Taxonomy reporting, the requirements are subject to interpretation uncertainties, and the necessary underlying data to produce the KPIs are not immediately available, as detailed below.

In light of this, the Group has adopted a prudent approach and will progressively enhance the completeness and quality of its Taxonomy reporting. Considering this is the first-year financial undertakings are reporting KPIs based on the criteria set out in the EU Taxonomy Regulation for an economic activity to qualify as "environmentally sustainable," the Group concurs with the European Commission's expectations that the robustness and accuracy of KPIs disclosed by undertakings, including financial ones, will gradually improve as the EU Taxonomy is more widely adopted. This improvement will particularly concern the flow of information and data from the financial and non-financial counterparties in which we invest.

The KPIs applicable to the Group presented in this section, in accordance with the EU Taxonomy Regulation and the supplementing Commission Delegated Regulations, for the financial year ended 31.12.2023, were based on financial data available as of 31.12.2023. As this is the Group's first year of reporting these KPIs, figures and comparable information for 2022 are not provided.

EU Taxonomy KPI for Insurance Activities

EU Taxonomy-alignment

EU Taxonomy-alignment of an activity exceeds Taxonomy-eligibility criteria. For non-life insurance lines of business, it implies that the insurance activity substantially contributes to climate change adaptation, does not significantly harm the remainder of the EU Taxonomy environmental objectives, is conducted in full conformance with the minimum safeguards, and complies with the remaining Technical Screening Criteria (TSC) laid out in the EU Taxonomy Regulation.

It is in the nature of the new regulatory landscape that not all assessment details are concretely specified, leaving room for interpretation relative to the scope and the granularity of the assessment. A common understanding and implementation need to be built to facilitate a level playing field, ensuring coherence and comparability. An internal framework has been developed and a conservative approach has been taken relative to activity classification, where technical screening criteria were prone to interpretation. More information related to this is referenced in the Sustainable Development Goals and Sustainable Development Strategy section of the Non-Financial Report. The main framework components to filter the EU Taxonomy aligned activities are presented below:

Leadership in modelling and pricing of climate risks

Comprehensive usage of NatCat scenarios in risk modelling that combine the Company’s historical data (e.g. claim experience) or other robust internal models (e.g. geospatial data, hazard heatmaps) where coverage is limited as well as forward looking scenarios (e.g. Probable Maximum Loss) and parametric underwriting at best estimate in the pricing process across Taxonomy eligible LoBs.

Specific features in product design

Inclusion of climate adaptation measures (enabling and transitional) such as incentivization of risk reduction behavior to minimize exposure to physical / climate risk through risk assessments of corporate clients and provision of risk premium discounts for natural catastrophic coverage.

Innovative coverage solutions

Integration of climate change risk factors in the Product Approval Process for Taxonomy eligible LoBs and modular offerings with opt-out elements for natural catastrophes coverage. Commercialization of dedicated products that directly contribute to climate change adaptation (e.g., risk reduction for preventative measures.)

Data sharing

Data democratization, transparent distribution strategy and Product Oversight and Governance (POG) process of products that cover climate related perils, e.g., identification of target market, client access to granular information about level of climate coverage, etc.) through public disclosures, precontractual documentation and promotional matters amongst else.

Service in post-disaster situations

Established mechanisms for management of claims associated with NatCat events (e.g. priority lane claims payout, NatCat procedure protocols, etc.), robust aftercare services for insured members / clients that have been impacted by a NatCat event (e.g., allowances for financial protection, dedicated call center help line, etc).

“Do Not Significantly Harm” (DNSH) principle

Systematic assessment of clients (corporate policyholders) to identify potential exposure across the fossil fuel value chain in upstream/midstream and downstream economic activities such as exploration, extraction, trading, refinery, storage, pipelines, sales incl. gas stations etc. activities directly linked with DNSH environmental objectives.

Embedment of portfolio screening mechanisms such as NACE codes and International Standard of Industrial Classification (ISIC) of economic activities codes to capture level of compliance with DNSH to carve out non-compliant policies or proportional revenue from the EU Taxonomy alignment calculation.

Adoption of underwriting norms-based or exclusionary criteria for value chain activities related to the fossil fuel sector.

Minimum Safeguards

Assessment of policyholders for their alignment with OECD guidelines for Multinational Enterprises and UN Global Compact Guiding principles for Business and Human rights (non-violation of social norms).
Application of exclusionary criteria for clients with economic activities related to the production of controversial weapons, etc.
Conduction of comprehensive insurance portfolio due diligence process on anti-bribery, corruption, competition, child labor and other relevant matters at Know Your Client / Anti-Money Laundering stage to identify potential violations.

Template 1: The underwriting KPI for non-life insurance and reinsurance undertakings is set out below:

Economic Activities	Substantial contribution to climate change adaptation			DNSH (Do Not Significant Harm)					Minimum safeguards
	Absolute premiums 2023	Proportion of premiums 2023	Proportion of premiums 2022	Climate change mitigation	Water & marine resources	Circular economy	Pollution	Biodiversity & ecosystems	
	€ '000	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
A.1.1 Of which reinsured	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
A.1.2 Of which stemming from reinsurance activities	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
A.1.2.1 Of which reinsured (retrocession)	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
A.2 Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	67,511	22%	22%						
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	233,771	78%	78%						
Total (A.1 + A.2 + B)	**301,282**	**100%**	**100%**						

EU Taxonomy KPIs for Investments

The proportion of exposures to Taxonomy-aligned activities represents the weighted average value of invested assets directed at funding or associated with Taxonomy-aligned economic activities relative to the total invested assets included for the KPI calculation (the "Covered Assets"). Covered Assets encompass all assets invested on the balance sheet (including cash and cash equivalents), excluding exposures to central governments, central banks, and supranational issuers, in line with Article 7.1 of the Disclosure Delegated Act. Thus, Covered Assets include investments in properties, equity securities, debt instruments (excluding sovereign exposures), non-consolidated investment funds, derivatives, loans, cash, and cash equivalents. Assets backing contracts where the financial risk is borne by policyholders are also included. In 2023, Covered Assets represent 48,24% of total investments.

Exposures to central governments, central banks, and supranational issuers, which overall represent 51,76% of total investments, are excluded from both the numerator and denominator of the indicator. This exclusion, as mentioned earlier, is due to the absence of a methodology for determining their alignment with the EU Taxonomy.

Exposures to undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU and derivatives and exposure to non-EU companies cannot be considered in the formal assessment of assets eligible for or aligned with the EU Taxonomy regulation.

In accordance with regulatory requirements, the information from financial undertakings must be based on actual data published by non-financial or financial undertakings. Estimates or approximations are not permitted in mandatory reporting. Therefore, the information below only presents the share of investments in Taxonomy-aligned economic activities under the first two environmental objectives (i.e., climate change mitigation and climate change adaptation). The share of exposures to Taxonomy-aligned economic activities under the remaining four environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems) cannot be presented due to the unavailability of the underlying data. Since the Environmental Delegated Act was published in November 2023, non-financial companies were not able to establish and publish their indicators for these objectives in their management reports by the end of December 2022. Consequently, no published information was available for collection directly or indirectly by financial companies in 2023. In the absence of such data, the Group is unable this year to produce the KPI relating to investments for these four new objectives (for both eligibility and alignment).

The gross carrying amount of the assets was used to calculate the various indicators which mainly consist of debt or equity instruments in European non-financial and financial companies, including also investments in mutual funds for which the "look-through approach" followed based on the FAQs additional EC guidance.

In line with the list of economic activities eligible under the EU Taxonomy Regulation, investments in real estate properties have been recognized as Taxonomy-eligible based on actual information, which are determined as not aligned based on the "technical screening criteria" which are set by the Regulation.

Exposures to Taxonomy non-eligible activities include exposure to property, plant and equipment, intangible assets, cash on hand and on demand deposits and loans, as well as remaining asset which Taxonomy eligibility could not be assessed.

The following templates refer to financial year 2023; amounts, apart from percentages, are expressed in thousands of euros.

Template: The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments

	Ratios (relative to total assets covered by the KPI) in %		Monetary amount
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the valueof total assets covered by the KPI, with following weights for investments in undertakings per below:		**The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:**	
Turnover	2.71%	Turnover	47,727.99
CAPEX	6.18%	CAPEX	109,007.85
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities:	48.24%	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities:	1,763,788.38
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total asse	0.23%	The value in monetary amounts of derivatives	3,892.07
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		**Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings	11.53%	For non-financial undertakings	198,116.24
For financial undertakings	5.82%	For financial undertakings	111,936.61
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		**Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings	6.07%	For non-financial undertakings	104,275.42
For financial undertakings	4.62%	For financial undertakings	81,368.99
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		**Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings	21.11%	For non-financial undertakings	372,345.67
For financial undertakings	21.14%	For financial undertakings	372,933.80
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:	29.42%	Value of exposures to other counterparties and ass	518,919.60
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy- aligned economic activities:	2.11%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders,that are directed at funding, or are associated with, Taxonomy-aligned economic activities:	37,292.89
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:	85.28%	Value of all the investments that are funding economic activities that are not Taxonomy-eligible:	1,504,208.70
The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI:	12.01%	Value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned:	211,851.70

Note:
- The value and proportion of own investments that are directed at funding, or are associated with, Taxonomy-aligned economic activities are refered to turnover KPI whereas the respective value and proportion of capex KPI are 85.763 & 4,86%
- The value and proportion of all the investments that are funding economic activities that are not Taxonomy-eligible are refered to turnover KPI whereas the respective value and proportion of capex KPI are 1.430.663 & 81,11%
- The value of all the investments that are funding Taxonomy-eligible economic activities, but not Taxonomy-aligned are refered to turnover KPI whereas the respective value and proportion of capex KPI are 224.117 & 12,71%

Turnover			
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:	Ratio %	**Value of Taxonomy-aligned exposures to financial and non financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:**	Monetary amount
For non-financial undertakings	2.19%	For non-financial undertakings	38,611.81
For financial undertakings	0.52%	For financial undertakings	9,116.18
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, that are directed at funding, or are associated with, Taxonomy-aligned:	2.11%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	37,292.89
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	0.00%	Value of Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI:	0.00

Capex			
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:	Ratio %	**Value of Taxonomy-aligned exposures to financial and non financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:**	Monetary amount
For non-financial undertakings	5.46%	For non-financial undertakings	96,311.07
For financial undertakings	0.72%	For financial undertakings	12,696.78
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policyholders, that are directed at funding, or are associated with, Taxonomy-aligned:	4.86%	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	85,763.19
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI:	0.00%	Value of Taxonomy-aligned exposures to other counterparties over total assets covered by the KPI:	0.00

Breakdown of the numerator of the KPI per environmental objective

Taxonomy-aligned activities - provided "do-not-significant-harm" (DNSH) and social safeguards positive assessment: Turnover		
Taxonomy-aligned activities	Turnover %	Capex %
(1) Climate change mitigation	2.60%	6.05%
a) Transitional Activities	0.19%	0.62%
b) Enabling Activities	0.95%	1.89%
(2) Climate change adaptation	0.10%	0.13%
a) Enabling Activities	0.00%	0.00%
(3) The sustainable use and protection of water and marine		
a) Enabling Activities		
(4) The transition to a circular economy		
a) Enabling Activities		
(5) Pollution prevention and control		
a) Enabling Activities		
(6) The protection and restoration of biodiversity and ecosystems		
a) Enabling Activities		

Nuclear and Gas Delegated Act

Furthermore, in accordance with the 2023 Taxonomy reporting requirements, the Group must report its exposure to the six nuclear and gas activities defined in the Commission Delegated Regulation (EU) 2022/1214 (Annex III). This reporting aims to determine the proportion of investments aligned with these activities. For 2023, the Group's exposure to nuclear and gas activities is estimated to be minimal (around 0,9% and 0,8% of assets for turnover and CAPEX based on total alignment).

Template 1 Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	Yes
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	Yes
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	Yes
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	Yes
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	Yes
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	Yes

Additional disclosure tables have been provided below.

Turnover nuclear & fossil gas Templates

Template 2 Taxonomy-aligned economic activities (denominator)

Row	Economic Activities	CCM+CCA Amount	CCM+CCA %	CCM Amount	CCM %	CCA Amount	CCA %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	66.6	0.00%	66.6	0.00%	0.0	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	455.7	0.03%	455.7	0.03%	0.0	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	14,542.2	0.82%	14,542.2	0.82%	0.0	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5.4	0.00%	5.4	0.00%	0.0	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	476.4	0.03%	469.6	0.03%	6.8	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.00%	0.1	0.00%	0.0	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	32,181.4	1.82%	30,346.2	1.72%	1,835.2	0.10%
8.	Total amount and propotion of taxonomy-aligned economic activity in the denominator of the applicable KPI	47,727.9	2.71%	45,885.9	2.60%	1,842.0	0.10%

Template 3 Taxonomy-aligned economic activities (numerator)

Row	Economic Activities	CCM+CCA Amount	CCM+CCA %	CCM Amount	CCM %	CCA Amount	CCA %
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	66.6	0.14%	66.6	0.14%	0.0	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	455.7	0.95%	455.7	0.95%	0.0	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	14,542.2	30.47%	14,542.2	30.47%	0.0	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	5.4	0.01%	5.4	0.01%	0.0	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	476.4	1.00%	469.6	0.98%	6.8	0.01%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.1	0.00%	0.1	0.00%	0.0	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	32,181.4	67.43%	30,346.2	63.58%	1,835.2	3.85%
8.	Total amount and propotion of taxonomy-aligned economic activity in the numerator of the applicable KPI	47,727.9	100.00%	45,885.9	96.14%	1,842.0	3.86%

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

Row	Economic Activities	CCM+CCA		CCM		CCA	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	405.9	0.02%	405.9	0.02%	0.0	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7,040.3	0.40%	7,040.3	0.40%	0.0	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,192.8	0.07%	1,192.8	0.07%	0.0	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11,816.5	0.67%	11,815.8	0.67%	0.6	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8,631.1	0.49%	8,628.2	0.49%	2.9	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	392.9	0.02%	392.9	0.02%	0.0	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	173,872.6	9.86%	165,897.2	9.41%	7,975.5	0.45%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	203,352.2	11.53%	195,373.2	11.08%	7,979.0	0.45%

Template 5 Taxonomy non-eligible economic activities

Row	Economic Activities	CCM+CCA		CCM		CCA	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,512,708.3	85.76%				
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	1,512,708.3	85.76%				

CapEx nuclear & fossil gas Templates

Template 2 Taxonomy-aligned economic activities (denominator)							
Row	Economic Activities	CCM+CCA		CCM		CCA	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	3.5	0.00%	3.5	0.00%	0.0	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	9,495.8	0.54%	9,495.8	0.54%	0.0	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	4,203.5	0.24%	4,203.5	0.24%	0.0	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	61.5	0.00%	61.5	0.00%	0.0	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	11.2	0.00%	11.2	0.00%	0.0	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/ 2139 in the denominator of the applicable KPI	0.5	0.00%	0.5	0.00%	0.0	0.00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	95,231.9	5.40%	92,915.0	5.27%	2,316.8	0.13%
8.	Total amount and propotion of taxonomy-aligned economic activity in the denominator of the applicable KPI	109,007.9	6.18%	106,691.0	6.05%	2,316.8	0.13%

Row	Economic Activities	CCM+CCA		CCM		CCA	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	3,5	0,00%	3,5	0,00%	0,0	0,00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	9.495,8	8,71%	9.495,8	8,71%	0,0	0,00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	4.203,5	3,86%	4.203,5	3,86%	0,0	0,00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	61,5	0,06%	61,5	0,06%	0,0	0,00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	11,2	0,01%	11,2	0,01%	0,0	0,00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0,5	0,00%	0,5	0,00%	0,0	0,00%
7.	Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	95.231,9	87,36%	92.915,0	85,24%	2.316,8	2,13%
8.	Total amount and propotion of taxonomy-aligned economic activity in the numerator of the applicable KPI	109.007,9	100,00%	106.691,0	97,87%	2.316,8	2,13%

Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities							
Row	Economic Activities	CCM+CCA		CCM		CCA	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	9.7	0.00%	9.7	0.00%	0.0	0.00%
2.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
3.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	52.6	0.00%	52.6	0.00%	0.0	0.00%
4.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10,162.6	0.58%	10,139.9	0.57%	22.7	0.00%
5.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11,257.2	0.64%	11,257.1	0.64%	0.1	0.00%
6.	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	687.0	0.04%	687.0	0.04%	0.0	0.00%
7.	Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	192,833.5	10.93%	187,785.3	10.65%	5,048.2	0.29%
8.	Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI	215,002.5	12.19%	209,931.5	11.90%	5,071.0	0.29%

		Template 5 Taxonomy non-eligible economic activities					
Row	Economic Activities	CCM+CCA		CCM		CCA	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
7.	Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,439,778.0	81.63%				
8.	Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	1,439,778.0	81.63%				

Corporate Governance Code

The Group's corporate governance system meets the requirements of the applicable European legal and regulatory framework and international best practices.

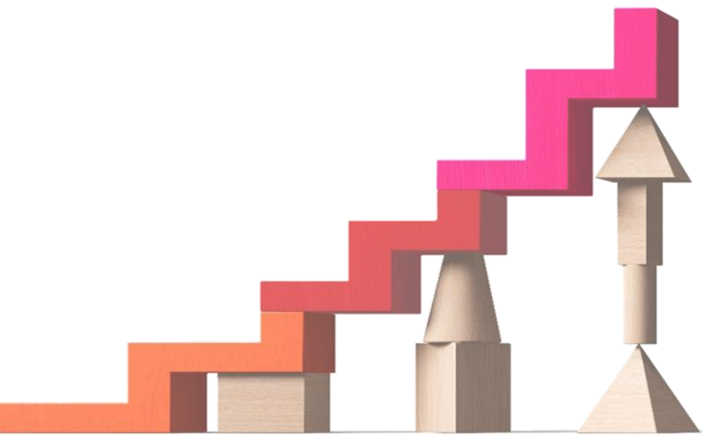
The Group has established the Corporate Governance Code which describes the Group's structure and operation in terms of governance, with the aim of enhancing long-term corporate value for shareholders, safeguarding the interests of the insured, the employees and, in general, all stakeholders. The Code is a framework which promotes the continuity, consistency and effectiveness of the way in which the Company's Board of Directors (hereinafter the 'BoD') operates. The Board is assisted by the following Committees:

- The Audit Committee;
- The Risk Committee;
- The Remuneration and Nomination Committee.

The Charters of the aforementioned Committees lay down the purpose, the composition, the responsibilities and the operation of the BoD Committees.

The Company has a transparent organizational structure with a clear allocation and an adequate separation of duties, as well as an effective mechanism for transmitting information within the Company. Within this operating and organizational framework, the Company has developed a set of policies and procedures which describe the allocation of duties and roles and contribute to the achievement of business objectives. Moreover, the Company has four key functions, i.e., Risk Management, Compliance, Actuarial, and Audit Units, which ensure the implementation of an effective internal control and risk management system.

The other Group companies are also required to adopt the aforementioned operating and organizational framework, in line with the institutional framework, specificities and business practices of the countries in which they operate. The policies, procedures and overall corporate governance requirements implemented by the Company are adjusted to reflect the operational structure, scale and complexity of the activities of the Group Companies.



Outlook 2024

Focused on the future, the Group is moving forward to achieve its strategic goals which include:

- Balancing the product mix while strengthening new profitable products
- Development of new technical models based on specialized data analysis models
- Simplification of processes and more efficient operations
- Creating a flexible organization and developing a culture of performance
- Developing a holistic image of the customer and strengthening the productivity of the network through cross-selling.

The Group has turned a page in its long history and entered a new era. It is renewing its corporate identity and image, while remaining faithful to its timeless values that form the basis of its strategy for a better future. Human-centricity, innovation, integrity, and reliability, combined with collaboration and simplicity, remain at the forefront and are reflected in the Company's new website, which aims to provide policyholders and other interested parties with all the necessary information about products and services, the structure and latest news of the Company, as well as a range of useful digital tools.

The Company's new logo, preserves its authentic character and history, bringing it into the present. In this way, it becomes a vehicle for developing modern communication based on simplicity, and flexibility. The distinctive theta letter of its name is transformed into a symbol, specifically a stamp, which now constitutes a key element of the Company's visual identity, emphasizing concepts and values inextricably linked to its core. Each line of business has its own unique badge and color palette, offering an even more comprehensive, modern and extrovert overview.

Aiming at the constant pursuit for simple solutions that meet the needs of its policyholders, Ethniki Insurance has as its primary vision the creation of a holistic insurance and customer service experience.

Customer service is at the core of the Company's actions. The goal is to create an ecosystem that operates with and for the market. The Company is enhancing the service tools for its policyholders, improving its website, CRM and the policyholders' portal (MyEthniki). It also aims to improve the services provided to its partners by implementing the Intermediaries Portal and is enhancing its IT infrastructure and tools to enable its employees to operate with increasing efficiency and effectiveness.

Improving the product offer across all lines of business to efficiently meet the evolving insurance needs of companies and individuals, is in the core of the product strategy for 2024.

The Company conducts market research, organizes focus groups, monitors and analyzes feedback from the sales channels and study the international trends, to enhance and expand its product portfolio. The main focus areas include:

- Developing Life Protection products for individuals seeking flexible financial protection for their families in case of unexpected events
- Enhancing Health Insurance products by offering additional benefits and services
- Developing Health Insurance products tailored for specific segments that are not served properly by existing offerings
- Developing Property & Casualty products to cover emerging risks and to improve protection against the intensified effects of climate change
- Developing Unit-Linked products for investors with medium-term investment horizon

In an environment with significant uncertainties and adversities, Ethniki aims to the realization of its strategic goals, the consolidation of customer trust by further developing its role as a trusted partner, and the strengthening of its resilience and performance.

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 2023, 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, comprising material accounting policy information.

In our opinion, the accompanying separate and 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 2023, 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 (IFRS), as adopted by the European Union and comply with the statutory requirements of Law 4548/2018.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs), as they have been transposed into Greek Law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the 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 for the year ended as at 31st December 2023 we have not provided non-audit services to the Company and its subsidiaries.

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 year under audit. 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 matter	How our audit addressed the key audit matter
Adoption of IFRS 17 and restatement of comparatives (separate and consolidated financial statements) IFRS 17 "Insurance Contracts" became effective for periods beginning on or after 1 January 2023, replacing IFRS 4, 'Insurance Contracts'. As a result, the Group and the Company have adopted IFRS 17 from 1 January 2023 and comparatives have been retrospectively restated from the transition date of 1 January 2022. The adoption of IFRS 17 led to a decrease of the Company's and the Group's net assets by €450m and €444m respectively, as at transition date of 1 January 2022, mainly attributed to the recognition of an initial contractual service margin (before tax) of €499m for the Company and €511m for the Group. The transition to IFRS 17 has introduced new financial statement line items and disclosures, requiring significant changes to the measurement of transactions and balances in the financial statements, including new areas of judgement and estimation. New systems, data flows, interfaces, processes and models have been developed and introduced, giving rise to increased risks of material misstatement. In particular, we consider the key risks in relation to the adoption of IFRS 17 and restatement of comparatives to be as follows: • The determination of the transition approach adopted for each group of insurance contracts; • The judgements involved in the determination of the measurement model to apply under the standard;	In performing our audit work over the transition to IFRS 17, and restatement of comparative financial statements (including the opening balance sheet), the procedures we performed, with the support of our internal actuarial experts, included the following: • Performed an understanding of the processes defined by management to determine the impact of the adoption of IFRS 17 on the separate and consolidated financial statements as of 1 January 2022, as well as on the comparative financial statements as of 31 December 2022. • Assessed the appropriateness of the transition approach adopted for each group of insurance contracts; • Assessed whether the judgements, methodology and assumptions applied by management in determining their accounting policies are in accordance with IFRS 17; • Applied industry knowledge and compared the methodology, models and assumptions used in determining the risk adjustment, CSM (including its amortisation profile) and discounted IFRS 17 future cash flows (including assessment of yield curves) against expected market practice, • Assessed the appropriateness of the methodology to derive the illiquidity premium within the discount rate and the methodology used to determine the reference portfolio of assets;

Key audit matter	How our audit addressed the key audit matter
• The methodology that has been used to determine the CSM on transition and its amortisation; • The methodology and assumptions in respect of determining the risk adjustment; • The methodology used by management to determine the illiquidity premium within the discount rate, based on an appropriate reference portfolio of assets; • The implementation of new models to produce the IFRS 17 results, which include the CSM calculation engine; • The new data flow and interfaces arising from the implementation of IFRS 17, from new systems; and • The appropriateness of methodologies, assumptions and significant judgements applied in the calculation of relevant balances. Refer to notes 2.3.1.1, 3.1 and 39 of the Financial Statements for the disclosure related to transition to IFRS 17 including significant judgements and estimates.	• Implemented procedures to test on a sample basis the reliability of the data used as the basis for making estimates; • Tested, on a sample basis and based on our risk assessment, the calculation models used to estimate future cash flows and the CSM; • Tested the mathematical accuracy and completeness of the supporting calculations and adjustments used to determine the 2022 comparatives; Based on the work performed and the evidence obtained, we consider the approaches adopted and resulting measurements and disclosures in the financial statements to be appropriate and in line with the requirement of IFRS 17 transition and IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".
Valuation of liabilities arising from Life Insurance Contracts measured under General Model and Variable Fee Approach (separate and consolidated financial statements) Insurance contract liabilities include the estimated cost of settling policyholder benefits relating to the liabilities for remaining coverage ("LRC") associated with life insurance contracts measured under the General Model ("GMM") and Variable Fee Approach ("VFA") which amount to €1,658m for the Company and €1,724m for the Group, representing 45% of the Company's and Group's total liabilities. The liabilities related to these insurance contracts include the present value of future cash flows, the adjustment for non-financial risks (RA), and the contractual service margin (CSM). The valuation of these liabilities is complex, highly judgmental and requires management to make a number of assumptions regarding future events that are linked to high estimation uncertainty. Small changes in key assumptions used may lead to a material impact on the valuation of these	Our audit was supported by our internal actuarial experts and included the following procedures: ● We assessed the compliance of the methodology applied to estimate the cash flows, Risk Adjustment and CSM related to these contracts with the current accounting standards; ● We challenged the methodology and significant assumptions used by applying our knowledge of the Company as well as the industry and experience to assess whether such methodologies are in compliance with recognized actuarial practices. ● We assessed the design of the controls we deemed key to our audit. ● We tested on a sample basis the underlying data used in the projection of future cash flows and in the experience studies that

Key audit matter	How our audit addressed the key audit matter
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 complex actuarial methodologies and assumption setting processes relating to future events. The determination of these liabilities is based on significant judgments relating to the data used, assumptions about future periods, and the use of estimation techniques. • The estimation of the present value of future cash flows related to these long-term contracts, evaluated according to the GMM or VFA model, is based on the following significant judgments including: - The level of contract aggregation, including the identification of onerous groups of contracts, and the contract boundaries; - The estimation techniques that rely on complex cash flows projection models, in particular for the VFA model that includes projections of key components of statutory financial statements, namely income or expenses that relate to policyholders, beneficiary obligations, and assets backing those liabilities. - Non-financial assumptions, in particular (i) mortality, (ii) morbidity and disability rates, (iii) policyholder behavior (due to lapse and surrender), (iv) administrative expenses, (v) medical inflation - Financial assumptions, particularly the determination of the discount rate. • The RA determination is based on the assumptions concerning the confidence level established by the Company and the Group regarding the risk factors of insurance liabilities, and on a value-at-risk approach, which is the maximum loss within the defined confidence level. • Finally, the amortisation of the CSM, corresponding to the portion of the CSM recognized in the insurance revenue in the year under audit, is determined based on the coverage units.	support the actuarial assumptions used for accuracy and completeness; • We tested on a sample basis and based on our risk assessment, the calculation models used to estimate future cash flows, non-financial risk adjustment, and the CSM, as well as any significant change to the calculation models; • We examined on a sample basis the appropriateness of the coverage units used for the CSM recognition into the income statement; • We performed analytical procedures to identify and analyze any material unusual and/or unexpected variation. Based on our procedures, we found that the estimates and the significant assumptions used to value life insurance liabilities to be reasonable. Furthermore, we found the disclosures in the financial statements to be appropriate and in accordance with the requirements of IFRS.

Key audit matter	How our audit addressed the key audit matter
Refer to notes 2.9, 3.2, 3.3, 3.4, 4.2.1, and 32 of the separate and consolidated financial statements.	
Valuation of liabilities arising from Non-Life Insurance Contracts related to incurred claims (separate and consolidated financial statements) Insurance contract liabilities include liabilities for incurred claims ("LIC") from non-life insurance contracts measured under the Premium Allocation Approach ("PAA") model amounting to €381m for the Company and €390m for the Group, representing 10% of the Company's and Group's total liabilities. The liabilities related to these insurance contracts include the present value of future cash flows and the adjustment for non-financial risks ("RA"). The determination of these liabilities involves significant judgment given the size of the liability and inherent uncertainty in estimating expected future payments for claims incurred and the estimated cost of losses for events which have already occurred, but for which the Group and the Company have not yet been notified. Management relies on historical data and uses experts to determine the reserve related to incurred losses estimated on a case by case basis which is highly subjective, especially in relation to cases of personal injuries, death, legal cases and property catastrophes. The Company and the Group use statistical models, based on product line, type and extent of coverage, and other assumptions such as average claim cost, claim severity, future inflation and changes in the underlying legal framework Refer to Notes 2.9, 3.2, 3.3, 4.2.2, and 32 of the separate and consolidated financial statements.	Our work was supported by our internal actuarial experts and included the following procedures: • We assessed the compliance of the methodology applied to estimate the cash flows and RA related to these contracts with the current accounting standards; • We tested, on a sample basis, the reasonableness of reserves recorded for incurred claims by reference to the Company's and the Group's reserving policy, underlying insurance contract and most recently available supporting claims documentation. • We considered the movement in reserves relating to claims incurred in prior years in order to assess the reasonableness of the estimates and the consistency of the methodology used. • We obtained a listing of new claims recorded post year end and reviewed it in order to assess any implications on the reserve related to reported losses estimated on a case by case basis. • We examined the trend in historical claims development. Based on our procedures, we found the liability for incurred claims under non-life insurance contracts to be reasonable. We also found the disclosures in the financial statements to be appropriate and in accordance with the requirements of IFRS.

Other Information

The members of the Board of Directors are responsible for the Other Information. The Other Information, 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 our opinion:

- The information given in the Board of Directors' Report for the year ended 31 December 2023 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 the 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 skepticism 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 7 years

Athens, 27 June 2024

The Certified Auditor

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

Andreas Riris
SOEL Reg. No. 65601

2023

Group and Company Annual Financial Statements

as at and for the year ended 31 December 2023

STATEMENT OF TOTAL COMPREHENSIVE INCOME

	Note	GROUP 31/12/2023	GROUP 31/12/2022 restated[1]	COMPANY 31/12/2023	COMPANY 31/12/2022 restated[1]
		(€ thousands)			
Insurance revenue	5	546,267	488,454	520,970	465,205
Insurance service expenses	5	(671,283)	(371,795)	(650,586)	(353,833)
Insurance service result before reinsurance contracts held		**(125,016)**	**116,659**	**(129,616)**	**111,372**
Allocation of reinsurance premiums		(78,039)	(62,030)	(73,768)	(58,204)
Amounts recoverable from reinsurers for incurred claims		145,157	5,114	142,806	3,057
Net income/(expense) from reinsurance contracts held		67,118	(56,916)	**69,038**	**(55,147)**
Insurance service result		**(57,898)**	**59,743**	**(60,578)**	**56,225**
Interest revenue from financial investments not measured at FVTPL	7	38,775	48,459	38,654	48,459
Other interest and similar income	7	14,677	11,150	13,018	9,721
Net realised gains/(losses) and change in fair value of FVTPL financial investments	7	77,575	17,230	73,419	32,672
Net gains/(losses) on investments in debt securities measured at FVTOCI reclassified to profit or loss on disposal	7	12,074	-	12,074	-
Impairment of financial assets	8	875	(13,136)	875	(13,136)
Interest expense on financial liabilities	7	(13,977)	(12,226)	(13,977)	(12,226)
Net result from investment contracts	7	(14,200)	(11,968)	(14,200)	(11,968)
Net investment income		**115,799**	**39,509**	**109,863**	**53,522**
Insurance finance (expense)/income for insurance contracts issued	6	(26,430)	17,671	(21,431)	10,404
Reinsurance finance (expense)/income for reinsurance contracts held	6	(51)	(1,216)	(166)	(752)
Net insurance finance (expense)/income		**(26,481)**	**16,455**	**(21,597)**	**9,652**
Net insurance and investment result		**31,420**	**115,707**	**27,688**	**119,399**
Finance costs	11	(705)	(362)	(705)	(362)
Other expenses	9	(67,443)	(46,790)	(65,969)	(41,039)
Other income	10	616	1,602	540	1,596
Profit/ (Loss) before tax		**(36,112)**	**70,157**	**(38,446)**	**79,594**
Income tax expense	12	6,769	(37,934)	6,886	(38,116)
Profit/ (Loss), net of tax		**(29,343)**	**32,223**	**(31,560)**	**41,478**
Other comprehensive income (OCI):					
Items that may be reclassified to profit or loss in subsequent periods:					
Available-for-sale securities		-	(662,668)	-	(661,478)
Net gains/(losses) on investments measured at FVTOCI		52,693	-	53,325	-
Net gains/(losses) on investments in debt securities measured at FVTOCI reclassified to profit or loss on disposal		(12,074)	-	(12,074)	-
Insurance/ Reinsurance finance reserve		(14,860)	180,315	(14,860)	180,315
Currency translation differences		(160)	(161)	-	-
Other		4,710	-	4,057	-
Income tax relating to these items		(5,667)	91,271	(5,806)	91,077
Total		**24,642**	**(391,243)**	**24,642**	**(390,086)**
Items not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit obligations		(4,065)	19,405	(4,065)	19,405
Income tax relating to these items		894	(4,269)	894	(4,269)
Total		**(3,171)**	**15,136**	**(3,171)**	**15,136**
Other comprehensive income, net of tax		21,471	(376,107)	21,471	(374,950)
Total comprehensive income, net of tax		**(7,872)**	**(343,884)**	**(10,089)**	**(333,472)**
Profit /(loss), net of tax, attributable to:					
- the Company		**(29,343)**	**32,223**	**(31,560)**	**41,478**
- Non-controlling interests		-	**(100)**	-	-
Total comprehensive income, net of tax, attributable to:					
- the Company		**(7,872)**	**(343,746)**	**(10,089)**	**(333,472)**
- Non-controlling interests		-	**(138)**	-	-

[1] The 2022 comparative results have been restated following the adoption of IFRS 17. For further details please see note 39.

The explanatory notes on pages 72 to 229 form an integral part of these financial statements.

Athens, 19 June 2024

The Chairman of the Board	The Chief Executive Officer	The Chief Financial Officer	The Chief Actuary	The Chief Accountant
Athanasios Zarkalis ID No AE032057	Robert Constantin Gauci ID No 21DE07141	Stavros E. Karagrigoriou ID No AR 032104	Michalis Prinarakis ID No A00088348	Georgios L. Gennimatas Class A License No. 91312

STATEMENT OF FINANCIAL POSITION

		GROUP			COMPANY		
		31/12/2023	31/12/2022 restated[1]	1/1/2022 restated[1]	31/12/2023	31/12/2022 restated[1]	1/1/2022 restated[1]
	Note	(€ thousands)					
ASSETS							
Property and equipment	13	108,277	109,343	114,928	104,856	105,902	111,373
Investment property	15	24,706	73,739	77,959	24,706	73,739	77,959
Intangible assets	16	14,858	12,559	10,768	14,471	12,333	10,221
Assets held for sale	14	82,235	39,124	35,339	54,276	8,331	7,827
Investment in subsidiaries	17	-	-	-	5,704	5,704	12,232
Financial assets	19,20,21,22	3,441,384	3,188,459	3,875,698	3,371,342	3,132,498	3,812,818
Insurance contract assets	32	45,230	32,140	126,827	42,688	30,174	124,727
Reinsurance contract assets	32	199,543	58,737	65,898	190,061	49,727	56,175
Other receivables	24	70,261	42,609	55,239	69,635	42,094	54,954
Deferred tax assets	18	184,771	209,266	141,672	184,771	209,266	141,672
Current income tax receivables		6,253	-	-	6,471	-	-
Cash and cash equivalents	25	55,532	74,150	86,381	43,213	61,553	73,951
Total Assets		**4,233,050**	**3,840,126**	**4,590,709**	**4,112,194**	**3,731,321**	**4,483,909**
EQUITY AND LIABILITIES							
Shareholders' Equity							
Share capital - paid in	26	235,221	235,221	235,221	235,221	235,221	235,221
Share premium account		547,429	547,429	547,429	547,429	547,429	547,429
Reserves	27	82,156	(129,238)	249,523	86,862	(124,532)	253,004
Retained earnings	28	(426,763)	(321,861)	(265,263)	(448,952)	(341,834)	(294,210)
		438,043	**331,551**	**766,910**	**420,560**	**316,284**	**741,444**
Non-controlling interests		**361**	**361**	**569**	**-**	**-**	**-**
Total equity		**438,404**	**331,912**	**767,479**	**420,560**	**316,284**	**741,444**
Liabilities							
Insurance contract liabilities	32	2,361,371	2,108,483	2,430,249	2,288,478	2,048,222	2,367,979
Reinsurance contract liabilities	32	10,126	6,091	2,840	10,126	6,091	2,840
Investment contracts liabilities	29	1,049,995	1,019,733	987,954	1,049,995	1,019,733	987,954
Other liabilities	30	65,363	54,397	48,340	63,203	52,493	46,442
Financial liabilities	31	177,171	177,166	177,153	177,171	177,166	177,153
Income tax liabilities		-	10,016	4,946	-	9,797	4,613
Retirement benefit obligations	33	102,661	101,535	155,484	102,661	101,535	155,484
Liabilities directly associated with assets held for sale	17	27,959	30,793	16,264	-	-	-
Total liabilities		**3,794,646**	**3,508,214**	**3,823,230**	**3,691,634**	**3,415,037**	**3,742,465**
Total Equity and Liabilities		**4,233,050**	**3,840,126**	**4,590,709**	**4,112,194**	**3,731,321**	**4,483,909**

[1] The 2022 comparative results have been restated following the adoption of IFRS 17. For further details please see note 39.

The explanatory notes on pages 72 to 229 form an integral part of these Financial Statements.

Athens, 19 June 2024

The Chairman of the Board	The Chief Executive Officer	The Chief Financial Officer	The Chief Actuary	The Chief Accountant
Athanasios Zarkalis ID No AE032057	Robert Constantin Gauci ID No 21DE07141	Stavros E. Karagrigoriou ID No AP032104	Michalis Prinarakis ID No A00088348	Georgios L. Gennimatas Class A License No 91312

STATEMENT OF CHANGES IN EQUITY

GROUP

	Share capital	Share premium account	Revaluation reserve for debt securities	Insurance/ Reinsurance finance reserve	Retirement benefit obligations	Other reserves	Foreign exchange differences	Retained earnings	Total	Non-controlling interests	Total equity
					(€ thousands)						
Balance at 31/12/2022	**235,221**	**547,429**	**242,494**	**-**	**(9,652)**	**33,079**	**(4,761)**	**167,384**	**1,211,194**	569	**1,211,763**
Adjustments on initial application of IFRS 17, net of tax	-	-	-	(11,637)	-	-	-	(432,647)	**(444,284)**	-	**(444,284)**
Balance at 01/01/2022 (restated)	**235,221**	**547,429**	**242,494**	**(11,637)**	**(9,652)**	**33,079**	**(4,761)**	**(265,263)**	**766,910**	569	**767,479**
Profit, net of tax	-	-	-	-	-	-	-	32,223	**32,223**	(100)	**32,123**
Dividend distribution	-	-	-	-	-	(1,251)	-	(90,438)	**(91,689)**	-	**(91,689)**
Transfers	-	-	-	-	-	(1,440)	-	1,643	**203**	-	**203**
Acquisition/sale of subsidiaries	-	-	-	-	-	-	-	(28)	**(28)**	(70)	**(98)**
Other comprehensive income, net of tax	-	-	(531,695)	140,646	15,136	-	(156)	-	**(376,069)**	(38)	**(376,107)**
Balance at 31/12/2022	**235,221**	**547,429**	**(289,201)**	**129,009**	**5,484**	**30,388**	**(4,917)**	**(321,863)**	**331,550**	**361**	**331,911**
Adjustments on initial application of IFRS 9, net of tax	-	-	190,265	-	-	-	-	(75,899)	**114,366**	-	**114,366**
Balance at 01/01/2023 (restated)	**235,221**	**547,429**	**(98,936)**	**129,009**	**5,484**	**30,388**	**(4,917)**	**(397,762)**	**445,915**	**361**	**446,276**
Profit, net of tax	-	-	-	-	-	-	-	(29,343)	**(29,343)**	-	**(29,343)**
Transfers	-	-	-	-	-	(342)	-	342	**-**	-	**-**
Other comprehensive income, net of tax	-	-	31,683	(11,591)	(3,171)	4,710	(160)	-	**21,471**	-	**21,471**
Balance at 31/12/2023	**235,221**	**547,429**	**(67,253)**	**117,418**	**2,313**	**34,756**	**(5,077)**	**(426,763)**	**438,043**	**361**	**438,404**

COMPANY

	Share capital	Share premium account	Revaluation reserve for debt securities	Insurance/ reinsurance finance reserve	Retirement benefit obligations	Other reserves	Retained earnings	Total equity
				(€ thousands)				
Balance at 31/12/2021	**235,221**	**547,429**	**242,472**	**-**	**(9,652)**	**31,821**	**143,863**	**1,191,154**
Adjustments on initial application of IFRS 17, net of tax	-	-	-	(11,637)	-	-	(438,073)	(449,710)
Balance at 01/01/2022 (restated)	**235,221**	**547,429**	**242,472**	**(11,637)**	**(9,652)**	**31,821**	**(294,210)**	**741,444**
Profit, net of tax	-	-	-	-	-	-	41,478	41,478
Dividend distribution	-	-	-	-	-	(1,250)	(90,439)	(91,689)
Transfers	-	-	-	-	-	(1,336)	1,336	-
Other comprehensive income, net of tax	-	-	(530,732)	140,646	15,136	-	-	(374,950)
Balance at 31/12/2022	**235,221**	**547,429**	**(288,260)**	**129,009**	**5,484**	**29,235**	**(341,835)**	**316,283**
Adjustments on initial application of IFRS 9, net of tax	-	-	190,265	-	-	-	(75,899)	114,366
Balance at 01/01/2023 (restated)	**235,221**	**547,429**	**(97,995)**	**129,009**	**5,484**	**29,235**	**(417,734)**	**430,649**
Profit, net of tax	-	-	-	-	-	-	(31,560)	(31,560)
Transfers	-	-	-	-	-	(342)	342	-
Other comprehensive income, net of tax	-	-	32,176	(11,591)	(3,171)	4,057	-	21,471
Balance at 31/12/2023	**235,221**	**547,429**	**(65,819)**	**117,418**	**2,313**	**32,950**	**(448,952)**	**420,560**

The explanatory notes on pages 72 to 229 form an integral part of these Financial Statements.

STATEMENT OF CASH FLOWS

	Note	GROUP 31/12/2023	GROUP 31/12/2022	COMPANY 31/12/2023	COMPANY 31/12/2022
		(€ thousands)			
Cash flows from operating activities					
Profit before tax		**(36,112)**	**70,157**	**(38,446)**	**79,594**
Adjustments for non-cash items					
Depreciation, amortization and impairment of property, plant & equipment, investment property & intangible assets	9	9,467	9,199	8,909	8,335
Provision for non-performing receivables	7	(191)	(595)	(191)	(557)
Defined benefit plan cost	33	4,102	1,523	4,102	1,523
Gain on disposal of non financial assets and impairment	10	3	(421)	3	(408)
Impairment loss on financial assets	7	(684)	3,473	(684)	3,473
Impairment loss on investment in subsidiaries		-	11,367	-	9,663
Gains on disposal on financial assets	7	(26,275)	(55,664)	(26,275)	(55,874)
Profit/Loss on sale of investment properties	7	(1,235)	(5,587)	(1,235)	(5,587)
Unrealised gains on financial assets	7	(63,357)	37,890	(59,217)	23,203
Net interest income and dividends	7	(19,871)	(19,669)	(18,090)	(18,630)
Provision for third party claims against the Company	30	7,202	-	7,202	-
Gains / (losses) on foreign exchange differences	10	84	(435)	84	(450)
Total adjustments for non-cash items		**(90,755)**	**(18,919)**	**(85,392)**	**(35,309)**
Net increase or decrease in operating assets / liabilities					
Financial assets at fair value through profit or loss	7,19	8,554	(37,173)	4,414	(29,410)
Movement in insurance & reinsurance contract assets / liabilities	32	88,166	10,970	76,582	15,835
Liabilities relating to group investment contracts	29	41,237	21,952	41,237	21,952
Liabilities relating to invetsment contracts to individuals	29	(10,975)	(35,224)	(10,975)	(35,224)
Movement in other receivables	24	(41,580)	(269)	(41,470)	(4,823)
Defined contribution plans	33	413	(969)	413	(969)
Other liabilities	30	3,405	9,378	3,507	13,865
		(37,647)	**19,903**	**(50,130)**	**25,511**
Aquisition of investment securities		(952,325)	(1,062,785)	(942,318)	(1,062,758)
Disposal of investment securities		1,003,574	1,139,348	1,003,498	1,139,348
Purchase of investment property	15	(159)	(9)	(159)	(9)
Proceeds from sale of investment property	15, 14	3,705	9,066	3,705	9,066
Dividends and interest received	7	44,153	6,686	42,420	6,573
Defined benefit plans (contributions and indemnities)	33	(19,932)	(42,444)	(19,932)	(42,444)
Income tax paid		(22,497)	(13,945)	(22,030)	(13,370)
Net cash used for operating activities		**15,137**	**89,912**	**15,053**	**95,654**
Cash flows from investing activities					
Purchase of property & equipment, intangible assets	13,16	(9,887)	(7,503)	(9,525)	(6,919)
Proceeds from sale of property & equipment, intangible assets	13,10	105	1,339	105	1,326
Granting of private credit	20	(10,000)	5,587	(10,000)	-
Net cash used in investing activities		**(19,782)**	**(577)**	**(19,420)**	**(5,593)**
Cash flows from financing activities					
Interest paid	7, 31	(13,972)	(12,213)	(13,972)	(12,213)
Divident distribution	28	-	(91,689)	-	(91,689)
Net cash from/ (for) financing activities		**(13,972)**	**(103,902)**	**(13,972)**	**(103,902)**
Net increase/(decrease) in cash and cash equivalents		**(18,617)**	**(14,567)**	**(18,339)**	**(13,841)**
Cash and cash equivalents at beginning of period		**74,150**	**88,717**	**61,553**	**75,394**
Cash and cash equivalents at end of period	25	**55,533**	**74,150**	**43,214**	**61,553**

The explanatory notes on pages 72 to 229 form an integral part of these Financial Statements.

NOTE 1: GENERAL INFORMATION

“The Ethniki”, Hellenic General Insurance Company S.A. (the "Company" or "Parent Company") is the oldest insurance company in Greece and has been conducting business continuously for more than 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.ethnikiasfalistiki.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 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.

On 01.04.2022 National Bank of Greece (by then the Company’s sole shareholder) completed its disinvestment of 90.01% of the 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 Company’s shares owned by the Bank to a newly incorporated subsidiary of CVC, Ethniki Holdings S.á.r.l. (the “Purchaser”) and the Bank’s purchase of 9.99% of the shares in the Purchaser.

The Board of Directors on 31st December 2023 consists of the following members:

Full Name	Position on the BoD
Athanasios Zarkalis	Chairman, Independent non-executive member
Robert Constantin Gauci	Chief Executive Officer, Executive member
Tassos Anastasiou	Executive member
Stavros Karagrigoriou	Executive member
Matthew George Alfred Bryant	Non-executive member
Konstantinos Rokas	Non-executive member
Alexandros Fotakidis	Non-executive member
Christina Theofilidi	Non-executive member
Stuart Jeffrey Davies	Independent non-executive member
Vassileios Mastrokalos	Independent non-executive member

The regular General Meeting of the Shareholders (no.173/14.4.2022) decided to elect a new Board of Directors. The term of office of the members of the Board of Directors is three years (until 14.04.2025), which is extended until the first Ordinary General Meeting of the Company's shareholders and will meet after the end of the term of the Board of Directors.

The no.2324/02.01.2023 meeting of the Board of Directors unanimously approved the evaluation of the "Suitability and Credibility" of the new Chief Executive Officer, Mr. Robert Constantin Gauci, leading to the recomposition and the reconstitution of the Board.

At the no. 2336/28.09.2023 meeting of the Board of Directors, it was brought to the attention of the Board the resignation of the Chairman and one of its members, Mr Andrzej Piotr Klesyk. Both resignations were effected on 30.09.2023. Mr. Zarkalis Athanasios was appointed as the new Chairman, with effective date on 01.10.2023.

At the no. 2337/14.12.2023 meeting of the Board of Directors, it was brought to the attention of the Board the resignation of one of its members, Mr Peter William James Rutland, with immediate effect. This had led to the recomposition of the Board of Directors, as demonstrated in the above table.

It is also noted that the composition of the Board of Directors, as shown in the above table, was amended following the resignation of Mr Tassos Anastasiou at 13.02.2024.

The financial statements are subject to the approval of the Annual General Meeting of the shareholders of the Company.

These annual separate and consolidated Financial Statements have been approved by the Board of Directors of the Company on 19 June 2024.

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 Company for the year ended 31 December 2023 (the "Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU").

The financial statements have been prepared under the historical cost convention as modified to include the fair valuation of certain financial instruments.

In preparing the financial statements, the Group makes estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Due to the inherent uncertainty involved in estimating the likelihood of future events, actual results could differ from those estimates, which could affect the future reported amounts of assets and liabilities. A description of the critical estimates and judgements applied in the consolidated financial statements is set out in note 3.

The Group has adopted IFRS 17, 'Insurance Contracts' and IFRS 9, 'Financial Instruments' (including any consequential amendments to other standards) as issued by the IASB and as adopted for use in the EU from 1 January 2023, as discussed in note 2.3.1. The Group has adopted IFRS 17 Insurance Contracts from 1 January 2023 and comparatives have been retrospectively restated from the transition date of 1 January 2022. The Group has also adopted IFRS 9 Financial Instruments from 1 January 2023. As permitted by IFRS 9, the Group has not restated the comparatives on initial application of the standard nor has it applied the classification overlay as permitted by the amendments to IFRS 17, 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information'. Except for the changes from the adoption of these two standards and the amended IFRS Standards as described in note 2.3.1.3, the accounting policies applied by the Group in determining the IFRS financial results in these consolidated financial statements are the same as those previously applied in the Group's consolidated financial statements for the year ended 31 December 2022 as disclosed in the 2022 annual report.

The Group's presentation currency is the Euro (€) being the functional currency of the Company. Except as indicated, financial information presented in Euro has been rounded to the nearest thousand.

2.2 Going concern

The time period that the Board of Directors has considered in evaluating the appropriateness of the going concern basis in preparing the financial statements for 2023 is a period of twelve months from the date of approval of these financial statements ('the assessment period').

In making the assessment, the Directors have considered a wide range of information relating to present and future conditions, including the performance of the Group's business, solvency and liquidity, future projections of profitability, cash flows, capital requirements and capital resources together with a range of other factors such as the economic outlook for the Greek economy and the current global macroeconomic and geopolitical environment.

The matters of primary considerations by the Directors are set out below:

Capital

The Group has developed capital plans under base and stress scenarios and the Directors believe that the Group has sufficient capital to meet its regulatory capital requirements throughout the period of assessment.

Solvency and liquidity

The Directors have considered the Group's solvency and liquidity position and are satisfied that the Group continues to maintain strong solvency and liquidity positions throughout the period of assessment.

Conclusion

On the basis of the above, the Board is satisfied that the Group as a whole has adequate resources to continue operations for the next 12 months from the date of this report and meet liabilities as they fall due. No material uncertainties that may cast significant doubt on the ability of the Group to continue as a going concern have been identified. The Directors therefore consider it appropriate to continue to adopt the going concern basis in preparing the financial statements for the year ended 31 December 2023.

2.3 Adoption of International Financial Reporting Standards (IFRS)

2.3.1. New standards, amendments and interpretations to existing standards adopted by the Group as of 1 January 2023

The Group has applied the following standards and amendments for the first time in its annual reporting period commencing 1 January 2023.

2.3.1.1 IFRS 17 Insurance contracts

Transition

The Group has initially applied IFRS 17, including any consequential amendments to other standards, from 1 January 2023. These standards have brought significant changes to the accounting for insurance contracts and financial instruments. IFRS 17 supersedes IFRS 4 and establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts issued, reinsurance contracts held, and investment contracts with discretionary participation features. On transition date of 1 January 2022, the Group:

- Identified, recognized and measured each group of insurance contracts as if IFRS 17 had always been applied.
- Identified, recognized and measured any assets for insurance acquisition cash flows as if IFRS 17 had always been applied, except that the recoverability assessment was not applied before 1 January 2022.
- Derecognized any existing balances that would not exist had IFRS 17 always been applied. These included certain deferred acquisition costs for insurance contracts, insurance receivables and payables including policyholder loans, and provisions for levies that are attributable to existing insurance contracts. Under IFRS 17, these are included in the measurement of the insurance contracts.
- Recognized any resulting net difference in equity.

IFRS 17 requires that the statement of financial position and comparative figures are restated at the transition date. As a result of adoption of IFRS the accounting policies of insurance and reinsurance contracts have been revised. Significant methods, judgements and assumptions applied in the measurement of insurance contracts are set out in Note 3.1, 3.2, 3.3.

Certain transition approaches are applied upon initial application of IFRS 17, depending on the availability of the information required. In certain instances, it is necessary to exercise judgement when determining which transition approaches to apply, including an assessment as to whether reasonable and supportable information is available for the application of the fully retrospective approach or the modified retrospective approach. IFRS 17 must be applied retrospectively unless this is impracticable. Fulfilment cash flows are determined prospectively at every reporting date, including the date of initial application and the contractual service margin needs to be rolled forward over time under the Full Retrospective Approach (FRA). If the FRA is impracticable, the standard permits the use of the Modified Retrospective Approach (MRA) or the Fair Value Approach (FVA).

The Group has performed a cost-benefit analysis and made a practical decision as to what constitutes undue cost and effort based on the specifics of its portfolios and business.

The assessment has been performed by measurement method namely, Premium Allocation Approach (PAA), General Measurement Model (GMM) and Variable Fee Approach (VFA), as each of these methods have different requirements on a group of contracts level.

For groups of insurance contracts measured under the PAA, the Company applied the Full Retrospective Approach, unless impracticable.

The Group applied the FVA for groups of insurance contracts measured under the GMM that have been issued before 2016 as the information was either not available (e.g. financial assumptions, profitability) or could have been available but with undue cost and effort (i.e. actual transactions). For groups of insurance contracts issued from 2016 onwards, the Full Retrospective Approach is applied.

The groups of insurance contracts measured under the VFA include policies issued in 2020 or later with all required data for retrospective measurement being readily available. Therefore, for these groups of insurance contracts the Full Retrospective Approach is applied.

Total impact on Group and Company’s total equity from IFRS 17 application at transition date amounts to approximately €444,284 thousands and €449,710 thousands, respectively. The table below summarizes the main drivers of this impact:

(€ thousands)	GROUP	COMPANY
Total equity 31.12.2021	**1,211,763**	**1,191,154**
Contractual Service Margin Recognition	(510,813)	(498,672)
Recognition of non-financial risk adjustment	(102,679)	(100,748)
Measurement Differences in (re)insurance claims and liabilities	75,836	54,062
Derecognition of DAC and IFRS 4	(33,470)	(31,194)
Deferred tax asset recognition	126,842	126,842
Total impact at transition date (January 1st, 2022)	(444,284)	(449,710)
Total equity 01.01.2022	**767,479**	**741,444**

The Group and Company's decrease in total equity at transition date due to the application of IFRS 17 is mainly attributed to the following factors:

- Contractual Service margin (CSM) constitutes a new component of insurance contract liabilities reflecting the expected profitability to be released in the income statement over the lifetime of the insurance contracts as the insurance services are provided. The CSM per transition approach is presented in the table below:

	GROUP			COMPANY		
Contractual Service Margin	**Life Risk & Savings**	**Participating**	**Total**	**Life Risk & Savings**	**Participating**	**Total**
Full Retrospective Approach	119,364	16,240	135,604	119,429	6,987	126,416
Fair Value Approach	375,209	-	375,209	372,256	-	372,256
Total	**494,573**	**16,240**	**510,813**	**491,685**	**6,987**	**498,672**

Under the FVA, the CSM recognized at the transition date has been determined as ff the group of insurance contracts less the fulfillment cash flows at the transition date. No pre-transition information is required to calculate the FVA CSM. The FVA measures the value of CSM at the transition date, 1 January 2022, the start of the comparative period. Subsequently, the CSM is remeasured for movements since the date of transition according to the general requirements of IFRS 17, however the initial fair value as at transition date is not re-assessed in future reporting periods.

Where FVA has been applied to determine the value at transition, the fair value has been derived in accordance with IFRS 13 Fair Value Measurement and represents the price a market participant would require to assume the insurance contract liabilities in an orderly transaction.

Whilst the fair value at transition impacts the size of the CSM that will subsequently be recognized in profit over the remaining life of the contracts, the fair value model and inputs to that model will not be applied to, or result in adjustment to any subsequent measurement of the CSM.

As quoted market prices were not available for the groups of insurance contracts, the Group determined the Fair Value using the assumptions of Solvency II valuation basis but with a Company specific cost of capital (CoC) instead of the 6% rate prescribed by Solvency II. The adjusted CoC rate provides a more tailored and representative measure of the Group's capital needs. To determine this rate, the Group calculated its own cost of equity and then applied the rate to the risk margin calculation. The allocation of risk margin into groups was made using as driver the underwriting risk of each group.

- Risk adjustment constitutes a new element in the measurement of insurance contracts reflecting the compensation that an insurer requires for bearing uncertainty arising from non-financial risk. Risk adjustment at transition date is summarized at the table below:

GROUP						
Risk Adjustment	**Life Risk & Savings**	**Participating**	**Life & Health**	**Motor**	**Other Non-Life**	**Total**
Insurance Contracts Issued	89,038	1,339	1,165	10,564	5,735	107,841
Reinsurance Contracts Held	(950)	-	(51)	(392)	(3,769)	(5,162)
Total	**88,088**	**1,339**	**1,114**	**10,172**	**1,966**	**102,679**

COMPANY						
Risk Adjustment	**Life Risk & Savings**	**Participating**	**Life & Health**	**Motor**	**Other Non-Life**	**Total**
Insurance Contracts Issued	87,878	116	1,160	10,020	5,645	104,819
Reinsurance Contracts Held	(80)	-	(51)	(197)	(3,743)	(4,071)
Total	**87,798**	**116**	**1,109**	**9,823**	**1,902**	**100,748**

- Derecognition of Deferred Acquisition Costs of life legacy long-term contact portfolios measured under Fair Value approach at transition date.
- Measurement differences on (re)insurance assets and liabilities arising from the derecognition of IFRS 4 Mathematical reserves and technical insurance provisions and the recognition of IFRS 17 present value of future cash flows. The main factors of these differences are described below:
    - Different grouping and contract boundaries applied in the valuation of health portfolios under IFRS 17 compared to IFRS 4. IFRS 17 contract boundaries were defined at contract level leading to the recognition of net cash inflow from groups of insurance contracts.
    - Lower discount rates were used in the measurement of life long-term portfolios under IFRS 17, mainly due to transition allowances, compared to respective rates used in the discounted cash flows of IFRS 4 liability adequacy test. The negative equity impact was partially offset by the positive impact of discounting of non-life claims reserves using current market rates. Under the previous regime of IFRS 4, non-life claims reserves were not discounted.
    - Higher volume of acquisition costs was deferred in annually renewable health, non-life and group life portfolios measured under the PAA.
    - Lower claim reserve was recognized in non-Life portfolios under IFRS 17 due to the application of probability-weighted estimate of future cashflows in IFRS 17 measurement compared to IFRS 4 case reserve estimates.
- Recognition of deferred tax asset stemming from the deductible temporary differences mentioned above. The CSM upon transition includes profits that were previously reported in accordance with IFRS 4 and subject to tax. The reduction in net assets on adoption of IFRS 17, including the CSM recognition, gives rise to deferred tax asset. The deferred tax asset will reverse throughout the coverage period of the insurance contracts. when all the temporary differences will be eliminated.

2.3.1.2 IFRS 9 Financial instruments

On 1 January 2023 the Group adopted IFRS 9 'Financial Instruments' having made use of the deferral option under the amendments to IFRS 4 that allowed it to defer the initial application date to IFRS 9 to align with that of IFRS 17 for annual reporting periods beginning on or after 1 January 2023.

The standard replaced IAS 39, 'Financial Instruments: Recognition and Measurement'. It includes new principles around classification and measurement of financial instruments, introduces an impairment model based on expected credit losses (replacing the previous model based on incurred losses) and new requirements on hedge accounting.

The adoption of IFRS 9 has brought significant changes both to the classification and measurement and impairment of financial assets and has had a material impact on the Group's financial statements in the period of initial application.

Effects from initial application of IFRS 9

The main changes in the Group's accounting policies resulting from the adoption of IFRS 9 as well as their effects on the Group's consolidated financial statements are described below.

Prospective application and comparative information

As permitted by IFRS 9, the Group has not restated the comparatives on initial application of the standard nor has it applied the classification overlay as permitted by the amendments to IFRS 17, 'Initial Application of IFRS 17 and IFRS 9 – Comparative Information'. As a result, the statement of financial position at 31 December 2022 does not reflect the change in classification of certain debt securities from the IAS 39 available-for-sale category to amortised cost under IFRS 9 nor does so for the recognition of IFRS 9 expected credit losses to debt instruments measured at amortised cost and fair value through other comprehensive income. Accordingly, the comparative period of year ended 2022 is presented to reflect solely the classification and measurement under IAS 39.

Classification and measurement

IFRS 9 redefines the classification of financial assets based on the way in which assets are managed in order to generate cash flows and their contractual cash flow characteristics. Under IFRS 9, financial assets are classified into one of the following categories:

(a) Amortised Cost (AC);

(b) Fair Value through Profit or Loss (FVTPL); or

(c) Fair Value through Other Comprehensive Income (FVOCI).

An option is also available at initial recognition to irrevocably designate a financial asset as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch. What is more, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an instrument-by-instrument basis.

Accordingly, the four IAS 39 classification categories of financial assets being held-to-maturity (HTM), loans and receivables (LaR), available for sale (AFS), and FVTPL have been replaced by:

- Debt instruments measured at amortised cost
- Debt instruments measured at FVOCI, with gains or losses reclassified to profit or loss on disposal
- Equity instruments at FVOCI, with no reclassification of gains or losses to profit or loss on disposal
- Financial assets measured at FVTPL.

Moreover, in accordance with the new requirements, derivatives embedded in contracts where the host is a financial asset in the scope of IFRS 9 are no longer separated. Instead, the hybrid financial instrument as a whole is assessed for classification. This is in contrast to IAS 39, whereby derivatives were 'bifurcated' from the host contract and were accounted for separately.

Under IFRS 9, the classification of a debt instrument into one of the three afore-mentioned categories depends on a two-stage assessment process. First, the debt instrument must pass the contractual cash flow characteristics test assessing whether the instrument's cash flows represent Solely Payment of Principal and Interest (the so-called 'SPPI' test). In other words, the SPPI test separates 'simple' instruments from more complex ones that, for example, give exposure to equity-like risks or contain terms that introduce uncertainty or variability in cash flows which is driven by factors outside of a basic lending-type relationship.

If the debt instrument fails the SPPI test, it must be mandatorily classified at FVTPL. Otherwise, it will go through the second assessment, the business model assessment. The business model for managing financial assets reflects how the Group intends to generate cash flows from the assets, specifically whether these cash flows will result from collecting the contractual cash flows of the asset, from selling the asset, or both.

On the basis of the above and taking into consideration that IFRS 9 has two measurement bases (a) amortised cost and (b) fair value - with movements in fair value presented in either profit or loss (P&L) or other comprehensive income (OCI):

- a debt instrument that passes the SPPI test and is held to collect contractual cash flows is measured at amortised cost;
- a debt instrument that passes the SPPI test and is held within a hybrid business model whose objective is both to collect and sell cash flows is measured at fair value with unrealized fair value changes recorded in OCI. The resulting gains and losses are reclassified from OCI and recognized into the income statement once they have been realized, i.e. when the asset is sold (this process is referred to as 'recycling'); and

- any debt instrument that fails the SPPI, regardless of the business model within which is held, is automatically measured at FVTPL with changes in fair value presented directly in the income statement.

Consequently, under the new requirements amortised cost is used only where products are relatively straightforward and where the entity intends to hold the asset to collect those cash flows. If the entity intends to sell such assets from time to time, these are amortised to income statement, but fair valued on the statement of financial position (similar to available-for-sale under IAS 39). For financial assets that are more complex or when the entity intends to trade them, then they are fair valued with movements going directly to income statement.

The Group's accounting policy on classification of its financial assets is explained in section 2.7 of this note. The quantitative impact of applying the classification and measurement requirements of IFRS 9 as at 1 January 2023 is disclosed in the following table, that summarizes the IFRS 9 impact.

Impairment

IFRS 9 introduces a revised impairment model which changes the basis of loss calculation to expected loss, as opposed to the incurred loss model under IAS 39, which focused only on losses that had already occurred.

The objective of the model in IFRS 9 is to be responsive to changes in credit risk and economic conditions and distinguish between financial instruments for which credit risk has increased significantly since initial recognition and those for which it has not. The model requires entities to recognize expected credit losses at all times and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk.

The new impairment requirements will apply to the Group's financial assets measured at amortised cost, debt instruments at FVOCI as well as to term deposits and other receivables.

Details of the Group's impairment policy are disclosed in section 2.7 of this note. The quantitative impact of applying the impairment requirements of IFRS 9 as at 1 January 2023 is disclosed in table below.

Financial impact of transition to IFRS 9

Summary of impact

The impact of transitioning to IFRS 9 at 1 January 2023 on the Group's consolidated financial statements was an increase in total equity of €114,4m, as summarized below:

	IFRS 9 impact
	(€ thousands)
Impact attributed to:	
Classification of financial assets	
Debt securities	148,688
Impairment of financial assets	
Debt securities	(2,010)
Loans and other receivables	(13)
Term deposits	(42)
	146,623
Deferred tax	(32,257)
Total impact of adoption of IFRS 9, after tax	**114,366**

This overall increase in total equity was the result of:

- an increase in net assets of €148,7m from the remeasurement of debt securities as a consequence of reclassification changes between the fair value and amortised cost categories;
- a decrease of €2,0m from additional impairment allowances; and
- a decrease in deferred tax asset of €32,3m.

A more detailed explanation of the effects from the initial application of IFRS 9 follows below.

Changes to the classification and measurement from adoption of IFRS 9

For the purpose of classification and measurement, the business model of the financial assets has been assessed on the basis of facts and circumstances that existed at the date of initial application of 1 January 2023. The SPPI assessment was performed based on the contractual terms at initial recognition of the financial asset.

For the purpose of impairment, the Group upon transition made use of a practical expedient available in IFRS 9, whereby it can be assumed that the credit risk of a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low risk at the reporting date.

The following table explains the original measurement categories under IAS 39 and the new measurement categories under IFR 9 for each of the Group's financial assets as at 1 January 2023, including the reasons for the reclassifications out of the IAS 39 categories. It also provides a detailed overview of the transitional impact on the Group's total equity arising from:

- remeasurements in the carrying amounts of debt securities due to the reclassification between amortised cost and the fair value measurement categories; and
- the recognition of loss allowances based on the ECL model for those financial assets scoped into the impairment requirements of IFRS 9.

No changes to classification and measurement of financial liabilities have resulted from the application of IFRS 9.

Transitional impact of IFRS 9:

Financial Assets	IAS 39 Category	IAS 39 Amount in € thousands	Reclassification in € thousands	Remeasurement ECL in € thousands	Remeasurement Other in € thousands	IFRS 9 Amount in € thousands	IFRS 9 Category
AFS Debt securities (Bonds)							
Closing balance 31.12.2022	AFS	2,030,982	-	-	-	-	
Reclassifications to		-	(838,053)	-	-	-	Amortized cost
		-	(415,486)	-	-	-	FVTPL
		-	(777,443)	-	-	-	FVOCI
Opening balance 1.1.2023		**2,030,982**	**(2,030,982)**	-	-	-	
Securities classified as Loans and Receivables (Bonds)							
Closing balance 31.12.2022	LaR	40,876	-	-	-	-	
Reclassifications to		-	(40,876)	-	-	-	Amortised cost
Opening balance 1.1.2023		**40,876**	**(40,876)**	-	-	-	
Debt securities measured at FVTPL							
Reclassifications from	AFS Debt securities (Bonds)	-	415,486	-	-	-	FVTPL
Opening balance 1.1.2023		-	**415,486**	-	-	**415,486**	
Debt securities measured at FVOCI		-					
Reclassifications from / Remeasurements	AFS Debt securities (Bonds)	-	777,443	-	-	-	FVOCI
Opening balance 1.1.2023		-	**777,443**	-	-	**777,443**	
Debt securities measured at amortised cost							
Reclassifications from / Remeasurements	AFS Debt securities (Bonds)	-	838,053	(1,954)	148,688	-	Amortised cost
	Securities classified as loans and receivables (Bonds)	-	40,876	(56)	-	-	
Opening balance 1.1.2023		-	**878,929**	**(2,010)**	**148,688**	**1,025,607**	
Securities at Fair Value Through Profit or Loss UNIT-LINKED Debt securities (Bonds)							
Closing balance 31.12.2022	FVTPL	71,631	-	-	-	-	
Reclassifications to		-	(71,631)	-	-	-	FVOCI
Opening balance 1.1.2023		**71,631**	**(71,631)**	-	-	-	
Unit Linked Assets portfolio measured at FVOCI - Debt securities							
Reclassifications from / Remeasurements	Securities at Fair Value Through Profit or Loss UNIT-LINKED Debt securities (Bonds)	-	71,631	-	-	-	FVOCI
Opening balance 1.1.2023		-	**71,631**	-	-	**71,631**	

Financial Assets	IAS 39 Category	IAS 39 Amount in € thousands	Reclassification in € thousands	Remeasurement ECL in € thousands	Remeasurement Other in € thousands	IFRS 9 Amount in € thousands	IFRS 9 Category
Available-for-sale securities equities listed							
Closing balance 31.12.2022	AFS	28,170	-	-	-	-	
Reclassifications to		-	(23,785)	-	-	-	FVTPL (Mandatory)
		-	(4,385)	-	-	-	FVOCI
Opening balance 1.1.2023		**28,170**	**(28,170)**	**-**	**-**	**-**	
Investment in equity securities measured at FVTPL							
Reclassifications from	Available-for-sale securities equities listed	-	23,785	-	-	-	FVTPL (Mandatory)
Opening balance 1.1.2023		**-**	**23,785**	**-**	**-**	**23,785**	
Investment in equity securities measured at FVOCI							
Reclassifications from	Available-for-sale securities equities listed	-	4,385	-	-	-	FVOCI
Opening balance 1.1.2023		**-**	**4,385**	**-**	**-**	**4,385**	
Available-for-sale securities equities non-listed							
Closing balance 31.12.2022	AFS	13,738	-	-	-	-	
Reclassifications to		-	(13,738)	-	-	-	FVTPL (Mandatory)
Opening balance 1.1.2023		**13,738**	**(13,738)**	**-**	**-**	**-**	
Investment in Private equity Funds measured at FVTPL							
Reclassifications from	Available-for-sale securities equities non-listed	-	13,738	-	-	-	FVTPL (Mandatory)
Opening balance 1.1.2023		**-**	**13,738**	**-**	**-**	**13,738**	
Available-for-sale Mutual Funds							
Closing balance 31.12.2022	AFS	435,367	-	-	-	-	
Reclassifications to		-	(435,367)	-	-	-	FVTPL (Mandatory)
Opening balance 1.1.2023		**435,367**	**(435,367)**	**-**	**-**	**-**	
Investment in Mutual Funds measured at FVTPL							
Reclassifications from	Available-for-sale Mutual Funds	-	435,367	-	-	-	FVTPL (Mandatory)
Opening balance 1.1.2023		**-**	**435,367**	**-**	**-**	**435,367**	
Derivative financial instruments							
Closing balance 31.12.2022	FVTPL	239	-	-	-	-	FVTPL
		-	-	-	-	-	
Opening balance 1.1.2023		**239**	**-**	**-**	**-**	**239**	
Cash and cash equivalents							
Closing balance 31.12.2022	LaR	62,731	-	-	-	-	
Reclassifications to		-	(62,731)	-	-	-	Amortised cost
Opening balance 1.1.2023		**62,731**	**(62,731)**	**-**	**-**	**-**	
Cash and cash equivalents							
Reclassifications from	Cash and cash equivalents (LaR)	-	62,731	(42)	-	-	Amortised cost
Opening balance 1.1.2023		**-**	**62,731**	**(42)**	**-**	**62,731**	
Loans and other receivables							
Closing balance 31.12.2022	LaR	34,550	-	-	-	-	
Reclassifications to		-	(34,550)	-	-	-	Amortised cost
Opening balance 1.1.2023		**34,550**	**(34,550)**	**-**	**-**	**-**	
Loans and other receivables							
Reclassifications from	Loans and other receivables	-	34,550	(13)	-	-	Amortised cost
Opening balance 1.1.2023		**-**	**34,550**	**(13)**	**-**	**34,537**	
Total IFRS 9 impact		**-**	**-**	**(2,065)**	**148,688**	**-**	

As shown in the above table, the adoption of IFRS 9 resulted in an increase of €148,7m of retained earnings as of 1 January 2023 before tax. The main effects from transitioning to IFRS 9 for the Group are as follows:

- Investments in debt securities of €777m previously classified under IAS 39 as available-for-sale, are measured at the default category FVOCI under IFRS 9.
- Debt securities with a carrying amount of €838m that were classified as available-for-sale under IAS 39, were assessed upon transition to be within a held-to-collect business model and consistent with the SPPI criterion, and, as a result, were reclassified as measured at amortised cost. For these securities, the reversal of the unrealized capital losses accumulated in OCI had a positive impact on the Group's opening balance of retained earnings of some €148.7m, giving rise at the same time to an impairment allowance of €2m from their remeasurement at amortised cost.
- Certain debt securities with a total of €415m that were classified at available-for-sale under IAS 39, were designated at FVTPL aligning to how these securities are managed on transition to IFRS 9 (that is, they are now managed and evaluated on a fair value basis).
- A limited number of debt securities with a carrying amount of €41m that were classified as loans and receivables under IAS 39 and measured at amortised cost, are also measured at amortised cost under IFRS 9.
- Mutual fund investments amounting to €435m that were classified as available-for-sale under IAS 39, are mandatorily reclassified as measured at FVTPL as they do not meet the SPPI condition.
- The equity securities portfolio under IAS 39 was entirely classified as available-for-sale. The Group has reclassified the vast majority of equity securities amounting to €24m as measured at FVTPL, while for those equity investments held for long-term strategic purposes, which amounted to €4.4m, the Group elected to designate them at FVOCI.
- Under IAS 39, investments in private funds with a carrying amount of some €14m were classified as available-for-sale. The Group has reclassified these investments mandatorily as measured at FVTPL as they have been assessed to fail the SPPI criterion.
- Financial assets held for unit-linked investment were classified at FVTPL under IAS 39. While the vast majority of these assets continue to be measured at FVTPL, the Group has designated some €72m of such assets at FVOCI.
- Loans and other receivables accounted for amortised cost under IAS 39 will continue to be measured at amortised cost under IFRS 9.
- Derivative assets of €0.24m measured at FVTPL under IAS 39 will continue to be measured at FVTPL under IFRS 9.
- As a result of applying the IFRS 9 ECL model for those debt instruments measured at amortised cost, the Group recognized a total transitional effect of €2.03m reduction to retained earnings at 1 January 2023.

The tables below present the impact of transition to IFRS 9 to Fair value reserve and Retained earnings:

Retained earnings	**IFRS 9 impact** *(€ thousands)*
Closing balance under IAS 39	**59,335**
Reclasifications under IFRS 9 measurement categories	(83,533)
ECL Allowance for debt securities	(2,737)
ECL Allowance for loans and other receivables	(13)
ECL Allowance for term deposits	(42)
Deferred tax	10,425
Opening balance under IFRS 9	**(16,564)**

AFS securities reserve	**IFRS 9 impact** *(€ thousands)*
Closing balance under IAS 39 net of tax	**(288,260)**
Remeasurement of Debt Securities from 'available for sale' into amortized cost	148,688
Reclasifications under IFRS 9 measurement categories	83,533
Remeasurement under IFRS 9 ECL impairment for FVOCI Portfolio	727
Deferred tax	(42,682)
Opening balance under IFRS 9	**(97,995)**

2.3.1.3 Amendments effective from 1st January 2023

The following amendments to existing standards as issued by the IASB apply for the first time to the financial reporting period beginning on 1 January 2023.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies
Issued by IASB in 2021. The amendments are effective for annual reporting periods on or after 1 January 2023 and have been endorsed by the EU.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
Issued by IASB in February 2021. The amendments are effective for annual reporting periods on or after 1 January 2023 and have been endorsed by the EU.

Amendments to IAS 12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction
Issued by the IASB in May 2021. The amendments are effective for annual reporting beginning on or after 1 January 2023 and have been endorsed by the EU.

Amendments to IAS 12 Income taxes: International tax reform – Pillar Two Model Rules
Issued by the IASB in May 2023. The amendments are effective for annual reporting beginning on or after 1 January 2023 and have been endorsed by the EU.
The above amendments to standards have been endorsed by the EU and are not expected to have a material impact on the Group's consolidated financial statements.

2.3.2. Amendments and interpretations to published standards not yet adopted by the Group

The following amendments to existing standards as issued by the IASB are not yet effective and are not expected to have a material impact on the Group's consolidated financial statements.

Amendments to IAS 1 Presentation of Financial Statements: Non-current liabilities with covenants
Issued by IASB in October 2022. The amendments are effective for annual reporting periods on or after 1 January 2024 and have not yet been endorsed by the EU.

Amendments to IFRS 16 Leases: Lease liability in a sale and leaseback
Issued by IASB in September 2022. The amendments are effective for annual reporting periods on or after 1 January 2024 and have not yet been endorsed by the EU.

Amendments to IAS 7 and IFRS 7 - Disclosures: Supplier Finance Arrangements
Issued by IASB in May 2023. The amendments are effective for annual reporting periods on or after 1 January 2024 and have not yet been endorsed by the EU.

Amendments to IAS 21 - The effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

Issued by IASB in May 2023. The amendments are effective for annual reporting periods on or after 1 January 2024 and have not yet been endorsed by the EU.

2.4 Consolidated Financial Statements

2.4.1 Basis of consolidation

The consolidated financial statements incorporate the separate financial statements of the Company and its subsidiaries, which are entities controlled by the Company. Control is achieved, if and only if, the 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 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 recognized 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 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 recognized directly in equity and attributed to owners of the 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 recognized 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 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 Company transfers property and equipment, intangible assets or investment property to an existing or new subsidiary in exchange for shares in the subsidiary, the 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 (recognized in the Group's profit or loss) and movements in reserves (recognized 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 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 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 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 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 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 recognized in profit or loss as incurred.

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

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized 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 recognized 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 recognized 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 recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized 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 recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized 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 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 recognized 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 recognized 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 recognized directly in line item “Currency translation differences” within other comprehensive income (OCI). Cumulative translation adjustments are reclassified from OCI to net income upon disposal of foreign subsidiaries.

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 recognized 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 instruments

2.7.1 Recognition and derecognition

Initial recognition of financial assets and liabilities is on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument. A financial asset or a financial liability is initially measured at fair value plus transactions costs that are directly attributable to the acquisition or issue, for a financial asset or financial liability measured at amortised cost or FVOCI. On the other hand, transaction costs directly attributable to the acquisition of a financial asset or financial liability measured at FVTPL are recognized immediately in profit or loss.

Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire. The Group derecognizes a financial liability when its contractual obligations expire or are discharged or cancelled. The Group also derecognizes a financial asset or a financial liability when its terms are modified and the cash flows of the modified financial instrument are substantially different, in which case a new financial asset or liability is recognized at fair value plus eligible transaction costs based on the modified terms.

On derecognition of a financial asset or financial liability, the difference between the carrying amount at the date of derecognition and the consideration received (including any new asset obtained less any new liability received) is recognized in profit or loss.

2.7.2 Classification of financial assets

The classification of financial assets reflects the basis on which those assets are subsequently measured in the statement of financial position and how gains and losses generated by those assets are reported. The classification of financial assets is assessed at initial recognition and cannot be modified afterwards, unless if, in rare circumstances, the business model in which those financial assets are held changes.

The subsequent measurement of financial assets is driven by the contractual cash flow characteristics and the business model within which these assets are held. The contractual characteristics test aims at identifying those assets with cash flows consistent with a basic lending arrangement, i.e., which are solely payments of principal and interest (SPPI). The business model assessment refers to how the Group manages its financial assets with the objective of generating cash flows.

The combined effect of these two criteria determines whether financial assets are classified as measured at amortised cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

<u>Business model assessment</u>

The objective of the business model assessment is to classify financial assets based on how the Group manages them in order to generate cash flows - by collecting contractual cash flows (held-to-collect), selling financial assets or both (held-to-collect and sell). If neither of these is applicable - for instance, financial assets are held for trading purposes - the business model is ‘other’ and the financial asset is measured at FVTPL. What is more, the business model does not constitute a choice (i.e. it’s not a voluntary designation) but instead it is a matter of fact that can be observed by the way the Group is managed and information is provided to management.

The business model assessment is neither carried out on an instrument-by-instrument basis (i.e. it does not depend on management’s intention for an individual instrument) nor at a reporting entity level. The Group’s business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. Moreover, in some circumstances it may be appropriate to separate a portfolio of financial assets into sub-portfolios in order to reflect the way in which the Group manages those assets.

The Group primarily holds financial assets to fund insurance liabilities. In particular, for the life insurance business, the Group holds a portfolio of debt instruments to fund the life insurance contract obligations toward policyholders. The portfolio comprises mainly highly rated government debt securities as well as investment grade corporate bonds with the aim of matching the duration of financial assets with its insurance contract obligations. Consistent with its investment policy, the Group also monitors the yield on the debt securities portfolio to earn a targeted yield. The Group therefore assesses its life insurance portfolio to determine the optimal mix to achieve the targeted duration match and yield. Hence, the objective of the business model is to hold some financial assets within the portfolio for the collection of contractual cash flows and to sell others to achieve a targeted yield and a better duration match.

Furthermore, in order to manage the dynamic profile of its non-life business, the Group holds highly liquid assets that can be sold in a timely manner to respond to changes in the liquidity risk profiles of the Group. That is, financial assets are sold and purchased to rebalance the portfolio to match the risk profile or exposure desired by the Group. Besides, unexpected or rapid changes in market conditions may necessitate more frequent or significant rebalancing of debt securities. In this regard, the asset portfolio needs to (a) retain sufficient liquidity to meet policyholder obligations when they become due, and (b) generate sufficient investment income to contribute to the overall profitability of the Group. As a consequence, the financial assets backing non-life insurance contract liabilities are managed in the business model that is held to collect contractual cash flows and for sale.

What is more, certain debt securities are held in separate portfolios for longer-term yield. These include high quality, long dated government and corporate bonds backing (a) life investment contracts with a guaranteed return to the policyholder, and (b) DAF guaranteed contracts with both a fixed maturity and technical rate to the policyholder. Accordingly, the Group follows a buy-and-hold strategy for the associated debt securities portfolio being consistent with the notion of a hold-to-collect business model.

In addition, the Group manages and evaluates certain debt securities on a fair value basis following the implementation of the Group's strategic asset allocation. This sub-portfolio comprises highly rated corporate and government debt securities from both the life and non-life business with the objective of disposing of these securities in the near future, thus being held within an 'other' business model.

Contractual cash flow characteristics assessment (SPPI)

Financial assets which are held within the held-to-collet and held-to-collect and sell business model are assessed in order to determine whether their contractual cash flows are solely payments of principal and interest (the so-called SPPI test). If they meet the SPPI criterion, then they are eligible for being measured at either amortised cost or FVOCI depending on the business model within which they are held. Where the contractual terms introduce exposure to risk or variability of cash flows incompatible with the SPPI criterion, then they fail the test, and, as a result, they are mandatorily classified as measured at FVTPL.

The Group applies the SPPI assessment to its debt security and lending portfolios. In assessing whether the contractual cash flows of debt securities and loans are SPPI, the Group considers whether their contractual terms are consistent with a basic lending arrangement. In such a basic lending-type relationship, the holder or lender of the financial asset is looking to earn a return that compensates him for the passage of time and for credit risk, since consideration for the time value of money (TVM) and credit risk are typically the primary components of interest.

Whilst the consideration for the TVM and credit risk are typically the most significant elements of interest, the description of interest can include also consideration for liquidity risk and the entity's funding costs, as well as compensation for servicing costs and a profit margin, because if this were not the case almost all financial assets would fail the SPPI condition and be classified at FVTPL.

In contrast, elements that introduce exposure to risks unrelated to a simple lending relationship (for example, exposure to movements in equity prices) could create variability in cash flows which is incompatible with the SPPI criterion.

In carrying out the SPPI assessment, the Group evaluates whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows in a way that could not meet the SPPI condition. Such terms that the Group considers include amongst other, prepayment and extension features, deferred interest-free payments, ESG features, bail-in clauses, equity conversion options, features that modify the consideration for the TVM (e.g. periodic reset of interest rates) and any other feature that may introduce leverage to the lending arrangement.

The Group applies the de minimis provision, according to which the degree of cash variability must have the ability to have more than a "de minimis" (that is negligible or insignificant) effect on the contractual cash flows. As a result, the Group does not need to take into consideration any contractual cash flow characteristics that do not represent SPPI if they could only have a de minimis effect on the contractual cash flows of the financial asset.

The SPPI assessment is performed by the Group on initial recognition and is not subsequently reconsidered. For example, if a debt instrument contains a non-SPPI feature at origination, but the feature subsequently expires, the instrument is not reassessed or reclassified unless its terms are modified. In case the debt instrument is subsequently renegotiated or otherwise modified and the renegotiation or modification to the contractual cash flows is substantial enough to have resulted in the derecognition of the original instrument, then he SPPI test must be re-performed based on the modified terms. In this case, the result of the initial assessment might as well change with the modified instrument being classified into a different category from the original one.

The Group performs a quantitative assessment on whether a feature has a de-minimis effect on the contractual cash flows of the financial asset in each reporting period and cumulatively over the life of the financial asset. In the event that the impact of a cash flow characteristic is assessed to be de minimis, then the contractual feature is disregarded when assessing SPPI.

The Group carries out the SPPI assessment on an individual basis for its debt securities portfolio and collectively for its lending portfolio.

The SPPI assessment overrides the business model assessment in that a debt instrument that is held to collect contractual cash flows, but does not pass the SPPI test, cannot be classified as measured at amortised cost. Instead, it is mandatorily classified as measured at FVPL due to its non SPPI cash flows.

As a result of the above, the assessment in the end will screen out structured financial instruments where the relevant objective is not to provide consideration for just the passage of time and credit-related risks. In this case, amortised cost accounting is not appropriate for measuring contractual cash flows that are not solely payments of principal and interest, but instead those cash flows require a valuation overlay to contractual cash flows (i.e., fair value) to ensure that the reported financial information is relevant and useful.

2.7.3 Measurement of financial assets

Initial measurement

Financial assets are measured initially at fair value plus eligible transaction costs for assets held at amortised cost or FVOCI. In addition, on initial recognition the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or FVOCI as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch. The election is made on instrument-by-instrument basis. What is more, on initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The election is made on an instrument-by-instrument basis

Subsequent measurement

The measurement of a financial asset after initial recognition is based on the business model assessment and whether the contractual cash flows associated with the asset meet the SPPI criterion.

The Group measures debt instruments at amortised cost if (a) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (i.e. it passes the SPPI test), (b) it is held within a business model whose objective is to hold assets to collect contractual cash flows, and (c) it is not irrevocably designated on initial recognition as measured at FVTPL. Such instruments comprise debt securities backing life investment and DAF contracts with a guaranteed return, collateralized loans, short-term deposits, and other financial receivables. For debt securities, interest income using the effective interest method (including any amortisation of premiums earned or discounts incurred) and credit impairment losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss. Interest income on loans and term deposits is recognized on an accrual basis, which, together with credit impairment losses, are recorded in the income statement. Foreign exchange gains and losses are recognized in profit or loss.

A debt instrument is measured at FVOCI if (a) it passes the SPPI test, (b) is held within a business model whose objective is achieved by both collecting contractual cash flows and selling assets, and (c) it is not irrevocably designated on initial recognition as measured at FVTPL. Such instruments include debt securities backing life insurance and non-life insurance contract liabilities, investments for unit linked contracts, and a small portion of equity instruments not held for trading for which the Group has made use of the option to present changes in fair value in OCI. Interest income calculated using the effective interest method (including any amortisation of premiums earned or discounts incurred), foreign exchange gains and losses and credit impairment losses are recognized in profit or loss. The cumulative unrealized gains or losses net of ECL losses are recorded in other comprehensive income. Upon derecognition, the gains and losses accumulated in OCI are reclassified to profit or loss as net capital gains or losses on investment of debt securities.

For equity securities that have been elected to be designated at FVOCI, any subsequent changes in fair value are presented in OCI and never recycled to profit or loss; however, the corresponding cumulative gains or losses are transferred to retained earnings on derecognition. Dividends received on those investments are recognized in profit or loss. Changes in fair value attributable to changes in the exchange rate between the foreign currency and the functional currency are recognized with other changes in fair value entirely in other comprehensive income.

The Group measures financial assets at FVTPL, if they do not meet the SPPI criterion, or if they are held within a business model where they are managed and evaluated on a fair value basis. Such assets include debt securities either being managed on a fair value basis or being non-SPPI, equity securities, fund investments, investments in mutual funds that do not meet the SPPI criterion, investments held for unit-linked contracts, and derivative financial assets which by default have non SPPI cash flows. All changes in fair value together with realized gains or losses are recognized as investment income in the income statement. Interest income and dividend income are recognized in profit or loss within other interest and similar income. Changes in fair value attributable to changes in the exchange rate between the foreign currency and the functional currency are recognized with other changes in fair value in profit or loss.

Further details on the classification and measurement of the Group's financial investments are presented in notes 19, 20, 21, 22.

2.7.4 Impairment of amortised cost and FVOCI financial assets

The Group recognizes allowance for expected credit losses (ECL) that reflects changes in credit quality since initial recognition to financial assets that are measured at amortised cost or FVOCI. The impairment applies to debt securities, loans, term deposits and other receivables measured at amortised cost. No ECLs are recognized on equity investments.

ECL is an unbiased, probability-weighted estimate of credit losses that reflects the time value of money. It considers all reasonable and supportable information, including forward-looking economic assumptions and a range of possible outcomes. ECL represents the difference between the contractual cash flows of a financial asset and those that the Group expects to receive, discounted at the effective interest rate. The amount of ECL is updated at each reporting date to reflect changes in credit risk since the initial recognition of the financial asset.

Expected credit losses are calculated on either a 12-month or lifetime basis depending on the extent to which credit risk has increased significantly since initial recognition, except where the Group uses the simplified approach to apply lifetime ECLs to other receivables that do not contain a significant financing component.

The Group records a loss allowance equal to:

- 12-month ECL resulting from default events that are possible within the 12 months after the reporting date for financial assets for which the credit risk has not increased significantly since initial recognition; or
- lifetime ECL arising from all possible default events over the expected life of the financial assets that have experienced a significant increase in credit risk since initial recognition, as well as for financial assets for which a credit event has occurred since their initial recognition.

Significant increase in credit risk

An assessment of whether credit risk has increased significantly since initial recognition considers the change in the risk of default occurring over the remaining expected life of the financial instrument. In determining whether there has been a significant increase in credit risk (SICR), the Group uses quantitative criteria based on relative probability of default (PD) movements by utilizing Bloomberg's internal ratings together with qualitative indicators such as historical delinquency, legal bankruptcy, legal default, or distressed restructuring.

Movements between stages

The Group classifies debt instruments into stages with the following characteristics.

Stage 1. These debt instruments are unimpaired and without significant increase in credit risk on which a 12-month allowance for ECL is recognized.

Stage 2. A significant increase in credit risk has been experienced on these debt instruments since initial recognition for which a lifetime ECL is recognized.

Stage 3. There is objective evidence of impairment, and the debt instruments are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognized.

Debt instruments can be transferred between the different categories depending on their relative increase in credit risk since initial recognition.

At purchase or origination date the Group classifies debt instruments at stage 1 and assesses changes in the instrument's risk of default on a quantitative basis by comparing the PD of the instrument determined at two different dates:

- at the reporting date, and
- at inception of the instrument.

If, based on the Group's quantitative comparison criteria, an increase exceeds the set threshold, a significant increase in credit risk is deemed to have occurred and the instrument is transferred to stage 2 with lifetime ECL recognized. The threshold applied is based on Bloomberg's internal rating system, which converts calculated probabilities of default into multiple different credit ratings. The SICR assessment based on PD changes is made for each new purchase. Th quantitative comparison assesses default risk by looking at whether an instrument's lifetime PD has doubled and increased by at least 0.2%.

Irrespective of the SICR assessment based on default probabilities, all financial assets are deemed to have suffered a significant increase in credit risk when 30 days past due, in which case the asset is allocated into stage 2.

Debt instruments are transferred to Stage 3 when they have been assessed to be distressed. The quantitative analysis is based on Bloomberg's internal ratings assigned to instruments based on Bloomberg's PD calculator. Distressed securities are defined as instruments issued by corporate issuers with a one-year PD of greater than 10% or sovereign issuers with a one-year PD of greater than 8.5%.

What is more, debt instruments are transferred to Stage 3 when they have defaulted or are otherwise considered to be credit-impaired. Default is considered to have occurred when contractual payments of either principal or interest are past due for more than 90 days.

Debt instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition based on the assessment described above.

Debt instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment as described above.

Defaulted and credit-impaired financial assets

The Group considers a financial asset as defaulted when one or a combination of events with detrimental impact on the future estimated cash flows has occurred. The Group considers the following as constituting an event of default for credit risk management purposes, as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

(a) When there is a breach of financial covenants by the issuer or borrower
(b) Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors in full.

Regardless of the afore-mentioned factors, the Group considers that default occurs when a financial asset is past due more than 90 days.

A financial asset is credit-impaired when one or more of the following events that have a detrimental impact on the estimated future cash flows has occurred:

- The issuer or borrower faces a significant difficulty in meeting their financial obligations
- There has been a breach of contract such as default or past due event
- It is becoming probable that the borrower will enter bankruptcy or other financial re-organization
- The issuer or borrower has become insolvent.

Measurement of expected credit losses

The measurement of ECL is an unbiased probability-weighted estimate of credit losses incorporating all available information that is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

The Group calculates ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). The 12-month ECL is calculated by multiplying the 12-month PD, LGD and EAD discounted by the appropriate rate. Lifetime ECL is calculated using the lifetime PD instead.

The 12-month and lifetime PDs represent the likelihood of an issuer or borrower defaulting on their financial obligation, assessed on the prevailing economic conditions at the reporting date, and adjusted to take into account estimates of future economic conditions that are likely to impact the risk of default either over the next 12 months for stage 1 financial assets, or over the remaining lifetime for stage 2 and 3 financial assets.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to default event.

The LGD represents expected losses on the EAD given the event of default, taking into account among other attributes, the mitigating effect of collateral value at the time is expected to be realized and the time value of money. The LGD varies per counterparty, type and seniority of claim and is expressed as a percentage loss per unit of EAD.

For debt securities measured at amortised cost or FVOCI, the Group utilizes the IFRS 9 ECL Bloomberg tool in the estimation of the expected credit losses by obtaining high quality risk data for current and historical PDs, LGDs, EADs and other credit risk data per position or lot level.

Simplified approach for other receivables

The Group has adopted a simplified approach to other receivables measured at amortised cost. This allows measurement of lifetime ECLs only, thereby removing the need to identify SICR. For these balances, the Group makes use of provision matrices in order to calculate such lifetime ECLs. This is a practical expedient allowed by IFRS 9 whereby historical credit loss experience and fixed loss rates are applied to outstanding balances.

Write-off financial assets

Where the Group has no reasonable expectations of recovering a financial asset either in its entirety or a portion of it, the gross carrying amount of that asset is reduced directly, partially or in full against the ECL allowance. This is the case when the issuer or borrower has been placed into liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities in accordance with the Group's recovery procedures. Any recoveries made are recognized in profit or loss.

Presentation of ECL allowance

At each reporting date, the Group recognizes an impairment allowance as follows:

- For financial assets measured at amortised cost, the ECL allowance reduces the gross carrying amount of the asset in the statement of financial position with a corresponding expense recognized in the income statement within the line net credit impairment losses;
- For debt securities measured at FVOCI, the ECL allowance does not reduce the carrying amount of the securities in the statement of financial position which remains at their fair value. Instead, an amount equal to the ECL allowance and its subsequent changes is reclassified from OCI to the income statement within the line net credit impairment losses.

Further details on ECL allowance of the Group's financial assets are presented in note 8.

2.7.5 Financial liabilities

Classification of financial liabilities

The classification of financial liabilities reflects the basis on which those liabilities are subsequently measured in the statement of financial position. The Group classifies and subsequently measures financial liabilities at amortised cost or fair value though profit or loss.

Financial liabilities are further assessed on whether they contain any embedded derivatives. In particular, the Group carries out the following assessment in order to:

- identify any embedded derivatives;
- determine whether the host contract (the non-derivative component) is a debt or equity instrument;

- evaluate whether the economic characteristics and risks of any identified embedded derivative are closely related to those of the host contract; and
- decide whether the embedded derivative shall be separated from the host contract.

In case the contract contains an embedded derivative which is assessed to be separated from the host contract, then it is measured at fair value though profit or loss.

Financial liabilities held by the Group comprise borrowings from financial institutions and investment contract liabilities.

Borrowings comprising subordinated debt held by the Group with fixed or determinable payments are recognized initially at fair value, net of transaction costs that are directly attributable to the contract. Borrowings are subsequently measured at amortised cost. The difference between the net proceeds and the redemption value is recognized in the income statement over the borrowing period using the effective interest.

Investment contract liabilities comprise products with both single and regular premiums having a guaranteed return in the form of fixed interest at maturity, as well as certain DAF products with a guaranteed return. They have been assessed not to carry significant insurance risk and therefore are accounted for as investment products in accordance with IFRS 9. They are recognized initially at fair value or the amount deposited by the contract holder, net of transaction costs that are directly attributable to the contract. Investment contract liabilities are subsequently measured at amortised cost using the effective interest method.

2.8 Fair value of financial instruments

The Group measures the fair value of its financial instruments based on a framework for measuring fair value that categorizes 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.

2.9 Insurance contracts (IFRS 17)

IFRS 17 replaces IFRS 4 Insurance Contracts for annual periods beginning on or after 1 January 2023. The Insurance contracts, reinsurance contracts held and investment contracts with discretionary participation features are accounted for under the insurance accounting provisions of IFRS 17. Investment contracts without discretionary participation features are accounted for as financial instruments in accordance with IFRS 9.

IFRS 17 is a comprehensive standard for insurance contracts ("insurance contract"): a contract in which one party (the issuer) accepts significant insurance risk from the other party (the policyholder) by agreeing to indemnify the policyholder in the event of a specified uncertain future event (the insured event) that adversely affects the policyholder), unlike IFRS 4 which was issued as a temporary standard enabling companies to continue their accounting practices for insurance contracts and focused on enhancing disclosures about the value, timing and uncertainty of future cash flows from insurance contracts.

IFRS 17 sets forth the principles for the recognition, measurement, presentation and disclosure of insurance contracts issued, reinsurance contracts held and investment contracts with discretionary participation features and replaces the existing IFRS 4 standard. A reinsurance contract is an insurance contract issued by an entity (the reinsurer) for the purpose of indemnifying another entity for claims arising out of one or more insurance contracts issued by that other entity (underlying contracts).

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. The classification of insurance contracts forms the basis for the measurement model applied.

Under each measurement model insurance contract liabilities are measured as the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC). The LRC represents the obligation under the insurance contract for insured events that have not yet occurred i.e., the obligation that relates to the unexpired portion of the coverage period, including the contractual service margin (CSM). The LIC reflects the obligation to investigate and pay valid claims for insured events that have already occurred, including events that have already occurred but for which claims have not been reported.

IFRS 17 recognizes and measures groups of insurance contracts mainly at a risk-adjusted probability-weighted present value of future cash flows (the fulfilment cash flows) that incorporates all available information within the boundary of the contract in a way that is consistent with observable market information, plus an amount representing the unearned profit in the group of contracts (the Contractual Service Margin or CSM). This represents the General Measurement Model (GMM) which is the default IFRS 17 measurement model of insurance contract assets and liabilities.

The premium allocation approach is an optional simplified form of measuring an eligible group of insurance contracts issued or reinsurance contracts held. The eligibility is assessed for each group of insurance contracts and the election is made for each eligible group. The premium allocation approach is permitted if, and only if, at the inception of the group of contracts one of the following conditions are met:

- The entity reasonably expects that such simplification would produce a measurement of the liability for remaining coverage for the group that would not differ materially from the measurement that would be produced applying the requirements for the general model (i.e., the fulfilment cash flows related to future service plus the contractual service margin).
- The coverage period of each contract in the group (including insurance contract services arising from all premiums within the contract boundary determined at that date) is one year or less.

The second condition means that all contracts with a one-year coverage period or less qualify for the premium allocation approach, regardless of whether the first condition is met.

The first criterion above is not met if, at the inception of the group of contracts, an entity expects significant variability in the fulfilment cash flows that would affect the measurement of the liability for the remaining coverage during the period before a claim is incurred. Variability in the fulfilment cash flows increases with, for example:

- The extent of future cash flows related to any derivatives embedded in the contracts
- The length of the coverage period of the group of contracts

The simplified measurement model applies to the measurement of the Liability for Remaining Coverage (LRC), which does not need to be measured with fulfilment cash flows and CSM but is essentially similar to the Group’s previous accounting treatment of “unearned premium approach”. The measurement of the liability for incurred claims under PAA (previously claims outstanding and incurred-but-not-reported (IBNR)) is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. It is applied to all of the Group’s non-life insurance and reinsurance contracts as well as Group and Individual Life annually renewable contracts.

The third measurement model is the Variable Fee Approach (VFA) which is applied to contracts with direct participation features with regard to the policyholder’s participation in the financial results from a specified pool of underlying items. VFA is an alternative model to GMM, which provides for a different treatment of changes in cash flows linked to financial variables whose impact is recorded in CSM in contrast to the GMM .

Reinsurance contracts held are not eligible for VFA application.

The classification and measurement of insurance and reinsurance contracts is explained in Note 32.

2.9.1 Changes to Presentation and Disclosure

For presentation in the statement of financial position, the Group aggregates insurance and reinsurance contracts issued, and reinsurance contracts held and presents separately:

- Portfolios of insurance and reinsurance contracts issued that are assets
- Portfolios of reinsurance contracts held that are assets
- Portfolios of insurance contracts and reinsurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are liabilities

The portfolios referred to above are those established at initial recognition in accordance with the IFRS 17 requirements.

IFRS 17 requires separate presentation of:

- Insurance revenue
- Insurance service expense
- Insurance finance income or expense, disaggregated between profit or loss and other comprehensive income, if applicable
- Income or expenses from reinsurance contracts held

The Group provides disaggregated qualitative and quantitative information in the notes to the financial statements about:

- The amounts recognized in its financial statements from insurance contracts
- Significant judgements and changes in those judgements made when applying the standard.

2.9.2 Separating components from insurance and reinsurance contracts

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

More specifically, IFRS 17 requires the separation of embedded derivatives, investment components, and performance obligations to provide non-insurance goods and services at inception of a contract, if certain conditions are met. The separated components need to be accounted for separately in accordance with IFRS 9 (embedded derivatives, investment components) or IFRS 15 (non-insurance goods and services).

IFRS 17 defines as non-distinct investment components, the amounts that an insurance contract requires the entity to repay to a policyholder in all circumstances, regardless of whether an insured event occurs (i.e., investment components) that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

The Group identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Rights to withdraw, which may include items that are investment components, are amounts payable to policyholders that do not represent an additional benefit payable when an insured event occurs.

The Group's insurance and reinsurance contracts do not contain any distinct embedded derivatives or investment components which must be separated and accounted for under IFRS 9.

Non-distinct investment components and rights to withdraw are not separated from the host insurance contract but are excluded from insurance revenue and insurance service expenses in the income statement. For most common life insurance products, the Group has identified the cash surrender value as the non-distinct investment component. For reinsurance contracts held, non-distinct investment components were identified, for the amount of maximum profit or sliding scale commission over any provisional ceding commission.

After separating any financial instrument components (distinct embedded derivatives and investment components), the Group separates any promises to transfer to policyholders' distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers by applying IFRS 15.

Currently, the Group's products do not include any good or service components that require separation.

2.9.3 Level of Aggregation

IFRS 17 requires an entity to determine the level of aggregation for applying its requirements. The level of aggregation for the Group is determined firstly by dividing the business written into portfolios, including contracts with similar risks and which are managed together. Portfolios comprise of groups of contracts based on their profitability and annual cohorts. The groups are established at initial recognition and their composition is not reassessed subsequently.

The contract in each portfolio shall be divided on initial recognition into the following groups:

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

The above groups of insurance contracts cannot include contracts issued more than one year apart in the same group (hereinafter referred to as "Annual Cohorts"). The Company has selected to apply annual cohorts in the determination of groups of insurance contracts. Therefore, the Company has decided to align the cohort to the financial reporting period i.e. 1st January to 31st December for both Life and Non-Life. The Company has not identified the existence of any "mutualised business" for contracts with direct participation features and therefore, does not elect the option (i.e. carve-out option) to not apply the requirement for annual cohorts, for groups of insurance contracts measured under VFA.

The Company divides portfolios of reinsurance contracts held by applying the same principles set out above, except that the references to onerous contracts refer to reinsurance contracts held for which there is a net gain at initial recognition. For some groups of reinsurance contracts held, a group can comprise a single contract.

For the determination of the unit of account, the Company identified the following steps:

- Separation of insurance components (interdependency, lapse experience, sales process, market considerations)
- Portfolios identification (similar risks – managed together)
- Cohorts
- Profitability assessment

The Group considers the legal form of the host/rider combinations in its entirety as the lowest unit of account for all its insurance contracts. If relevant, the Group may override the legal contract unit of account presumption, by separating components of a single contract subject to significant judgement and careful consideration of all facts and circumstances.

For reinsurance contracts held, the Group determined that no separation/unbundling can be performed in its reinsurance portfolio. Consequently, the lowest unit of account for reinsurance treaties is the Group's reinsurance treaty itself. The same treatment applies to facultative reinsurance agreements.

Portfolios Identification

The Group's interpretation of the "similar risk" criterion for non-Life business, was based on the allocation of the existing accounting Lines of Business into four major segments (Motor, Fire, GTPL, Other non-Life). For the "managed together" criterion, the Group considers the distribution channels through which insurance products are sold and their performance is monitored.

For the determination of IFRS 17 Portfolios in Individual Life business, the Group considered the following additional dimensions in order to assess the "similar risks" requirement:

• Product Segmentation (e.g. Life Risk, Life Savings etc); and

• Frequency of the premium payment

2.9.4 Recognition, De-Recognition and Modifications

Insurance Contracts

The Group recognises groups of insurance contracts that it issues from the earliest of the following:

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

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

When the contract is recognized, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added.

The Group derecognizes an insurance contract when, and only when:

- It is extinguished, i.e. when the obligation specified in the insurance contract expires or is discharged or cancelled;
- any of the conditions listed below are met as a result of modifications to the insurance contract:

(a) if the modified terms had been included at contract inception, they would have given rise to the following accounting cases:

- the modified contract would have been excluded from the scope of IFRS 17;
- the Group would have separated the different components from the host insurance contract, resulting in a different insurance contract to which IFRS 17 would have applied;
- the modified contract would have had a substantially different contract boundary;
- the modified contract would have been included in a different group of contracts within the level of aggregation

(b) the original contract met the definition of an insurance contract with direct participation features, but the modified contract no longer meets that definition, or vice versa;

(c) the Group applied the Premium Allocation Approach to the original contract, but the modifications mean that the contract no longer meets the eligibility criteria for that approach.

In the event that a contract modification meets none of its above conditions, the Group treats changes in cash flows caused by the modification as changes in estimates of fulfilment cash flow.

Reinsurance contracts

The Group recognises a group of reinsurance contracts it has entered into from the earlier of the following:

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

The Group adds new contracts to the group in the reporting period in which that contract meets one of the criteria set out above.

For any reinsurance contracts acquired by the Group, initial recognition date coincides with the date of acquisition.

2.9.5 Measurement

According to the specific features of each insurance contract one of the following measurement approaches are prescribed by IFRS 17:

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

The same measurement models, except for VFA, are also applicable to reinsurance contracts held as to insurance contracts issued.

The three measurement models apply to Group's business as follows:

Model	Model Applicable Business	IFRS 17 segment
GMM	Whole and term life insurance contracts Deferred Annuities Endowment contracts in scope of IFRS 17 Guaranteed Unit – Linked contracts	Life Risk & Savings, including Health Riders
	Longer duration non-life insurance contracts that do not meet PAA eligibility criteria Reinsurance contracts held which do not meet PAA eligibility assessment	Motor & Other non Life
VFA	Non-guaranteed Unit Linked contracts	Participating
PAA	Short duration individual health and accident contracts Short duration group life and health contracts	Annually Renewable Life & Health
	Short duration non-life insurance contracts Longer duration non-life insurance contracts that meet PAA eligibility criteria Reinsurance contracts held which meet PAA eligibility assessment	Motor & Other non Life

When GMM is applied for reinsurance contracts held, the Group applies the same accounting policies to the measurement of a group of reinsurance contracts held as to insurance contracts issued without direct participation features, taking into consideration that:

- the estimates of the present value of future cash flows are measured using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer, and
- the effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognized in the income statement.

When PAA and VFA are not applied, the entity is required to apply the General Measurement Model. The classification of insurance contracts forms the basis for the measurement model applied. Insurance contracts that are classified as direct participating contracts are measured under VFA, whereas contracts without direct participation features are measured under GMM or PAA.

General Measurement Model (GMM)

The GMM represents the standard measurement model and applies to all contracts without direct participation features, to the extent that the alternative simplified measurement of PAA cannot be applied.

In Life business, pure risk and traditional saving policies (i.e. long-term Life & Health Business) are measured under GMM.

For Non-Life Business GMM is not applied since for all portfolios the coverage period is one year or less and thus PAA is elected to measure such portfolios.

Variable Fee Approach (VFA)

The VFA is the mandatory measurement model to be applied for contracts with direct participation features. Direct participating contracts are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- The Group expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- The Group expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

The term "substantial" between (b) and (c) should be considered in the same context of the objective of insurance contracts with direct participation features. The numerical percentages of threshold of meeting the definition of "substantial" in both criteria need not to be in a consistent manner as they are driven by different components. The Group considers as substantial sharing percentages of more than 50%.

Direct participating contracts include significant investment-related services. Assessment for the existence of insurance contracts with direct participation features is based on qualitative and quantitative criteria in order to appropriately reflect the individual contract specifics. The assessment of whether an insurance contract meets the VFA eligibility criteria is made at the contract's inception and not revised later, except in case of a substantial modification of the contract.

The Group applies the VFA to insurance portfolio of Unit-Linked contracts with no guarantees.

Premium Allocation Approach (PAA)

The Group applies the PAA for measuring insurance contracts with a coverage period of one year or less and for groups of contracts with more than one year coverage period, where it is reasonably expected that the measurement of the Liability for Remaining Coverage (LRC) does not differ materially from the one that would be produced by applying the GMM. Under the Premium Allocation Approach, the Liability for Remaining Coverage is equal to the premiums received at initial recognition less any insurance acquisition cash flows and any amounts recognized as insurance revenue at the closing date. The GMM remains applicable for the measurement of the Liability for Incurred Claims.

For most contracts applying PAA, the measurement of the LIC aligns to the GMM, with an explicit risk adjustment for non-financial risk, and discounting applied to expected cash-flows.

The vast majority of the Group's direct non-life and yearly renewable life & health business has a duration of one year or less and is automatically eligible for the PAA model. For the remainder business the value of the LRC is measured under GMM and PAA. Where the LRC does not materially differ between the two measurement models (over the duration of the contract and in a range of reasonably foreseeable scenarios) the contract group is PAA eligible. The Group has multiple non-life reinsurance contracts which are greater than one year in or are risk-attaching. These have been assessed for PAA eligibility using the same approach for direct business and are all PAA eligible.

The Company measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues. However, they are adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued, for example the generation of expenses or reduction in expenses rather than revenue. More specifically, for reinsurance contracts held, on initial recognition, the Group measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows

Where the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or when further onerous underlying insurance contracts are added to a group, the Company establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

2.9.6 Contracts not measured under the PAA

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The Liability for Remaining Coverage (LRC) comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) the Contractual Service Margin (CSM) at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

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

- Changes relating to future services: Adjusted against the CSM as long as they do not create or affect the loss component (when the group of contract becomes or is onerous). Changes related to future services include:
  i. adjustments to experience arising from premiums received in the period related to future service, and related future cash flows such as insurance acquisition cash flows and premium-based taxes.
  ii. changes in estimates of the present value of future cash flows relative to the Liability for remaining coverage using discount rates determined at the date of initial recognition the group of contracts, when measured under GMM. Also, unlike the VFA, when GMM is applied, any changes in the impact of the time value of money and changes in the lifetime value of money, and the impact of financial risk and changes in financial risk, are not part of the changes in fulfilment cash flows affecting the CSM.

- Increases in fulfilment cash flow that exceed the carrying amount of the contractual service margin, or decreases in fulfilment cash flows are allocated to the loss component of the liability for remaining coverage (i.e. they result in a loss if the group of contracts is onerous or not from the reduction of the loss component), are recognized in the insurance services result (insurance service expenses).

- Changes relating to current or past services: Recognized in the insurance service result in profit or loss

- Changes in the effects of the time value of money, financial risk and changes therein on estimated future cash flows: Recognized as insurance finance income or expenses under GMM, whereas under VFA they adjust the CSM for changes that do not arise from the underlying items as well as for the amount of the group's share of fair value of the underlying items.

Fulfilment cash flows comprise unbiased and probability-weighted estimates of future cash flows, discounted to present value to reflect the time value of money and financial risks, plus a risk adjustment for non-financial risk.

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

Expected Future Cash Flows

Expected future cash flows are the first component of fulfilment cash flows and represents the future cash flows within the contract boundary.

The Company’s objective in estimating future cash flows is to determine the expected value, or the probability-weighted mean, of the full range of possible outcomes, considering all reasonable and supportable information available at the reporting date without undue cost or effort. The Company estimates future cash flows considering a range of scenarios which have commercial substance and give a good representation of possible outcomes. The cash flows from each scenario are probability-weighted and discounted using current assumptions.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing.

These include premiums from policyholders, payments to (or on behalf of) policyholders, insurance acquisition cash flows, and other costs incurred in fulfilling the contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs.

Depending on the type of services provided, other costs that are incurred in fulfilling the contracts include:

- claims handling, maintenance and administration costs;
- recurring commissions payable on instalment premiums receivable within the contract boundary;
- costs that that the Company will incur in providing investment services;
- costs that the Company will incur in performing investment activities to the extent that that the Company performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and
- income tax and other costs specifically chargeable to the policyholders under the terms of the contracts.

Discounting

IFRS 17 requires adjusting the estimates of expected cash flows to reflect the time value of money and the financial risks associated with those cash flows to the extent that the financial risks are not already included in the cash flow estimates.

An entity should use observable market data based on a risk-free base curve and portfolio-specific adjustments to reflect the illiquidity of insurance obligations in determining the interest curves.

For groups of contracts under GMM and PAA, the Company has determined discount rates using the bottom-up approach. Insurance contract liabilities are calculated by discounting expected future cash flows at a risk-free rate, as published by EIOPA, plus an illiquidity premium. A constant illiquidity premium across the risk-yield curve is used which is derived from a combination of Company’s own portfolio and reference portfolios. Additionally, the ILP adjustment factor, based on own portfolio is applied to the calculation of illiquidity premium to address the duration mismatches.

For groups of contracts under VFA, Ethniki will use the risk-free discounting curve as it is provided by EIOPA, in alignment with IFRS 17 proposed approach methodologies.

Risk Adjustment (RA)

Risk adjustment is the second component of fulfilment cash flows and reflects the compensation an entity would require for bearing the uncertainty on the amount and timing of cash flows from non-financial risks, i.e., the uncertainty of cash flows that arise from insurance contracts, other than the uncertainty arising from financial risks. Such non-financial risks include insurance risks, lapse and expense risk. IFRS 17 does not prescribe a specific approach for determining the risk adjustment.

The method of Value at Risk calibrated using the SII Standard Formula is the one chosen by the Company for the calculation of the IFRS 17 risk adjustment for non-financial risk, since it represents the most appropriate methodology to combine both compliance to the Standard and a lower complexity in terms of application.

The Company concluded that the RA corresponds to a confidence level of 80% and that this is reflective of its risk appetite and relevant PVFCF probability distribution.

The Company has not elected to disaggregate the change in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses.

Contractual Service Margin (CSM)

The Contractual Service Margin (CSM) is a component of the asset or liability for the group of insurance contracts that represents the unearned profit the Company will recognise as it provides services in the future, under the insurance contracts in the group.

The Company measures the CSM on initial recognition at an amount that, unless the group of contracts is onerous, results in no income or expenses arising from:

- the initial recognition of the fulfilment cash flows;
- any cash flows arising from the contracts in the group at that date;
- the derecognition at the date of initial recognition of:
    - any asset recognized for insurance acquisition cash flows; and
    - any other asset or liability previously recognized for cash flows related to the group of contracts.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognized as the CSM unless the net cost of purchasing reinsurance relates to past events, in which case the Group recognises the net cost immediately in profit or loss.

For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future and is calculated as the sum of:

a. the initial recognition of the FCF; and

b. cash flows arising from the contracts in the group at that date;

c. the amount derecognized at the date of initial recognition of any asset or liability previously recognized for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and

d. any income recognized in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

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

For groups of contracts assessed as onerous, the Company recognises a loss in the income statement for the net outflow, resulting in the carrying amount of the liability for the group being equal to the fulfilment cash flows and the CSM of the group being zero. A loss component is established for the liability for remaining coverage for an onerous group depicting the losses recognized which determines the amounts that are subsequently presented in the income statement as reversals of losses on onerous contracts and are excluded from insurance revenue.

At subsequent measurement, the CSM is adjusted depending on whether GMM or VFA is applied. The VFA is a mandatory modification of the GMM regarding the treatment of the CSM to accommodate direct participating contracts.

As described previously, under both measurement models, CSM gets adjusted for changes in cash flows related to future services. Under GMM, CSM is also adjusted for the interest accretion at interest rates locked-in at initial recognition of the group of contracts. For insurance contracts with direct participation features (measured under VFA), no explicit interest accretion is required since the CSM is effectively remeasured when it is adjusted for changes in financial risks, including the changes in the amount of the entity's share of the fair value of the underlying items.

Following all adjustments in CSM, a release from the CSM is recognized in profit or loss each period to reflect the services provided in that period based on "coverage units". The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, which is determined by considering the quantity of the benefits provided and the expected coverage duration. The total coverage units of each group of insurance contracts are reassessed at the end of each reporting period to adjust for the reduction of remaining coverage for claims paid, expectations of lapses and cancellation of contracts in the period. The Company has defined either straight-line allocation over the passage of time (but reflecting the number of contracts in a group), or the maximum contractual cover in each period or the amounts the entity expected the policyholder to be entitled to receive as the default approach to determine these coverage units. If multiple services are provided in one contract, weighting either based on amounts of premiums in each period or based on expected outflows is applied, which is determined by the respective features of the contract. The Company has selected not to apply discounting in the determination of coverage units.

Under VFA, if certain criteria are met, an entity may apply the so-called risk mitigation option when it uses a derivative, a non-derivative financial instrument measured at fair value through profit or loss, or a reinsurance contract held to mitigate financial risk. The entity may then choose to exclude from the CSM some or all of the changes in the effect of the time value of money and financial risk on the amount of the entity's share of the underlying items. The Company does not apply risk mitigation for business measured under the VFA.

In case of groups of reinsurance contracts held and measured under GMM, the contractual service margin at the end of the reporting period shall be measured at the carrying amount determined at the beginning of the reporting period, adjusted for:

- the effect of any new contracts added to the group.
- Interest accreted on the carrying amount of the contractual service margin, measured at discount rates determined at the date of initial recognition of a group of contracts.
- revenue recognized in profit or loss in the reporting period when an entity recognises a loss at initial recognition of an onerous group of underlying policies or when adding onerous underlying group of contracts that adjusts the contractual service margin of the group of reinsurance contacts held.
- reversals of a loss recovery component recognized at initial recognition, to the extent that such reversals do not constitute changes in the fulfilment cash flows of the group of reinsurance contracts held
- changes in fulfilment cash flows, measured at discount rates determined at the date of initial recognition of a group of contracts, to the extent that such change relates to a future service, unless:
    i. the change is due to a change in the fulfilment cash flows allocated to a group of underlying contracts that does not result in an adjustment of the contractual service margin relative to the group of underlying contracts, or
    ii. The change is due to a change in fulfilment cash flows allocated to a group of underlying insurance contracts (relating to onerous contracts), which group is measured under Premium Allocation Approach.
- the effect of any exchange currency differences arising on the contractual service margin, and
- the amount recognized in profit or loss for services received during the relevant period, determined by allocating the contractual service margin remaining at the end of the reporting period (before any allocation) to the current and remaining coverage periods of the group of reinsurance contracts held, based on certain 'coverage units'.

<u>Recognition of Loss Component</u>

For groups of contracts that are onerous at initial recognition or subsequently, the Company performs additional analysis to determine if a net outflow is expected from the contract. Such onerous contracts are separately grouped from other contracts and the liability for remaining coverage is determined by the fulfilment cash flows.

After an entity recognises a loss in an onerous group of insurance contacts, a loss component allocates (loss component systematic allocation):

- in a systematic manner subsequent changes in fulfilment cash flows (for the liability of remaining coverage), between the loss components of the liability of remaining coverage, and the obligation for the liability of remaining coverage, excluding the loss component.
- exclusively to the loss component, until that component is zeroed:
    i. any subsequent reduction, related to future service, in the fulfilment cash flows allocated to the group resulting from changes in estimates of future cash flows and from the adjustment of non-financial risk; and
    ii. any subsequent increases in the amount of the entity's fair value share of the underlying assets

When reductions in the cash flow of onerous groups of contracts related to future services exceed the loss component, the Group adjusts the contractual service margin only for the part of the reduction that exceeds the amount allocated to the loss component.

The subsequent changes in the fulfilment cash flows to meet the liability for remaining coverage to be allocated as mentioned above are as follows:

- estimates of the present value of future cash flows for claims and expenses that are exempt from liability for remaining coverage due to insurance services costs incurred;
- changes in the adjustment of non-financial risk recognized in profit or loss due to the risk waiver; and
- financial or insurance expenses

The systematic allocation applied results in the total amounts allocated to the loss component, as mentioned above, being equal to zero at the end of the coverage period of a group of contracts.

2.9.7 Contracts measured under the PAA

The Company measures the carrying amount of the liability for remaining coverage as the premiums received, minus any insurance acquisition cash flows paid, and any amounts recognized as insurance revenue on a pro-rata basis.

The Company has chosen to defer the incurred insurance acquisition cash flows and not to expense them. Insurance acquisition cash flows are allocated on a straight-line basis as a portion of premium in the income statement (through insurance revenue and insurance service expenses).

Correspondingly, for reinsurance contracts held, the Group measures the carrying amount of Asset for Remaining Coverage as the reinsurance premiums paid, less any ceding commissions that were cleared.

Ceding commissions relating to reinsurance premiums held are recorded in the profit and loss statement as a reduction in reinsurance costs linearly and in relation to the recognition of reinsurance charges.

The Company has not elected to adjust the liability for remaining coverage for the time value of money (interest accretion), as premiums are received within one year of the coverage period or no significant financing component exists.

Recognition of Loss Component

If facts and circumstances (e.g., an excess combined ratio) indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or subsequently becomes onerous, the Company performs additional analysis to determine if a net outflow is expected from the contract. In such a case, it increases the carrying amount of the LRC to the amounts of the fulfillment cash flows determined under the GMM with the amount of such an increase recognized in insurance service expenses and a loss component is established for the amount of the loss recognized. Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the fulfillment cash flows determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component.

Liability for Incurred Claims

The Company estimates the liability for incurred claims as the fulfilment cash flows related to incurred claims. The fulfilment cash flows incorporate, in an unbiased way, all reasonable and supportable information available without undue cost or effort about the amount, timing and uncertainty of those future cash flows, they reflect current estimates from the perspective of the entity and include an explicit adjustment for non-financial risk (the risk adjustment). The Company adjusts the future cash flows for the time value of money and the effect of financial risk for the measurement of liability for incurred claims.

2.9.8 Insurance acquisition cash flow (IACF) asset

Insurance acquisition cash flows arise from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued) that are directly attributable to the portfolio of insurance contracts to which the group belongs.

Insurance acquisition cash flows are not expensed as incurred, but deferred over the coverage period for all measurement models for contracts already recognized and those not yet recognized. Any acquisition cash flows paid in advance (i.e. before the coverage starts) or unconditionally paid and related to renewals, are considered out of contract boundaries and are recognized as an asset.

The IACF asset is allocated on a systematic basis on the group of insurance contracts to which they belong to. Therefore, the allocated amount of IACF asset is recognized as part of the fulfilment cash flows and reduces the CSM of the related group of contracts under GMM and VFA or is recognized as part of the liability of remaining coverage for contracts measured under PAA.

Upon relevant allocation of insurance acquisition cash flows, the asset for insurance acquisition cash flow is derecognized from the statement of financial position. Ethniki performs an assessment regarding the recoverability of the asset for IACF, if facts and circumstances indicate potential impairment.

The recoverability assessment is performed in two steps, as follows:

- an impairment loss is recognized to the extent that the carrying amount of each asset for insurance acquisition cash flows exceeds the expected net cash inflow as determined by the flfilment cash flows as at initial recognition for the related group of insurance contracts;
- in addition, when insurance acquisition cash flows directly attributable to a group of contracts are allocated to groups that include expected contract renewals, such insurance acquisition cash flows should not exceed the expected net cash inflow from the expected renewals as determined by the fulfilment cash flows as at initial recognition for the expected renewals; an impairment loss is recognized for the excess to the extent not recognized in the above step.

2.9.9 Reinsurance Contracts

The Company measures portfolios of reinsurance contracts held applying the same principles set out above, for insurance contracts issued, except that the references to onerous contracts refer to reinsurance contracts held on which there is a net gain on initial recognition, and that VFA is not applicable for reinsurance contract held. Ethniki's portfolios of reinsurance contracts held are measured under PAA.

Recognition of Loss Recovery Component

For groups of reinsurance contracts held, that cover onerous underlying insurance contracts, a loss-recovery component needs to be established, within the asset for remaining coverage for reinsurance contracts held, for the amount of income recognized in profit or loss when the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. Any loss-recovery component is determined with reference to the loss component recognized on underlying contracts and the recovery expected on such claims from reinsurance contracts held. The Company uses a systematic and rational method to determine the portion of losses recognized on the group of insurance contracts covered by the group of reinsurance contracts held where some contracts in the underlying group are not covered by the group of reinsurance contracts held.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Group expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance income determination.

2.9.10 Contract Boundary

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

Insurance Contracts

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the Company can compel the policyholder to pay the premiums, or in which the Company has a substantive obligation to provide the policyholder with services. Contract boundary is considered as linked to the entity's ability to fully reprice a contract.

More specifically, a substantive obligation to provide services ends when the Group has the practical ability to reassess the risks and set a price or level of benefits that fully reflects those reassessed risks for either the particular policyholder or the portfolio that contains the contract. With regards to the latter, the pricing of the premiums up to the date when the risks are reassessed does not take into account the risks that relate to periods after the reassessment date.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, issued together with the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary.

Accordingly, the contract boundaries will be set considering the insurance contract as a whole and not considering each single cover in the contract separately, leading to differences compared to the current approach under Solvency II, especially for multi-risk contracts, where different covers may have different contract boundaries.

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

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Group's substantive rights and obligations and, therefore, may change over time. Cash flows outside the contract boundary relate to future insurance contracts and are recognized when those contracts meet the recognition criteria.

2.9.11 Insurance Revenue from insurance contracts issued or from reinsurance contracts held

Contracts Measured under the PAA

The insurance revenue for the period is the amount of expected premium receipts (excluding any investment component) allocated to the period. The Group allocates the expected premium receipts to each period of coverage on the basis of the passage of time; but if the expected pattern of release of risk during the coverage period differs significantly from the passage of time, then on the basis of the expected timing of incurred insurance service expenses.

The Group changes the basis of allocation between the two methods above as necessary, if facts and circumstances change. The change is accounted for prospectively as a change in accounting estimate.

With regard to reinsurance contracts held, the Group separately presents income from reinsurance contracts held and thus, this item includes the amounts recovered from the reinsurer, including also the amount of losses recovered on insurance contracts.

Contracts not measured under the PAA

The Group recognizes insurance revenue as it provides services under groups of insurance contracts. For contracts measured under the GMM or VFA, the insurance revenue relating to services provided for each reporting period represents the total of the changes in the LRC that relate to services for which the Group expects to receive consideration, and comprises of the following items:

- A release of the CSM, measured based on coverage units provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year, excluding amounts allocated to a potential loss component, repayments of investment components, insurance acquisition expenses, and amounts that relate to transaction-based taxes collected on behalf of third parties.
- Other amounts, including experience adjustments for premium receipts for current or past services.

With regard to reinsurance contracts held, this item includes the amounts recovered from the reinsurer, including also the amount of losses recovered on insurance contracts and changes in fulfilment cash flow for recoverable amounts, resulting from changes in the risk of non-performance of the reinsurer.

2.9.12 Insurance Service Expenses from insurance contract issued or from reinsurance contracts held

Insurance service expenses arising from insurance contracts are recognized in the income statement generally as they are incurred. They exclude repayments of investment components and comprise of the following items:

- Incurred claims and other insurance service expenses
- Amortisation of insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses

- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

With reference to reinsurance contracts held measured under the PAA, the Group separately presents expenses for the period, which are represented by the allocation of the premiums paid in the period, net of any not contingent on claims ceding commissions. For reinsurance contracts held measured under the GMM, the line item of insurance service expenses includes:

- A release of the net gain or net cost from purchasing reinsurance, measured based on coverage units provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses recovered in the year, generally measured at the amounts expected at the beginning of the year. Other amounts, including experience adjustments for premiums paid for current or past services.
- Changes in fulfilment cash flow resulting from changes in the risk of non-performance of the reinsurer are not related to future service and do adjust the contractual service margin.

2.9.13 Net Finance Income or Expense from insurance contracts issued and reinsurance contracts held

Net finance income or expenses comprise of the change in the carrying amount of the group of insurance contracts and reinsurance contracts held arising from:

- The effect of the time value of money and changes in the time value of money; and
- The effect of financial risk and changes in financial risk.

Such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses, as well.

With reference to finance income or expenses arising from reinsurance contracts held, this also includes value adjustments connected with the expected losses arising from the risk of default by the reinsurer.

The Group has elected to disaggregate (re)insurance finance income or expenses between profit or loss and other comprehensive income (OCI) for the majority of its portfolios measured under GMM and PAA, with the resulting impact of changes in market interest rates on the value of the insurance and related reinsurance assets and liabilities being reflected in OCI. The OCI option is also applied to portfolios of reinsurance contracts held.

For contracts measured under VFA the OCI option was not elected since underlying items are measured under Fair Value through Profit or Loss.

For portfolios of insurance contracts for which disaggregation option is elected, the method for allocation insurance finance income or expenses is determined as follows:

- For groups of insurance contracts accounted for under the GMM, the systematic allocation for the finance income or expenses is determined using the discount rates by which estimated future cash flows have been discounted on initial recognition, i.e., the “locked-in” interest rate.

For groups of insurance contracts accounted for under the PAA, the systematic allocation for the finance income or expenses is determined using the discount rates at the date of the incurred claim, i.e., the “locked-in” interest rate based on accident year.

2.10 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.

2.11 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 derecognized. 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.

2.12 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.

2.13 Goodwill, software, and other intangible assets

2.13.1 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 recognized, and the goodwill is written down by the excess of the carrying amount of the unit over its recoverable amount.

2.13.2 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 recognized 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 5 years.

In particular, for **internally generated software**, the amount initially recognized 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 recognized, 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 recognized as an expense when it is incurred.

2.13.3 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.

2.14 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.

2.14.1 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 recognized 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.

2.14.2 Right of Use assets (RoU)

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".

2.14.3 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 recognized 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.

2.14.4 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.

2.14.5 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 recognized on a straight-line basis over the lease term.

2.15 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.

2.16 Provisions

Provisions are recognized 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.

The amount recognized as a provision shalll be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The best estimate of the expenditure required to settle the present obligation is the amount that an entity would rationally pay to settle the obligation at the end of the reporting period or to transfer it to a third party at that time.

2.17 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 recognized 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.

2.18 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.

2.18.1 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.

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).

Retirement benefits are attributed only to periods in which the obligation to provide post-employment benefits arises. An expense is recognized each year only for 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.

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 is recorded on the statement of financial position, with changes resulting from re-measurements (comprising actuarial gains and losses excluding interest) recognized immediately in other comprehensive income net of tax, with no subsequent recycling to profit or loss, in order to fully reflect the full value of the plan deficit or surplus.

2.18.2 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.

2.18.3 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.

2.19 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 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 recognized 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 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 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 recognized 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 recognized in the profit or loss together with the deferred gain or loss.

2.20 Share capital

Equity: Financial instruments issued by Group companies to obtain funding are classified as equity when, based on the substance of the transaction, the Group does not undertake a contractual obligation to deliver cash or another financial asset or to exchange financial instruments under conditions that are potentially unfavorable to the issuer.

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 recognized as a liability in the period in which they are approved by the Company’s Shareholders at the Annual General Meeting.

Share premium: It includes the difference between the nominal value of the shares and the consideration received in the case of a share capital increase.

2.21 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 amortization that would have been recognized 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.

2.22 Related party transactions

Related parties include entities, over which the Group has control, joint control or the ability to exercise significant influence in making financial and operating decisions. Related parties include directors of the 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 Company with its senior parent(s) as well as with the subsidiaries of its senior parent(s).

2.23 Revenue recognition

Revenues are accounted for to the extent that it is probable that the economic benefits related to the transaction will flow to the Group, and based on their nature are recognized as follows:

Insurance contracts - Revenue from insurance contracts is recognized as described in note 2.9.11

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.

2.24 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 recognized amounts and there is an intention to realize the asset and settle the liability simultaneously or on a net basis.

2.25 Share-based payments

The Group applies IFRS 2 *Share-based Payments* in accounting for employee remuneration in the form of shares. The Group operates equity-settled compensation plans. Employee incentives include awards in the form of shares and share options.

The fair value of the employee share options and other equity settled share-based payments is calculated at the grant date and recognized as an expense over the vesting period. The number of shares and options expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met.

At each balance sheet date, the Group revises its estimates of the number of shares and awards that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the income statement and a corresponding adjustment to equity over the remaining vesting period.

The fair value of shares is the market price ruling on the grant date. The fair value of options granted is determined using option pricing models to estimate the numbers of shares likely to vest. These take into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors.

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 Group and Company's 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 Group and Company's Financial Statements reflect fully the events and the conditions as of 31 December 2023.

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 IFRS 17 Transition Amounts

The Group has adopted IFRS 17 retrospectively, applying alternative transition methods where the full retrospective approach was impracticable. Additional information for transition approaches selected by the Company are found in Note 2.3.1.1 IFRS 17 Insurance contracts.

The Company has determined that it would be impracticable to apply the full retrospective approach where any of the following conditions existed:

a) Some reasonable and supportable information about actual historical cash flows might have been available from the Group's systems, but in many cases such information was only available at higher levels or different levels of aggregation compared to the groups required by IFRS 17. This lack of information makes it impracticable to accurately calculate the FCF on a retrospective basis and to segregate groups based on profitability.
b) Difficulties in retrieving relevant reliable information existed where assumptions developed at the date of initial recognition were not on an IFRS 17 basis (such as discount rates, risk adjustment for non-financial risk, expenses).
c) The Company has not historically been accumulating information about the changes in estimates that would have been recognized in profit or loss for each accounting period, because they did not relate to future service and the extent to which changes in the FCF would have been allocated to the loss component.

3.2 Estimates and Assumptions used in the measurement of insurance contracts

The Group primarily uses 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. Moreover, 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. More specifically, in applying IFRS 17 measurement requirements, the following inputs and methods were used that include significant estimates:

Discount rates

Insurance liabilities and reinsurance contracts held, measured under GMM and PAA are calculated by discounting expected future cash flows at a risk-free rate, plus an illiquidity premium where applicable.

Discount rates applied for discounting of future cash flows are listed below:

		Portfolio duration									
		1 year		3 years		5 years		10 years		20 years	
		2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
GMM	EUR	3,46%	3,18%	2,54%	3,21%	2,43%	3,14%	2,50%	3,10%	2,51%	2,77%
PAA	EUR	3,42%	3,29%	2,50%	3,32%	2,39%	3,25%	2,46%	3,21%	2,47%	2,88%
VFA	EUR	3,36%	3,18%	2,44%	3,20%	2,32%	3,13%	2,39%	3,09%	2,41%	2,77%

Estimates of future cash flows to fulfil insurance contracts

Included in the measurement of each group of contracts within the scope of IFRS 17 are all of the future cash flows within the boundary of each group of contracts (contract boundary is presented in Note 2.9.10). The estimates of these future cash flows are based on probability-weighted expected future cash flows. The Group estimates which cash flows are expected and the probability that they will occur as at the measurement date. In making these expectations, the Group uses information about past events, current conditions and forecasts of future conditions. The Group's estimate of future cash flows is the mean of a range of scenarios that reflect the full range of possible outcomes. Each scenario specifies the amount, timing and probability of cash flows. The probability-weighted average of the future cash flows is calculated using a deterministic scenario representing the probability-weighted mean of a range of scenarios.

Where estimates of expenses-related cash flows are determined at the portfolio level or higher, they are allocated to groups of contracts on a systematic basis, such as activity-based costing method. The Group has determined that this method results in a systematic and rational allocation. Similar methods are consistently applied to allocate expenses of a similar nature. Expenses of an administrative policy maintenance nature are allocated to groups of contracts based on the number of contracts in force within groups.

Acquisition cash flows and claims management expenses are typically allocated to groups of contracts using systematic and rational methods (eg gross written premiums, number of claims etc).

For the Life Risk and Savings contracts, uncertainty in the estimation of future claims and benefit payments and premium receipts arises primarily from the unpredictability of long-term changes in the mortality rates, the variability in policyholder behavior, and uncertainties regarding future inflation rates and expenses growth.

For Non-Life contracts, uncertainty in the estimation of future claims and benefit payments arises primarily from the severity and frequency of claims and uncertainties regarding future inflation rates leading to claims and claims-handling expenses growth.

Assumptions used to develop estimates about future cash flows are reassessed at each reporting date and adjusted where required.

Additional information for estimates and judgements used in the determination of future cash flows, including acquisition costs, are presented in Note 2.9.

Significant methods and assumptions used are discussed below.

Long-Term Life Portfolios of insurance contracts

This category includes life risk & savings portfolios measured under General Measurement Model and participating portfolios measured under Variable Fee Approach. Insurance Contract liability 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 Company observes on a continuing basis the estimates of the outstanding claims in order to reflect the current economic conditions.

Short-Term Life & Health and 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.

3.3 Methods used to measure the risk adjustment for non-financial risk

The risk adjustment for non-financial risk is the compensation that is required for bearing the uncertainty about the amount and timing of cash flows that arises from non-financial risk as the insurance contract is fulfilled. Because the risk adjustment represents compensation for uncertainty, estimates are made on the degree of diversification benefits and expected favourable and unfavourable outcomes in a way that reflects the Group's degree of risk aversion.

Additional information for estimates and judgements used in the determination of future cash flows, relevant confidence level, are presented in Note 2.9.6.

3.4 Contractual Service Margin: Determination of coverage units

The amount of CSM recognized in profit and loss to reflect services provided each year is determined by considering for each group of contracts coverage units that reflect the quantity of benefits provided in each period and the expected coverage period. The coverage units are reviewed and updated at each reporting period.

The coverage units used by major product lines are:

Product description	Insurance Element			
	Traditional	**Unit Linked**	**Medical Expense Rider** *(if applicable)*	**Accidental & Disability Riders** *(if applicable)*
Defferred Annuity products with Premium Refund in case of death	Surrender value	n/a	Average severity	Total (unweighted) Fixed Benefit for all other coverages
Pure Endowment with premium refund in case of death	max between surrender value and death benefit	n/a	Average severity	Total (unweighted) Fixed Benefit for all other coverages
Unit Linked with guaranteed benefits at maturity	Additional sum assured (if applicable)	Unit Fund before maturity and guaranteed benefit at maturity date	Average severity	Total (unweighted) Fixed Benefit for all other coverages
Unit Linked without guarantees	n/a	max between surrender value and death benefit	n/a	n/a
Protection Plans, Whole Life & Term Assurance	max between fixed death benefit and surrender Value	n/a	Average severity	Total (unweighted) Fixed Benefit for all other coverages

Additional analysis on the methodology adopted is described in Note 2.9.6.

3.5 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.

3.6 Deferred tax

Deferred tax is the tax that is expected to be payable or recoverable on temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and those used for the computation of taxable profit.

Deferred tax is calculated by using the balance sheet liability method, on differences relating to the revaluation of insurance liabilities, financial assets, provisions for defined benefit obligations, losses from the Private Sector Initiative (PSI), property and equipment, investment property and intangible assets.

Deferred tax assets on deductible temporary differences and carried forward tax losses, are recognized to the extent that future taxable profit will be adequate to set off the aforementioned tax losses and deductible temporary differences. Judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies.

The management of the Company considers that the recovery of the recognized deferred tax assets on December 31, 2023 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. The assessment was carried out based on existing prevailing tax legislation at the balance sheet date.

3.7 Impairment loss allowance on financial assets

The calculation of ECL allowance under IFRS 9 for debt instruments measured at amortized cost and FVOCI requires the Group to make a number of judgements and estimates. The most significant are set out below:

- Establishing the criteria for a significant increase in credit risk (SICR) since initial recognition such that a loss allowance for lifetime rather than 12-month ECL is required. In doing so, the Group uses both quantitative and qualitative criteria.
- Estimation of forward-looking modelled parameters (PD, LGD and EAD).
- Determining an appropriate definition of default against which a probability of default, exposure at default and loss given default parameter can be evaluated.

Further information on the calculation of ECL allowances is set out in note 2.7.4.

3.8 Impairment of property, plant and equipment and investment property

At the end of each period, the Group and the 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. With regard to 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.

3.9 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 realized, 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.

3.10 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.

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:

- Assets - Liabilities Mismatch (ALM) risk
- Insurance risk, including reinsurance
- Credit risk
- Liquidity risk
- Investment (market) risk
- Concentration risk
- Operational risk (includes legal and compliance risk)
- Strategic risk
- Reputational risk
- Sustainability 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 other specialized Divisions, such as the Compliance and Corporate Governance Division, the Actuarial Division and the Internal Audit Division, which report directly to the Board through the Audit Committee and control the effectiveness of the risk management framework and the control environment.

4.1.1 Risk Management Committee

The Risk Management Committee is comprised of three non-executive members of the Board, of whom two members are independent, non-executive members. The members and the chairman of the Committee are appointed by the Board of Directors. The Chief Risk Officer (CRO) recommends to the 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. It reviews on an annual or on an ad-hoc basis the risk strategy and risk policies and recommends their revision to the BoD, if deemed necessary.

The Committee ensures the effective operation of the risk management framework and proposes improvements, if necessary. It regularly and ad-hoc reviews the current risk profile and the undertaken material risks, taking into account the approved risk management strategy and appetite.

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:

- Assessing, monitoring, controlling, and reporting all material risks, taking into account the risk appetite.
- Supporting risk taking Units by providing them adequate risk management methodologies and tools.
- Proposing risk management policies regarding material risks.
- Proposing, along with other Units, mitigation measures 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 6 members and meets once every two months or whenever deemed necessary by its Chairman.

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

4.2 Insurance risk

Insurance contracts issued by the Group are subject by nature to insurance risk. The risk under any insurance policy is the potential financial loss that an insurance company assumes when underwriting a policy. By the very nature of an insurance policy, risk is based on fortuity and is therefore unpredictable.

The principal risk that the company 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 behavior, 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 with survival benefit, pension, Unit-Linked and rider benefits attached to insurance contracts.

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 behavior (lapses and surrenders) being different than expected.
- *Morbidity/Disability risk:* risk of loss arising due to policyholder health experience being different than expected.

The Group has also significant exposure to contracts with guaranteed return on lapse or on maturity.

Key assumptions

Life insurance policy estimates are initially made at inception of the policy, when the Groups determines the key assumptions applicable to the type of life insurance policy, such as future deaths, voluntary terminations, investment returns and administration expenses in the context of onerosity test and determination of Contractual Service Margin (CSM).

Subsequently, new estimates are developed at each reporting date to determine the Fulfillment cash flows (FCF) as well as the revised CSM.

The key assumptions to which the estimation of FCF 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 Company and thus reflecting the best estimate for that year. Assumptions are differentiated by sex and type of insurance plan.
- *Attributable Expenses*: Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force contracts. The current level of expenses, as at 31 December 2023, 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 and distribution channel.
- *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 the Group's past experience.
- *Morbidity rates*: Rates of hospitalization for contracts associated with health riders are 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.
- *Discount rate:* The Liability for Remaining Coverage 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.

Sensitivity Analysis

A sensitivity analysis of the current assumption setting on Fulfillment Cash Flows (present value of future cash flows adjusted by risk adjustment) and Contractual Service Margin is presented in the following table (all amounts in € thousands). The analysis is based on a change in an assumption while holding all other assumptions constant:

Insurance Risk - Sensitivity analysis	COMPANY		
	2023		
Underwritting Risk variables	Impact on Fullfillment Cash Flows	Impact on Constructual Service Margin	Total
	(€ thousands)		
10% increase in Mortality	(11,302)	(3,062)	**(14,363)**
10% decrease in Mortality	15,423	7,075	**22,497**
10% increase in lapse	40,204	(52,303)	**(12,100)**
10% decrease in lapse	(50,315)	70,579	**20,264**
10% increase in Morbidity & Disability	292,603	(198,626)	**93,977**
100 bps increase of medical & general expense inflation	(5,052)	93,126	**88,074**
10% increase in administrative expenses	16,906	(15,154)	**1,752**

Insurance Risk - Sensitivity analysis	COMPANY		
	2022		
Underwritting Risk variables	Impact on Fullfillment Cash Flows	Impact on Constructual Service Margin	Total
	(€ thousands)		
10% increase in Mortality	(9,718)	11,268	**1,551**
10% decrease in Mortality	13,254	(9,897)	**3,357**
10% increase in lapse	32,951	(38,957)	**(6,006)**
10% decrease in lapse	(41,935)	56,850	**14,916**
10% increase in Morbidity & Disability	203,809	(153,769)	**50,040**
100 bps increase of medical & general expense inflation	5,207	55,713	**60,920**
10% increase in administrative expenses	14,770	(15,594)	**(824)**

Finance Risk	2023		
	Impact on Fullfillment Cash Flows	Impact on Constructual Service Margin	Total
	(€ thousands)		
50 bps increase in Discount Rates	(32,018)	7,079	**(24,939)**
50 bps decrease in Discount Rates	35,232	(8,528)	**26,704**

Finance Risk	2022		
	Impact on Fullfillment Cash Flows	Impact on Constructual Service Margin	Total
	(€ thousands)		
50 bps increase in Discount Rates	(35,948)	8,117	**(27,830)**
50 bps decrease in Discount Rates	38,268	(9,686)	**28,582**

4.2.2 Non-life Insurance

The Company 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 Company's policy for claims handling is focused on the timely settlement of claims and the prevention of fraudulent cases being accepted by the Company. 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 uncertainty that is being addressed through actuarial and statistical techniques, 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 estimation of reserves for incidences that have not been reported to the Company at the preparation of the financial statements 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.

Claims development tables

The tables below present the development of the incurred claims cost for each accident year from 2017 to 2023, on a gross and ceded basis. 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. Other components of Liability for Incurred Claims (LIC) and Asset for Incurred Claims (AIC) respectively have been added to the tables below for reconciliation purposes.

Gross of reinsurance - Motor insurance					31/12/2023				
					(€ thousands)				
Accident year	**Before 2017**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
At end of accident year	-	52,231	52,610	56,526	44,838	47,814	47,485	45,758	
One year later	-	55,748	57,621	54,260	42,548	41,690	41,787	-	
Two years later	-	53,740	55,221	53,917	38,487	39,181	-	-	
Three years later	-	52,711	52,735	52,189	38,402	-	-	-	
Four years later	-	52,607	49,610	52,099	-	-	-	-	
Five years later	-	48,108	50,000	-	-	-	-	-	
Six years later	-	41,435	-	-	-	-	-	-	
Seven years later	740,108	-	-	-	-	-	-	-	
Gross estimates of the undiscounted amount of the claims	**740,108**	**41,435**	**50,000**	**52,099**	**38,402**	**39,181**	**41,787**	**45,758**	**1,048,771**
At end of accident year	-	14,377	13,787	15,387	13,977	13,675	16,114	15,401	
One year later	-	22,745	22,263	22,987	20,116	21,712	24,788	-	
Two years later	-	25,593	25,044	24,579	21,938	25,697	-	-	
Three years later	-	26,793	27,660	26,115	23,332	-	-	-	
Four years later	-	29,459	29,250	28,739	-	-	-	-	
Five years later	-	31,857	31,843	-	-	-	-	-	
Six years later	-	32,691	-	-	-	-	-	-	
Seven years later	701,785	-	-	-	-	-	-	-	
Cumulative payments to date	**701,785**	**32,691**	**31,843**	**28,739**	**23,332**	**25,697**	**24,788**	**15,401**	**884,274**
Gross undiscounted liabilities for incurred claims	**38,323**	**8,744**	**18,157**	**23,360**	**15,071**	**13,484**	**17,000**	**30,358**	**164,497**
Effect of discounting									(13,882)
Effect of the risk adjustment margin for non-financial risk									6,834
Other components of Liability for Incurred Claims (LIC)									504
Total gross liabilities for incurred claims									**157,953**

Gross of reinsurance - Motor insurance				31/12/2022					
				(€ thousands)					
Accident year	**Before 2016**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
At end of accident year	-	56,190	52,231	52,610	56,526	44,838	47,814	47,485	
One year later	-	53,965	55,748	57,621	54,260	42,548	41,690	-	
Two years later	-	52,689	53,740	55,221	53,917	38,487	-	-	
Three years later	-	51,895	49,940	52,735	52,189	-	-	-	
Four years later	-	49,824	52,607	49,610	-	-	-	-	
Five years later	-	51,130	48,108	-	-	-	-	-	
Six years later	-	41,705	-	-	-	-	-	-	
Seven years later	808,528	-	-	-	-	-	-	-	
Gross estimates of the undiscounted amount of the claims	**808,528**	**41,705**	**48,108**	**49,610**	**52,189**	**38,487**	**41,690**	**47,485**	**1,127,802**
At end of accident year	-	16,027	14,377	13,787	15,387	13,977	13,675	16,114	
One year later	-	27,256	22,745	22,263	22,987	20,116	21,712	-	
Two years later	-	29,719	25,593	25,044	24,579	21,938	-	-	
Three years later	-	31,397	26,793	27,660	26,115	-	-	-	
Four years later	-	33,386	29,459	29,250	-	-	-	-	
Five years later	-	34,693	31,857	-	-	-	-	-	
Six years later	-	35,537	-	-	-	-	-	-	
Seven years later	769,192	-	-	-	-	-	-	-	
Cumulative payments to date	**769,192**	**35,537**	**31,857**	**29,250**	**26,115**	**21,938**	**21,712**	**16,114**	**951,714**
Gross undiscounted liabilities for incurred claims	**39,337**	**6,168**	**16,251**	**20,359**	**26,075**	**16,549**	**19,978**	**31,372**	**176,087**
Effect of discounting									(18,450)
Effect of the risk adjustment margin for non-financial risk									8,086
Other components of Liability for Incurred Claims (LIC)									507
Total gross liabilities for incurred claims									**166,230**

Ceded reinsurance - Motor insurance				31/12/2023					
				(€ thousands)					
Accident year	**Before 2017**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
At end of accident year	-	-	-	-	8	-	-	-	
One year later	-	-	217	-	367	-	-	-	
Two years later	-	-	220	230	750	-	-	-	
Three years later	-	-	474	236	412	-	-	-	
Four years later	-	461	582	93	-	-	-	-	
Five years later	-	480	520	-	-	-	-	-	
Six years later	-	458	-	-	-	-	-	-	
Seven years later	1,686	-	-	-	-	-	-	-	
Gross estimates of the undiscounted amount of the claims	**1,686**	**458**	**520**	**93**	**412**	**-**	**-**	**-**	**3,170**
At end of accident year	-	-	-	-	-	-	-	-	
One year later	-	-	-	-	-	-	-	-	
Two years later	-	-	-	-	-	-	-	-	
Three years later	-	-	-	-	-	-	-	-	
Four years later	-	441	-	-	-	-	-	-	
Five years later	-	458	-	-	-	-	-	-	
Six years later	-	458	-	-	-	-	-	-	
Seven years later	225	-	-	-	-	-	-	-	
Cumulative payments to date	**225**	**458**	**-**	**-**	**-**	**-**	**-**	**-**	**684**
Ceded undiscounted liabilities for incurred claims	**1,461**	**-**	**520**	**93**	**412**	**-**	**-**	**-**	**2,486**
Effect of discounting									(243)
Effect of the risk adjustment margin for non-financial risk									103
Other components of Asset for Incurred Claims (AIC)									(1,802)
Total ceded liabilities for incurred claims									**544**

Ceded reinsurance - Motor insurance				31/12/2022					
				(€ thousands)					
Accident year	**Before 2016**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
At end of accident year	-	-	-	-	-	8	-	-	
One year later	-	-	-	217	-	367	-	-	
Two years later	-	-	-	220	230	750	-	-	
Three years later	-	-	-	474	236	-	-	-	
Four years later	-	-	461	582	-	-	-	-	
Five years later	-	-	480	-	-	-	-	-	
Six years later	-	-	-	-	-	-	-	-	
Seven years later	1,579	-	-	-	-	-	-	-	
Gross estimates of the undiscounted amount of the claims	**1,579**	**-**	**480**	**582**	**236**	**750**	**-**	**-**	**3,627**
At end of accident year	-	-	-	-	-	-	-	-	
One year later	-	-	-	-	-	-	-	-	
Two years later	-	-	-	-	-	-	-	-	
Three years later	-	-	-	-	-	-	-	-	
Four years later	-	-	441	-	-	-	-	-	
Five years later	-	-	458	-	-	-	-	-	
Six years later	-	-	-	-	-	-	-	-	
Seven years later	562	-	-	-	-	-	-	-	
Cumulative payments to date	**562**	**-**	**458**	**-**	**-**	**-**	**-**	**-**	**1,021**
Ceded undiscounted liabilities for incurred claims	**1,017**	**-**	**21**	**582**	**236**	**750**	**-**	**-**	**2,606**
Effect of discounting									(311)
Effect of the risk adjustment margin for non-financial risk									119
Other components of Asset for Incurred Claims (AIC)									(1,676)
Total ceded liabilities for incurred claims									**739**

Gross of reinsurance - Other non life insurance				31/12/2023					
				(€ thousands)					
Accident year	**Before 2017**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
At end of accident year	-	23,589	27,183	21,260	19,058	25,171	14,830	91,153	
One year later	-	25,905	24,995	20,514	14,690	18,888	90,843	-	
Two years later	-	25,244	24,822	21,948	15,297	19,505	-	-	
Three years later	-	24,455	24,742	16,832	15,618	-	-	-	
Four years later	-	26,010	25,427	15,474	-	-	-	-	
Five years later	-	20,959	24,039	-	-	-	-	-	
Six years later	-	20,606	-	-	-	-	-	-	
Seven years later	256,808	-	-	-	-	-	-	-	
Gross estimates of the undiscounted amount of the claims	**256,808**	**20,606**	**24,039**	**15,474**	**15,618**	**19,505**	**90,843**	**91,153**	**534,045**
At end of accident year	-	3,027	9,837	4,590	3,181	4,329	3,558	8,129	
One year later	-	8,537	15,391	9,760	9,533	11,775	8,178	-	
Two years later	-	9,611	15,835	10,924	10,896	13,130	-	-	
Three years later	-	12,192	16,063	11,800	11,043	-	-	-	
Four years later	-	12,374	17,136	12,158	-	-	-	-	
Five years later	-	12,563	17,690	-	-	-	-	-	
Six years later	-	12,837	-	-	-	-	-	-	
Seven years later	223,491	-	-	-	-	-	-	-	
Cumulative payments to date	**223,491**	**12,837**	**17,690**	**12,158**	**11,043**	**13,130**	**8,178**	**8,129**	**306,656**
Gross undiscounted liabilities for incurred claims	**33,317**	**7,769**	**6,349**	**3,316**	**4,575**	**6,375**	**82,664**	**83,024**	**227,389**
Effect of discounting									(15,184)
Effect of the risk adjustment margin for non-financial risk									11,535
Other components of Liability for Incurred Claims (LIC)									(245)
Total gross liabilities for incurred claims									**223,495**

Gross of reinsurance - Other non life insurance				31/12/2022					
				(€ thousands)					
Accident year	**Before 2016**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
At end of accident year	-	27,787	23,589	27,183	21,260	19,058	25,171	15,495	
One year later	-	26,137	25,905	24,995	20,514	14,690	19,222	-	
Two years later	-	23,287	25,244	34,030	21,948	15,404	-	-	
Three years later	-	22,559	25,828	36,339	16,920	-	-	-	
Four years later	-	21,447	26,010	37,546	-	-	-	-	
Five years later	-	21,541	20,964	-	-	-	-	-	
Six years later	-	22,619	-	-	-	-	-	-	
Seven years later	292,937	-	-	-	-	-	-	-	
Gross estimates of the undiscounted amount of the claims	**292,937**	**22,619**	**20,964**	**37,546**	**16,920**	**15,404**	**19,222**	**15,495**	**441,107**
At end of accident year	-	12,910	3,027	9,837	4,590	3,181	4,329	3,558	
One year later	-	17,646	8,537	15,391	9,760	9,533	11,775	-	
Two years later	-	18,006	9,611	25,044	10,924	10,896	-	-	
Three years later	-	18,159	12,192	27,660	11,800	-	-	-	
Four years later	-	18,445	12,374	29,250	-	-	-	-	
Five years later	-	18,538	12,563	-	-	-	-	-	
Six years later	-	18,581	-	-	-	-	-	-	
Seven years later	261,613	-	-	-	-	-	-	-	
Cumulative payments to date	**261,613**	**18,581**	**12,563**	**29,250**	**11,800**	**10,896**	**11,775**	**3,558**	**360,036**
Gross undiscounted liabilities for incurred claims	**31,324**	**4,038**	**8,401**	**8,296**	**5,120**	**4,508**	**7,447**	**11,937**	**81,071**
Effect of discounting									(9,913)
Effect of the risk adjustment margin for non-financial risk									4,772
Other components of Liability for Incurred Claims (LIC)									672
Total gross liabilities for incurred claims									**76,602**

Ceded reinsurance - Other non life insurance				31/12/2023					
				(€ thousands)					
Accident year	**Before 2017**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
At end of accident year	-	-	-	-	-	-	-	69,064	
One year later	-	-	-	-	-	-	79,380	-	
Two years later	-	-	-	-	-	3,153	-	-	
Three years later	-	-	-	-	1,828	-	-	-	
Four years later	-	-	-	793	-	-	-	-	
Five years later	-	-	5,797	-	-	-	-	-	
Six years later	-	6,144	-	-	-	-	-	-	
Seven years later	15,281	-	-	-	-	-	-	-	
Ceded estimates of the undiscounted amount of the claims	**15,281**	**6,144**	**5,797**	**793**	**1,828**	**3,153**	**79,380**	**69,064**	**181,440**
At end of accident year	-	-	-	-	-	-	-	-	
One year later	-	-	-	-	-	-	-	-	
Two years later	-	-	-	-	-	-	-	-	
Three years later	-	-	-	-	-	-	-	-	
Four years later	-	-	-	-	-	-	-	-	
Five years later	-	-	-	-	-	-	-	-	
Six years later	-	-	-	-	-	-	-	-	
Seven years later	-	-	-	-	-	-	-	-	
Cumulative payments to date	-	-	-	-	-	-	-	-	-
Gross undiscounted liabilities for incurred claims	**15,281**	**6,144**	**5,797**	**793**	**1,828**	**3,153**	**79,380**	**69,064**	**181,440**
Effect of discounting									(13,025)
Effect of the risk adjustment margin for non-financial risk									8,801
Other components of Asset for Incurred Claims (AIC)									(39)
Total net liabilities for incurred claims									**177,177**

Ceded reinsurance - Other non life insurance				31/12/2022					
				(€ thousands)					
Accident year	**Before 2016**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**Total**
At end of accident year	-	-	-	-	-	-	-	8,188	
One year later	-	-	-	-	-	-	37,986	-	
Two years later	-	-	-	-	-	1,024	-	-	
Three years later	-	-	-	-	-	-	-	-	
Four years later	-	-	-	-	-	-	-	-	
Five years later	-	-	-	-	-	-	-	-	
Six years later	-	-	-	-	-	-	-	-	
Seven years later	-	-	-	-	-	-	-	-	
Ceded estimates of the undiscounted amount of the claims	-	-	-	-	-	1,024	37,986	8,188	47,198
At end of accident year	-	-	-	-	-	-	-	-	
One year later	-	-	-	-	-	-	-	-	
Two years later	-	-	-	-	-	-	-	-	
Three years later	-	-	-	-	-	-	-	-	
Four years later	-	-	-	-	-	-	-	-	
Five years later	-	-	-	-	-	-	-	-	
Six years later	-	-	-	-	-	-	-	-	
Seven years later	-	-	-	-	-	-	-	-	
Cumulative payments to date	-	-	-	-	-	-	-	-	-
Gross undiscounted liabilities for incurred claims	-	-	-	-	-	1,024	37,986	8,188	47,198
Effect of discounting									(5,980)
Effect of the risk adjustment margin for non-financial risk									2,931
Other components of Asset for Incurred Claims (AIC)									(1,795)
Total net liabilities for incurred claims									**42,354**

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 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 31.12.2023 amounted to a lower amount by 3.2% of the total Solvency capital requirement after the sharing of the benefit of risk differentiation (2022: 5.7%).

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

Exposure to credit risk

The following tables set out the maximum exposure of the Group and the 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). The Company holds Greek Government Bonds (GGBs) amounting to €151,814 thousands and €201,267 thousands for 2023 and 2022 respectively, being composed of longer term bonds of €128,222 thousands and €78,745 thousands for 2023 and 2022 respectively and short term placements in Greek Treasury Bills (T-bills) amounting to €23,592 thousands and €122,522 thousands for 2023 and 2022 respectively.

	Note	GROUP 31/12/2023	COMPANY 31/12/2023
		(€ thousands)	*(€ thousands)*
Financial assets at amortised cost			
- Debt securities (Bonds)			
- Greek Government	20	40,664	40,664
- Foreign Government	20	832,646	832,646
- Greek Corporate-listed	20	106,349	106,349
- Foreign Corporate-listed	20	55,001	55,001
- Loans			
- Staff and intemediaries	20	10,947	10,947
- Private credit	20	10,000	10,000
- Cash and cash equivalents			
-Greek banks	25	43,209	43,209
- Non Greek banks	25	12,109	-
- Other financial receivables	20	25,354	25,354
Financial assets at FVOCI			
- Debt securities (Bonds)			
- Greek Government	21	111,150	111,150
- Foreign Government	21	718,515	718,515
- Greek Corporate-listed	21	12,961	12,961
- Foreign Corporate-listed	21	3,861	3,861
Financial assets at FVTPL			
- Debt securities (Bonds)			
- Greek Government	22	-	-
- Foreign Government	22	110,551	88,463
- Greek Corporate-listed	22	20,213	20,213
- Foreign Corporate-listed	22	229,070	228,458
- Mutual funds			
- Greek	22	85,878	85,878
- EU	22	386,428	379,601
- Derivatives	22	358	358
Total credit risk		**2,815,264**	**2,773,628**

	Note	GROUP 31/12/2022	COMPANY 31/12/2022
		(€ thousands)	*(€ thousands)*
Available-for-sale securities			
- Debt securities (Bonds)			
- Greek Government	19	201,267	201,267
- Foreign Government	19	1,390,619	1,390,619
- Greek Corporate-listed	19	206,568	206,568
- Foreign Corporate-listed	19	232,528	232,528
- Mutual funds			
- Greek	19	195,761	195,761
- EU	19	239,607	239,607
FVTPL securities			
- Trading Securities			
Debt securities (Bonds)			
-Foreign Government	19	16,506	-
- Greek Corporate-listed	19	546	-
- Total FVTPL securities excl. Trading securities and Unit - Linked			
Mutual funds			
- Foreign	19	6,411	-
- Derivative financial instruments	19	239	239
Securities classified as loans and receivables			
- Greek Corporate - Listed	19	-	-
- Foreign Government	19	40,876	40,876
Other receivables	24	42,609	42,094
Cash and cash equivalents			
- Greek banks	25	63,531	61,549
- Non Greek banks	25	10,513	-
Total credit risk		**2,647,581**	**2,611,108**

The tables below present an analysis of debt securities as at 31 December 2023 and 31 December 2022 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 provided by S&P.

GROUP

Credit rating	AAA	AA	A	BBB	BB	B	CCC	CC	C	Not Rated	Total
31 December 2023						*(€ thousands)*					
Fair value through other comprehensive income											
- Debt securities	272,392	211,476	153,948	172,119	-	-	7,797	-	-	28,756	**846,488**
- Equities	-	-	-	-	-	-	-	-	-	3,601	**3,601**
- Unit-linked contracts	38,687	-	3,638	9,431	13,339	-	-	-	-	-	**65,095**
Fair value through profit or loss											
- Debt securities											
- Equities	-	1,279	202	13	-	-	-	-	-	26,419	**27,913**
- Mutual funds	3,412	-	-	-	892	-	-	-	-	465,781	**470,085**
- Unit-linked contracts											
- Private equity funds	-	-	-	-	-	-	-	-	-	63,062	**63,062**
- Derivative financial instruments	-	-	-	358	-	-	-	-	-	-	**358**
Amortised cost	-	-	-	-	-	-	-	-	-	-	-
- Debt securities	296,147	359,997	53,944	187,522	70,089	-	13,098	-	-	53,863	**1,034,660**
- Loans	-	-	-	-	-	-	-	-	-	20,947	**20,947**
- Other receivables	-	-	-	-	-	-	-	-	-	25,354	**25,354**
- Cash and Cash Equivalent	-	-	3,142	5,972	34,959	8,912	-	-	-	2,336	**55,321**
Total credit risk	**610,638**	**613,567**	**333,087**	**530,132**	**396,055**	**42,588**	**21,252**	**-**	**-**	**974,740**	**3,522,059**

GROUP

Credit rating	AAA	AA	A	BBB	BB	B	CCC	CC	C	Not Rated	Total
31 December 2022						*(€ thousands)*					
Available-for-sale securities											
- Debt securities (Bonds)	320,774	441,663	76,229	482,436	132,188	28,354	22,141	-	-	527,197	**2,030,982**
- Equities	-	-	-	-	-	-	-	-	-	41,908	**41,908**
- Mutual funds	-	-	-	-	-	-	-	-	-	435,368	**435,368**
Securities at fair value through profit or loss											
- Trading securities											
Debt securities (Bonds)	466	2,633	-	13,244	-	709	-	-	-	-	**17,052**
Equities	-	-	-	-	-	7	-	-	-	-	**7**
- Non trading securities											
Mutual funds	-	5,273	-	583	-	555	-	-	-	-	**6,411**
- Unit-linked contracts	420	4,948	5,481	12,749	66,807	333,033	-	-	-	192,179	**615,617**
- Derivative financial instruments	-	-	-	-	239	-	-	-	-	-	**239**
Securities classified as loans and receivables	-	-	-	-	40,876	-	-	-	-	-	**40,876**
Other receivables	-	-	-	-	-	-	-	-	-	30,619	**30,619**
Loans	-	-	-	-	-	-	-	-	-	11,990	**11,990**
Cash and Cash Equivalent	-	-	2,341	-	2,761	63,557	2,721	-	-	2,664	**74,044**
Total credit risk	**321,660**	**454,517**	**84,051**	**509,012**	**242,871**	**426,215**	**24,862**	**-**	**-**	**1,241,925**	**3,305,113**

COMPANY

Credit rating	AAA	AA	A	BBB	BB	B	CCC	CC	C	Not Rated	Total
31 December 2023						*(€ thousands)*					
Fair value through other comprehensive income											
- Debt securities	272,392	211,476	153,948	172,119	-	-	7,797	-	-	28,756	**846,488**
- Equities	-	-	-	-	-	-	-	-	-	3,602	**3,602**
- Unit-linked contracts	38,687	-	3,638	9,431	13,339	-	-	-	-	-	**65,095**
Fair value through profit or loss											
- Debt securities	-	31,147	109,951	140,592	12,250	6,850	-	-	-	36,344	**337,134**
- Equities	-	-	-	-	-	-	-	-	-	25,681	**25,681**
- Mutual funds	-	-	-	-	-	-	-	-	-	465,478	**465,478**
- Unit-linked contracts	-	-	-	15	263,947	-	-	-	-	244,876	**508,838**
- Private equity funds	-	-	-	-	-	-	-	-	-	63,062	**63,062**
- Derivative financial assets	-	-	-	358	-	-	-	-	-	-	**358**
Amortised cost											
- Debt securities	296,147	359,997	53,944	187,522	70,089	-	13,098	-	-	53,863	**1,034,660**
- Loans	-	-	-	-	-	-	-	-	-	20,947	**20,947**
- Other receivables	-	-	-	-	-	-	-	-	-	25,354	**25,354**
- Cash and Cash Equivalent	-	-	-	-	34,096	8,057	-	-	-	1,064	**43,217**
Total credit risk	**607,226**	**602,620**	**321,481**	**510,037**	**393,721**	**14,907**	**20,895**	**-**	**-**	**969,027**	**3,439,914**

COMPANY											
Credit rating	**AAA**	**AA**	**A**	**BBB**	**BB**	**B**	**CCC**	**CC**	**C**	**Not Rated**	**Total**
31 December 2022	*(€ thousands)*										
Available-for-sale securities											
- Debt securities (Bonds)	320,774	441,663	76,229	482,436	132,188	28,354	22,141	-	-	527,197	**2,030,982**
- Equities	-	-	-	-	-	-	-	-	-	41,908	**41,908**
- Mutual funds	-	-	-	-	-	-	-	-	-	435,368	**435,368**
Securities at fair value through profit or loss											
- Trading securities											
Debt securities (Bonds)	-	-	-	-	-	-	-	-	-	-	**-**
Equities	-	-	-	-	-	-	-	-	-	-	**-**
- Non trading securities											
Mutual funds	-	-	-	-	-	-	-	-	-	-	**-**
- Unit Linked (Contracts that the policyholder bears the risk)	-	-	3,416	-	64,628	326,897	-	-	-	188,184	**583,125**
- Derivative financial instruments	-	-	-	-	239	-	-	-	-	-	**239**
Securities classified as loans and receivables	-	-	-	-	40,876	-	-	-	-	-	**40,876**
Other receivables	-	-	-	-	-	-	-	-	-	30,104	**30,104**
Loans	-	-	-	-	-	-	-	-	-	11,990	**11,990**
Cash and Cash Equivalent	-	-	-	-	-	57,782	2,721	-	-	1,046	**61,549**
Total credit risk	**320,774**	**441,663**	**79,645**	**482,436**	**237,931**	**413,033**	**24,862**	**-**	**-**	**1,235,797**	**3,236,141**

The following tables provide information on the exposure of the Group and the Company to credit risk, based on the maturity analysis of loans and other financial receivables net of any ECL allowance.

	31/12/2023				**31/12/2022**			
GROUP	**<180 days**	**181 - 360 days**	**>360 days**	**Total**	**<180 days**	**181 - 360 days**	**>360 days**	**Total**
	(€ thousands)				*(€ thousands)*			
Other financial receivables	23,820	2	1,532	**25,354**	21,175	10	1,376	**22,560**
Loans	469	71	20,408	**20,947**	135	94	11,761	**11,990**
Total	**24,288**	**73**	**21,940**	**46,301**	**21,310**	**104**	**13,137**	**34,550**

	31/12/2023				**31/12/2022**			
COMPANY	**<180 days**	**181 - 360 days**	**>360 days**	**Total**	**<180 days**	**181 - 360 days**	**>360 days**	**Total**
	(€ thousands)				*(€ thousands)*			
Other financial receivables	23,820	2	1,532	**25,354**	21,175	10	1,376	**22,560**
Loans	469	68	20,411	**20,947**	135	94	11,761	**11,990**
Total	**24,288**	**70**	**21,943**	**46,301**	**21,310**	**104**	**13,137**	**34,550**

Past due balances as set out above are presented net of any impairment allowance, noting also that loans are secured by collaterals of real estate as well as by other types of collateral.

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 buffers.

The table below demonstrates the maturity analysis of undiscounted future cash flows of Liability for Remaining Coverage (LRC).

COMPANY	Up to 1 year	1–2 years	2-3 years	3-4 years	4-5 years	5-10 years	>10 years	Total
	2023							
	(€ thousands)							
Life Risk & Savings	35,489	29,072	24,964	30,308	17,139	121,232	347,159	**605,364**
Participating	(19,590)	(17,567)	(16,056)	(15,186)	(14,437)	120,637	175,486	**213,288**
Total	**15,900**	**11,505**	**8,908**	**15,122**	**2,702**	**241,869**	**522,645**	**818,652**

COMPANY	Up to 1 year	1–2 years	2-3 years	3-4 years	4-5 years	5-10 years	>10 years	Total
	2022							
	(€ thousands)							
Life Risk & Savings	26,892	34,929	26,390	25,388	30,017	90,398	279,314	**513,327**
Participating	(11,838)	(10,583)	(9,004)	(8,638)	(8,598)	76,398	111,437	**139,174**
Total	**15,053**	**24,346**	**17,386**	**16,750**	**21,419**	**166,795**	**390,751**	**652,501**

The amounts from insurance contract liabilities that are payable on demand are set out below:

	2023		2022	
	Amounts payable on demand	Carrying amount	Amounts payable on demand	Carrying amount
Life Risk & Savings	572,583	1,184,326	579,069	1,146,249
Participating	140,831	155,909	85,585	91,812
Total	**713,414**	**1,340,235**	**664,654**	**1,238,061**

The following tables provide an analysis of insurance contracts issued and reinsurance contracts held based on current and non-current status.

COMPANY

Insurance contracts issued

(€ thousands)

Year	Life Risk & Savings	Participating	Life & Health	Motor	Other non Life	Total
Current						
2023	141,977	37,676	74,603	61,210	107,704	**423,170**
2022	120,267	35,199	54,650	61,541	33,776	**305,433**
Non current						
2023	1,179,624	385,864	5,140	115,739	136,254	**1,822,621**
2022	1,145,997	380,245	5,302	123,762	57,308	**1,712,615**

COMPANY

Reinsurance contracts held

(€ thousands)

Year	Life Risk & Savings	Participating	Life & Health	Motor	Other non Life	Total
Current						
2023	(3,057)	-	(221)	1,596	79,297	**77,615**
2022	(2,520)	-	(1,502)	1,591	15,908	**13,478**
Non current						
2023	425	-	872	402	100,621	**102,320**
2022	520	-	881	555	28,202	**30,159**

The following table presents an analysis of the maturity of financial liabilities of the Group and the Company.

GROUP	Up to 1 year	1 to 3 yrs	4 to 8 yrs	Over 8 yrs	Total
31 December 2023			*(€ thousands)*		
Financial and other liabilities	57,363	(372)	183,921	-	**240,912**
Total	**57,363**	**(372)**	**183,921**	**-**	**240,912**

GROUP	Up to 1 year	1 to 3 yrs	4 to 8 yrs	Over 8 yrs	Total
31 December 2022			*(€ thousands)*		
Financial and other liabilities	52,660	(392)	177,726	-	**229,994**
Total	**52,660**	**(392)**	**177,726**	**-**	**229,994**

COMPANY	Up to 1 year	1 to 3 yrs	4 to 8 yrs	Over 8 yrs	Total
31 December 2023			*(€ thousands)*		
Financial and other liabilities	55,553	(372)	183,921	-	**239,102**
Total	**55,553**	**(372)**	**183,921**	**-**	**239,102**

COMPANY	Up to 1 year	1 to 3 yrs	4 to 8 yrs	Over 8 yrs	Total
31 December 2022			*(€ thousands)*		
Financial and other liabilities	52,270	(505)	176,674	-	**228,440**
Total	**52,270**	**(505)**	**176,674**	**-**	**228,440**

The table below shows the maturity of the financial assets of the Group and the Company. 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	*Current assets**	*Non-current assets*	*Unit-Linked*	*Total assets*
31 December 2023		*(€ thousands)*		
Financial assets under IFRS 9	183,590	2,643,359	614,435	**3,441,384**
Other receivables	64,766	5,516	-	**70,282**
Cash and cash equivalents	55,532	-	-	**55,532**
Total	303,888	2,648,875	614,435	**3,567,198**

GROUP	*Current assets**	*Non-current assets*	*Unit-Linked*	*Total assets*
31 December 2022		*(€ thousands)*		
Financial assets under IAS 39	191,215	2,381,627	615,617	**3,188,459**
Other receivables	25,117	17,492	-	**42,609**
Cash and cash equivalents	74,150	-	-	**74,150**
Total	**290,482**	**2,399,119**	**615,617**	**3,305,218**

COMPANY	Current assets*	Non-current assets	Unit-Linked	Total assets
31 December 2023		*(€ thousands)*		
Financial assets under IFRS 9	163,641	2,633,768	573,933	**3,371,342**
Other receivables	64,119	5,516	-	**69,635**
Cash and cash equivalents	43,213	-	-	**43,213**
Total	**270,973**	**2,639,284**	**573,933**	**3,484,190**

COMPANY	Current assets*	Non-current assets	Unit-Linked	Total assets
31 December 2022		*(€ thousands)*		
Financial assets under IAS 39	186,423	2,362,950	583,125	**3,132,498**
Other receivables	25,117	16,976	-	**42,093**
Cash and cash equivalents	61,553	-	-	**61,553**
Total	**273,093**	**2,379,926**	**583,125**	**3,236,144**

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

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 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 Company on foreign currency consist of the 0.11% of the total assets (2022:0.13%). The respective percentage for the Group amounts to 0.13% (2022: 0.15%).

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, mainly 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:

COMPANY	Up to 1 year	1 to 2 yrs	2 to 5 yrs	Over 5 yrs
31 December 2023	*(€ thousands)*			
	+25 bps. - Impact on valuation: increase / (decrease)			
Bonds - Impact on Equity	(101)	(179)	(1,631)	(21,135)
	-25 bps. - Impact on valuation: increase / (decrease)			
Bonds - Impact on Equity	152	184	1,675	22,101

	Up to 1 year	1 to 2 yrs	2 to 5 yrs	Over 5 yrs
31 December 2022	*(€ thousands)*			
	+25 bps. - Impact on valuation: increase / (decrease)			
Bonds - Impact on Equity	(176)	(467)	(3,014)	(34,148)
	-25 bps. - Impact on valuation: increase / (decrease)			
Bonds - Impact on Equity	183	487	3,153	36,608

The table below presents the sensitivity analysis for the subordinated loan with floating rate issued by the Company, on Profit before tax from a vertical change of the yield curve +/- 25 bps.

COMPANY	2023	2022
	(€ thousands)	
+25 bps.-Impact on Profit before tax: increase/(decrease)	(125)	(125)
-25 bps.-Impact on Profit before tax: increase/(decrease)	125	125

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 31.12.2023	Change of variables	Impact on Equity	Index 31.12.2022	Change of variables	Impact on Equity
GI ASE	+5%	1,332	GI ASE	+5%	1,211
GI ASE	-5%	(1,332)	GI ASE	-5%	(1,211)

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. 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 31.12.2023 in relation to the total capital requirement (2022: 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, adequate control and reporting procedures to detect, assess, manage and record operational risk have been developed. 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, a plan to minimise operational risk within the acceptable limits, in compliance with the risk appetite is developed. It is noted that the control framework applied by the Group, is evolving on a constant and ongoing basis.

4.8 Strategic risk

Strategic risk is the existing or future risk for profits and capital arising from changes in the business environment and ineffective response to these changes, poor business decisions, or inadequate implementation of these decisions.

Strategic risk is assessed in the Group's strategy setting, risk appetite setting, capital management and ORSA processes, to ensure that it is thoroughly understood and risks to the strategy are identified and assessed properly, controlled and monitored satisfactorily.

When defining and reviewing the strategy, Management considers, among other factors, the financial and macroeconomic environment and the Group's solvency and liquidity position. Clear and comprehensive procedures are in place, for monitoring regularly strategy implementation and changes to the external, financial and competitive environment.

4.9 Reputation risk

Reputational risk is the existing or future risk for profits and capital arising from the formation of a negative perception of clients, counterparties, shareholders, investors or supervisory authorities, about the Company.

Reputation risk is assessed in the Group's strategy setting, risk appetite setting, capital management and ORSA processes to ensure that it is thoroughly understood and risks are identified promptly, quantified appropriately, monitored continuously and controlled / mitigated satisfactorily.

The reputational impact of all business activities including new product initiatives, new marketing campaigns, changes in strategy are assessed beforehand. A wide and up to date system for managing claims, complaints and requests made from customers and partners is implemented. Also, the reputational impact of adverse events is considered, and contingency communication plans are put in place.

4.10 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.

The following table presents the key Solvency II figures of the Group and the Company for the financial years 2023 and 2022:

	Group		Company	
Basic Solvency II Measures	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Total eligible own funds for SCR	599.9	659.2	658.9	750.3
Solvency Capital Requirement (SCR)	304.3	328.7	307.5	332.9
Solvency Ratio (SCR coverage)	**197%**	**201%**	**214%**	**225%**

4.11 Sustainability risks

The Company recognizes that it is subject to sustainability risks and at the same time is committed to operate in a socially responsible manner. The sustainability risks for the Company mainly concern environmental and social issues or events, which may significantly affect its operation. Consequently, the sustainability risks are linked to environmental factors, social issues as well as corporate governance practices (Environmental, Social & Governance – ESG).

In recent years the effects of climate change have become more and more noticeable on people and the economy. This change is mainly the result of human activities, due to the combustion of fossil fuels.

The Company recognizes and assesses sustainability risks in its insurance and investment activities and in its operation. It monitors the relevant developments at a regulatory level, develops an integrated ESG (Environmental, Social, Governance) risk management framework and undertakes actions such as, reducing its energy footprint, supporting vulnerable social groups, providing cultural and sports sponsorships and demonstrating zero tolerance against acts of corruption

NOTE 5: INSURANCE REVENUE AND EXPENSE

This note analyses the insurance revenue recognized in relation to insurance contracts issued. Insurance revenue for the years ended 31 December 2023 and 2022, comprised of:

GROUP	31/12/2023 (€ thousands)					
Insurance revenue	**Life Risk & Savings**	**Participating**	**Life & Health**	**Motor**	**Other non Life**	**Total**
Amounts relating to the changes in the liability for remaining coverage						
Expected insurance service expenses incurred in the period	127,377	3,856	-	-	-	**131,233**
Change in risk adjustment for non-financial risk	2,982	71	-	-	-	**3,053**
Amount of CSM recognised in profit or loss	25,269	1,219	-	-	-	**26,488**
Experience adjustments for premium receipts	-	-	-	-	-	-
Amounts relating to recovery of insurance acquisition cash flows						
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	6,707	737	-	-	-	**7,444**
Insurance revenue from contracts not measured under PAA	**162,335**	**5,883**	**-**	**-**	**-**	**168,218**
Insurance revenue from contracts measured under PAA	-	-	172,968	73,771	131,310	**378,049**
Total Insurance revenue	**162,335**	**5,883**	**172,968**	**73,771**	**131,310**	**546,267**

For the insurance contracts measured under the premium allocation approach (PAA), insurance revenue for the period is the amount of expected premium receipts allocated to the period.

GROUP	31/12/2022 (€ thousands)					
Insurance revenue	**Life Risk & Savings**	**Participating**	**Life & Health**	**Motor**	**Other non Life**	**Total**
Amounts relating to the changes in the liability for remaining coverage						
Expected insurance service expenses incurred in the period	119,907	2,918	-	-	-	**122,825**
Change in risk adjustment for non-financial risk	3,260	73	-	-	-	**3,333**
Amount of CSM recognised in profit or loss	26,786	951	-	-	-	**27,737**
Experience adjustments for premium receipts	-	-	-	-	-	-
Amounts relating to recovery of insurance acquisition cash flows	-	-	-	-	-	-
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	6,109	285	-	-	-	**6,394**
Insurance revenue from contracts not measured under PAA	**156,062**	**4,227**	**-**	**-**	**-**	**160,289**
Insurance revenue from contracts measured under PAA	-	-	142,603	75,204	110,358	**328,165**
Total Insurance revenue	**156,062**	**4,227**	**142,603**	**75,204**	**110,358**	**488,454**

COMPANY	31/12/2023 (€ thousands)					
Insurance revenue	**Life Risk & Savings**	**Participating**	**Life & Health**	**Motor**	**Other non Life**	**Total**
Amounts relating to the changes in the liability for remaining coverage						
Expected insurance service expenses incurred in the period	125,965	2,725	-	-	-	**128,690**
Change in risk adjustment for non-financial risk	2,912	14	-	-	-	**2,926**
Amount of CSM recognised in profit or loss	24,693	707	-	-	-	**25,400**
Experience adjustments for premium receipts	-	-	-	-	-	-
Amounts relating to recovery of insurance acquisition cash flows						
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	6,565	638	-	-	-	**7,203**
Insurance revenue from contracts not measured under PAA	**160,135**	**4,084**	**-**	**-**	**-**	**164,219**
Insurance revenue from contracts measured under PAA	-	-	163,514	66,061	127,176	**356,751**
Total Insurance revenue	**160,135**	**4,084**	**163,514**	**66,061**	**127,176**	**520,970**

COMPANY	31/12/2022 (€ thousands)					
Insurance revenue	**Life Risk & Savings**	**Participating**	**Life & Health**	**Motor**	**Other non Life**	**Total**
Amounts relating to the changes in the liability for remaining coverage						
Expected insurance service expenses incurred in the period	118,747	1,923	-	-	-	**120,670**
Change in risk adjustment for non-financial risk	3,194	9	-	-	-	**3,203**
Amount of CSM recognised in profit or loss	26,257	505	-	-	-	**26,762**
Experience adjustments for premium receipts	-	-	-	-	-	-
Amounts relating to recovery of insurance acquisition cash flows						
Allocation of the portion of premiums that relate to the recovery of insurance acquisition cash flows	5,995	195	-	-	-	**6,190**
Insurance revenue from contracts not measured under PAA	**154,193**	**2,632**	**-**	**-**	**-**	**156,825**
Insurance revenue from contracts measured under PAA	-	-	133,463	68,412	106,505	**308,380**
Total Insurance revenue	**154,193**	**2,632**	**133,463**	**68,412**	**106,505**	**465,205**

This note analyses the insurance service expenses in relation to insurance contracts issued:

GROUP	31/12/2023 (€ thousands)					
	Life Risk & Savings	**Participating**	**Life & Health**	**Motor**	**Other non Life**	**Total**
Incurred claims and other directly attributable expenses	130,353	2,110	137,408	62,363	101,144	433,377
Amortisation of insurance acquisition cash flows	6,707	737	42,672	15,107	23,428	88,651
Changes to liabilities for incurred claims	23,273	1,039	(14,409)	(15,533)	69,009	63,380
Losses on onerous contracts and reversals of those losses	85,831	3	-	40	-	85,874
Insurance service expenses	**246,163**	**3,889**	**165,671**	**61,978**	**193,581**	**671,283**

GROUP	31/12/2022 (€ thousands)					
	Life Risk & Savings	Participating	Life & Health	Motor	Other non Life	Total
Incurred claims and other directly attributable expenses	124,930	1,039	111,989	61,375	26,758	326,091
Amortisation of insurance acquisition cash flows	6,109	285	38,008	17,080	23,077	84,559
Changes to liabilities for incurred claims	8,324	1,180	(9,100)	(32,853)	(6,218)	(38,666)
Losses on onerous contracts and reversals of those losses	(336)	9	-	138	-	(189)
Insurance service expenses	**139,027**	**2,513**	**140,897**	**45,740**	**43,617**	**371,795**

COMPANY	31/12/2023 (€ thousands)					
	Life Risk & Savings	Participating	Life & Health	Motor	Other non Life	Total
Incurred claims and other directly attributable expenses	129,311	938	132,062	55,514	100,386	**418,211**
Amortisation of insurance acquisition cash flows	6,565	638	40,234	13,405	22,009	**82,851**
Changes to liabilities for incurred claims	23,506	1,334	(14,407)	(15,873)	69,197	**63,757**
Losses on onerous contracts and reversals of those losses	85,764	3	-	-	-	**85,767**
Insurance service expenses	**245,146**	**2,913**	**157,889**	**53,046**	**191,592**	**650,586**

COMPANY	31/12/2022 (€ thousands)					
	Life Risk & Savings	Participating	Life & Health	Motor	Other non Life	Total
Incurred claims and other directly attributable expenses	123,884	332	107,319	55,763	26,743	**314,041**
Amortisation of insurance acquisition cash flows	5,995	195	35,607	15,484	20,966	**78,247**
Changes to liabilities for incurred claims	8,363	1,214	(8,762)	(32,352)	(6,399)	**(37,936)**
Losses on onerous contracts and reversals of those losses	(528)	9	-	-	-	**(519)**
Insurance service expenses	**137,714**	**1,750**	**134,164**	**38,895**	**41,310**	**353,833**

The Company’s insurance service expenses for the year ended 31 December 2023 amounted to €650,586 thousands (2022: €353,833 thousands). The increase compared to previous year is mainly attributed to losses from onerous contracts of €85,764 thousands in Life Risk & Savings (2022: reversals of €528 thousands), as a result of changes in estimates relating to health assumptions, as well as an increase in incurred claims and other directly attributable expenses in Other non-Life of €169,583 thousands (2022: 20,344 thousands) driven mainly by the Daniel storm. As noted in Note 32 “reconciliation of the net asset or liability for reinsurance contracts held”, these losses are recovered by corresponding reinsurance contracts held in Other non-Life.

NOTE 6: NET FINANCIAL RESULT

The table below presents an analysis of total investment income and insurance finance result recognized in the Statement of Total Comprehensive Income:

GROUP	31/12/2023 (€ thousands)						
	Life Risk & Savings	Participating	Life & Health	Motor	Other non Life	Non-Insurance related	Total
Investment income							
Amounts recognised in profit or loss							
Interest revenue calculated using the effective interest method	414	-	354	(489)	142	652	**1,074**
Other interest and similar income	37,883	873	2,720	2,978	1,866	6,058	**52,378**
Net gains/(losses) on financial assets at FVTPL	27,044	21,912	5,946	6,073	4,961	11,639	**77,575**
Net gains/(losses) on derecognition of financial assets measured at FVOCI	12,058	-	12	-	-	5	**12,074**
Impairment loss on financial assets at amortised cost	38	-	-	-	-	944	**982**
Impairment loss on financial assets at FVOCI	(117)	-	(4)	-	-	14	**(107)**
Net gains/(losses) on derecognition of financial assets measured at AC	-	-	-	-	-	-	-
Net change in investment contract liabilities	-	-	-	-	-	-	-
Net foreign exchange income / (expense)	-	-	-	-	-	-	-
Total amounts recognised in the profit or loss	77,320	22,785	9,029	8,562	6,969	19,311	**143,976**
Amounts recognised in OCI	34,229	-	(57)	4	4	6,438	**40,619**
Total investment income	**111,549**	**22,785**	**8,972**	**8,566**	**6,973**	**25,749**	**184,595**
Insurance finance income / (expenses) from insurance contracts issued	-	-	-	-	-	-	-
Changes in fair value of underlying assets of contracts measured under the VFA	-	(21,027)	-	-	-	-	**(21,027)**
Group's share of changes in fair value of underlying items or FCF that do not adjust CSM	-	-	-	-	-	-	-
Interest accreted to insurance contracts using current financial assumptions	(574)	-	-	-	-	-	**(574)**
Interest accreted to insurance contracts using locked-in rate	(2,021)	-	(548)	(614)	(291)	-	**(3,474)**
Due to changes in interest rates and other financial assumptions	(9,148)	-	(159)	(6,065)	(3,721)	-	**(19,093)**
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	-	-	-	-	-	-
Net foreign exchange income / (expense)	-	-	-	-	-	-	-
Total insurance finance income / (expenses) from insurance contracts issued	**(11,743)**	**(21,027)**	**(707)**	**(6,679)**	**(4,012)**	**-**	**(44,168)**
Represented by:							
Amounts recognised in profit or loss	(3,557)	(21,027)	(586)	(905)	(355)	-	**(26,430)**
Amounts recognised in OCI	(8,186)	-	(121)	(5,774)	(3,657)	-	**(17,738)**
Reinsurance finance income / (expenses) from reinsurance contracts held							
Interest accreted to reinsurance contracts	(10)	-	(40)	41	(42)	-	**(51)**
Due to changes in interest rates and other financial assumptions	12	-	10	83	2,772	-	**2,877**
Changes in risk non-performance reinsurer	-	-	-	-	-	-	-
Net foreign exchange income / (expense)	-	-	-	-	-	-	-
Total reinsurance finance income / (expenses) from reinsurance contracts held	**2**	**-**	**(30)**	**124**	**2,730**	**-**	**2,826**
Represented by:							
Amounts recognised in profit or loss	(10)	-	(40)	41	(42)	-	**(51)**
Amounts recognised in OCI	12	-	10	83	2,772	-	2,877
Total insurance finance expenses and reinsurance finance income	**(11,741)**	**(21,027)**	**(737)**	**(6,555)**	**(1,282)**	**-**	**(41,342)**
Represented by:							
Amounts recognised in profit or loss	(3,567)	(21,027)	(626)	(864)	(397)	-	**(26,481)**
Amounts recognised in OCI	(8,174)	-	(111)	(5,691)	(885)	-	**(14,861)**

GROUP	31/12/2022 (€ thousands)						
	Life Risk & Savings	Participating	Life & Health	Motor	Other non Life	Non-Insurance related	Total
Investment income							
Amounts recognised in profit or loss							
Interest revenue calculated using the effective interest method	1,258	-	(359)	(494)	(50)	3,431	**3,785**
Other interest and similar income	24,265	754	1,991	5,671	750	22,181	**55,611**
Net gains/(losses) on financial assets at FVPL	(27,212)	(7,695)	(2,641)	(926)	(513)	52	**(38,935)**
Net gains/(losses) on derecognition of financial assets measured at FVOCI	66,462	-	-	(909)	482	(9,880)	**56,155**
Impairment loss on financial assets at amortised cost	(2,350)	-	(392)	(4,246)	(4,885)	(1,212)	**(13,084)**
Impairment loss on financial assets at FVOCI	(52)	-	-	-	-	-	**(52)**
Net gains/(losses) on derecognition of financial assets measured at AC	-	-	-	-	-	-	**-**
Net change in investment contract liabilities	-	-	-	-	-	-	**-**
Net foreign exchange income / (expense)	**223**	-	-	-	-	-	**223**
Total amounts recognised in the profit or loss	62,594	(6,941)	(1,401)	(905)	(4,216)	14,572	**63,703**
Amounts recognised in OCI	(570,551)	-	(6,645)	(19,344)	(5,137)	(60,991)	**(662,668)**
Total investment income	**(507,957)**	**(6,941)**	**(8,046)**	**(20,249)**	**(9,353)**	**(46,419)**	**(598,965)**
Insurance finance income / (expenses) from insurance contracts issued							
Changes in fair value of underlying assets of contracts measured under the VFA	-	8,824	-	-	-	-	**8,824**
Group's share of changes in fair value of underlying items or FCF that do not adjust CSM	-	-	-	-	-	-	**-**
Interest accreted to insurance contracts using current financial assumptions	(104)	-	-	-	-	-	**(104)**
Interest accreted to insurance contracts using locked-in rate	2,967	-	85	767	348	-	**4,167**
Due to changes in interest rates and other financial assumptions	168,072	-	188	13,694	7,883	-	**189,838**
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	-	-	-	-	-	**-**
Net foreign exchange income / (expense)	-	-	-	-	-	-	**-**
Total insurance finance income / (expenses) from insurance contracts issued	**170,935**	**8,824**	**274**	**14,461**	**8,231**	**-**	**202,725**
Represented by:							
Amounts recognised in profit or loss	7,272	8,824	87	1,056	432	-	**17,671**
Amounts recognised in OCI	163,663	-	187	13,405	7,799	-	**185,054**
Reinsurance finance income / (expenses) from reinsurance contracts held							
Interest accreted to reinsurance contracts	(395)	-	(16)	(158)	(647)	-	**(1,216)**
Due to changes in interest rates and other financial assumptions	(36)	-	(42)	(278)	(4,383)	-	**(4,739)**
Changes in risk non-performance reinsurer	-	-	-	-	-	-	**-**
Net foreign exchange income / (expense)	-	-	-	-	-	-	**-**
Total reinsurance finance income / (expenses) from reinsurance contracts held	**(431)**	**-**	**(58)**	**(436)**	**(5,030)**	**-**	**(5,955)**
Represented by:							
Amounts recognised in profit or loss	(395)	-	(16)	(158)	(647)	-	**(1,216)**
Amounts recognised in OCI	(36)	-	(42)	(278)	(4,383)	-	(4,739)
Total insurance finance expenses and reinsurance finance income	**170,504**	**8,824**	**216**	**14,025**	**3,201**	**-**	**196,770**
Represented by:							
Amounts recognised in profit or loss	6,877	8,824	71	898	(215)	-	**16,455**
Amounts recognised in OCI	163,627	-	145	13,128	3,416	-	**180,315**

COMPANY	31/12/2023 (€ thousands)						
	Life Risk & Savings	Participating	Life & Health	Motor	Other non Life	Non-Insurance related	Total
Investment income							
Amounts recognised in profit or loss							
Interest revenue calculated using the effective interest method	414	-	354	(489)	142	652	**1,073**
Other interest and similar income	37,660	-	2,297	2,811	1,772	6,059	**50,599**
Net gains/(losses) on financial assets at FVTPL	26,736	19,549	4,898	5,794	4,804	11,638	**73,419**
Net gains/(losses) on derecognition of financial assets measured at FVOCI	12,058	-	12	-	-	5	**12,074**
Impairment loss on financial assets at amortised cost	38	-	-	-	-	944	**982**
Impairment loss on financial assets at FVOCI	(117)	-	(4)	-	-	14	**(107)**
Net gains/(losses) on derecognition of financial assets measured at AC	-	-	-	-	-	-	**-**
Net change in investment contract liabilities	-	-	-	-	-	-	**-**
Net foreign exchange income / (expense)	-	-	-	-	-	-	**-**
Total amounts recognised in the profit or loss	76,789	19,549	7,557	8,116	6,718	19,312	**138,040**
Amounts recognised in OCI	34,229	-	(57)	4	4	7,071	**41,251**
Total investment income	**111,018**	**19,549**	**7,500**	**8,120**	**6,722**	**26,383**	**179,291**
Insurance finance income / (expenses) from insurance contracts issued							
Changes in fair value of underlying assets of contracts measured under the VFA	-	(19,520)	-	-	-	-	**(19,520)**
Group's share of changes in fair value of underlying items or FCF that do not adjust CSM	-	-	-	-	-	-	**-**
Interest accreted to insurance contracts using current financial assumptions	-	-	-	-	-	-	**-**
Interest accreted to insurance contracts using locked-in rate	(2,022)	-	(548)	(613)	(291)	-	**(3,474)**
Due to changes in interest rates and other financial assumptions	(6,623)	-	(121)	(5,774)	(3,657)	-	**(16,175)**
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	-	-	-	-	-	**-**
Net foreign exchange income / (expense)	-	-	-	-	-	-	**-**
Total insurance finance income / (expenses) from insurance contracts issued	**(8,645)**	**(19,520)**	**(669)**	**(6,387)**	**(3,948)**	**-**	**(39,169)**
Represented by:							
Amounts recognised in profit or loss	(458)	(19,520)	(548)	(614)	(291)	-	**(21,431)**
Amounts recognised in OCI	(8,186)	-	(121)	(5,774)	(3,657)	-	**(17,738)**
Reinsurance finance income / (expenses) from reinsurance contracts held							
Interest accreted to reinsurance contracts	(28)	-	(40)	(36)	(62)	-	**(166)**
Due to changes in interest rates and other financial assumptions	12	-	10	83	2,773	-	**2,878**
Changes in risk non-performance reinsurer	-	-	-	-	-	-	**-**
Net foreign exchange income / (expense)	-	-	-	-	-	-	**-**
Total reinsurance finance income / (expenses) from reinsurance contracts held	**(16)**	**-**	**(30)**	**47**	**2,711**	**-**	**2,712**
Represented by:							
Amounts recognised in profit or loss	(28)	-	(40)	(36)	(62)	-	**(166)**
Amounts recognised in OCI	12	-	10	83	2,773	-	**2,878**
Total insurance finance expenses and reinsurance finance income	**(8,661)**	**(19,520)**	**(699)**	**(6,340)**	**(1,237)**	**-**	**(36,457)**
Represented by:							
Amounts recognised in profit or loss	(486)	(19,520)	(588)	(650)	(353)	-	**(21,597)**
Amounts recognised in OCI	(8,174)	-	(111)	(5,691)	(884)	-	**(14,860)**

COMPANY	31/12/2022 (€ thousands)						
	Life Risk & Savings	Participating	Life & Health	Motor	Other non Life	Non-Insurance related	Total
Investment income							
Amounts recognised in profit or loss							
Interest revenue calculated using the effective interest method	1,258	-	(359)	(494)	(50)	3,431	**3,785**
Other interest and similar income	23,969	-	1,791	5,549	682	22,181	**54,172**
Net gains/(losses) on financial assets at FVPL	(17,500)	(6,037)	3	-	-	52	**(23,482)**
Net gains/(losses) on derecognition of financial assets measured at FVOCI	66,462	-	-	(909)	482	(9,880)	**56,155**
Impairment loss on financial assets at amortised cost	(2,350)	-	(392)	(4,246)	(4,885)	(1,212)	**(13,084)**
Impairment loss on financial assets at FVOCI	(52)	-	-	-	-	-	**(52)**
Net gains/(losses) on derecognition of financial assets measured at AC	-	-	-	-	-	-	**-**
Net change in investment contract liabilities	-	-	-	-	-	-	**-**
Net foreign exchange income / (expense)	223	-	-	-	-	-	**223**
Total amounts recognised in the profit or loss	72,010	(6,037)	1,043	(100)	(3,771)	14,572	**77,716**
Amounts recognised in OCI	(570,551)	-	(6,645)	(19,344)	(5,137)	(59,801)	**(661,478)**
Total investment income	**(498,541)**	**(6,037)**	**(5,602)**	**(19,444)**	**(8,909)**	**(45,230)**	**(583,762)**
Insurance finance income / (expenses) from insurance contracts issued	-	-	-	-	-	-	**-**
Changes in fair value of underlying assets of contracts measured under the VFA	-	6,065	-	-	-	-	**6,065**
Group's share of changes in fair value of underlying items or FCF that do not adjust CSM	-	-	-	-	-	-	**-**
Interest accreted to insurance contracts using current financial assumptions	-	-	-	-	-	-	**-**
Interest accreted to insurance contracts using locked-in rate	2,967	-	85	767	348	-	**4,167**
Due to changes in interest rates and other financial assumptions	163,834	-	187	13,405	7,799	-	**185,225**
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	-	-	-	-	-	-	**-**
Net foreign exchange income / (expense)	-	-	-	-	-	-	**-**
Total insurance finance income / (expenses) from insurance contracts issued	**166,801**	**6,065**	**272**	**14,172**	**8,147**	**-**	**195,457**
Represented by:							
Amounts recognised in profit or loss	3,139	6,065	85	767	348	-	**10,404**
Amounts recognised in OCI	163,662	-	187	13,405	7,799	-	**185,053**
Reinsurance finance income / (expenses) from reinsurance contracts held							
Interest accreted to reinsurance contracts	(42)	-	(16)	(67)	(627)	-	**(752)**
Due to changes in interest rates and other financial assumptions	(35)	-	(42)	(278)	(4,383)	-	**(4,738)**
Changes in risk non-performance reinsurer	-	-	-	-	-	-	**-**
Net foreign exchange income / (expense)	-	-	-	-	-	-	**-**
Total reinsurance finance income / (expenses) from reinsurance contracts held	**(77)**	**-**	**(58)**	**(345)**	**(5,010)**	**-**	**(5,490)**
Represented by:							
Amounts recognised in profit or loss	(42)	-	(16)	(67)	(627)	-	**(752)**
Amounts recognised in OCI	(35)	-	(42)	(278)	(4,383)	-	(4,738)
Total insurance finance expenses and reinsurance finance income	**166,724**	**6,065**	**214**	**13,827**	**3,137**	**-**	**189,967**
Represented by:							
Amounts recognised in profit or loss	3,097	6,065	69	700	(279)	-	**9,652**
Amounts recognised in OCI	163,627	-	145	13,127	3,416	-	**180,315**

The table below represents the composition and fair values of underlying items for insurance contracts with direct participation features, measured under the VFA. These are insurance contracts that are substantially investment-related service contracts under which an entity promises an investment return based on underlying items.

	COMPANY	
	31/12/2023	31/12/2022
	(€ thousands)	
	Participating	Participating
Underlying assets		
Cash and cash equivalents	258,190	322,241
Mutual Funds	155,745	93,694
Total investment assets and cash and cash equivalents	**413,935**	**415,935**

The reconciliation of cumulative amounts of the fair value reserve within OCI, for financial assets measured at FVOCI, related to the groups of insurance contracts, to which the Group applied the fair value approach at the transition date, is provided in the table below:

	2023	2022
	(€ thousands)	
Cumulative other comprehensive income, opening balance	(66,043)	**114,099**
Transition effect	17,136	-
Gains or losses recognised in other comprehensive income in the period	27,445	(181,034)
Amounts recognised in profit or loss during the period	(3,023)	(49,917)
Income tax relating to these items	(5,373)	50,809
Cumulative other comprehensive income, closing balance	(29,858)	(66,043)

NOTE 7: NET INVESTMENT INCOME

The Group earns an investment return from holdings in financial assets and property investments, held to either back insurance and investment contracts on behalf of policyholders or to deliver returns on Group capital.

This note analyses the Group's net investment result which is broken down into the following components:

(a) interest income recognized in profit or loss as it accrues from investments classified as measured at amortised cost and FVOCI;
(b) investment appreciation and depreciation (realised and unrealised gains and losses) recognized in profit or loss on investments mandatorily classified or designated as FVTPL;
(c) Other interest and similar income recognized in profit or loss comprising investment income from equity investments measured at FVTPL, interest on debt securities measured at FVTPL[1] as well as rental income from investment properties;
(d) Movements recognized in OCI in unrealised appreciation or depreciation of debt securities classified as measured at FVOCI;
(e) Realised gains and losses on disposal of FVOCI debt securities being "recycled" (reclassified) to profit or loss;
(f) Impairment gains or losses arising from movements in ECL allowance on financial assets measured at amortised cost and FVOCI, which are recognized in profit or loss; and
(g) Interest expense on subordinated debt held by the Group that is measured at amortised cost and interest expense on investment contract liabilities.

An analysis of net investment income broken down by class of financial instruments and IFRS 9 classification category namely, amortised cost, FVOCI and FVTPL is presented in the below table. The table also shows what amounts were recognized in profit or loss or OCI.

[1] As a matter of accounting policy choice, the Group does not present interest income on financial assets measured at fair value through profit or loss as an additional line item on the face of the profit or loss, but instead it discloses it in this note.

GROUP	31/12/2023						
	(€ thousands)						
	Financial Assets			Other investments	Financial liabilities		
	AC	FVOCI	FVTPL		AC	FVTPL	Total
Interest revenue from financial investments not measured at FVTPL							
Debt securities	17,586	17,556	-	-	-	-	**35,142**
Investments for unit-linked contracts	-	2,204	-	-	-	-	**2,204**
Cash and cash equivalents	394	-	-	-	-	-	**394**
Loans and other financial receivables	1,035	-	-	-	-	-	**1,035**
Total	**19,015**	**19,760**	**-**	**-**	**-**	**-**	**38,775**
Net realised gains/(losses) and change in fair value of FVTPL financial investments							
Debt securities	-	-	15,755	-	-	-	**15,755**
Equity securities	-	-	7,003	-	-	-	**7,003**
Mutual funds	-	-	23,116	-	-	-	**23,116**
Investments for unit-linked contracts	-	-	29,218	-	-	-	**29,218**
Private investment funds	-	-	2,364	-	-	-	**2,364**
Derivatives	-	-	119	-	-	-	**119**
Total	**-**	**-**	**77,574**	**-**	**-**	**-**	**77,575**
Other interest and similar income							
Dividend income from equity investments	-	100	1,390	-	-	-	**1,490**
Interest revenue from financial assets at FVTPL	-	-	7,782	-	-	-	**7,782**
Rental income from investment properties	-	-	-	4,170	-	-	**4,170**
Disposals of investment properties	-	-	-	1,235	-	-	**1,235**
Total	**-**	**100**	**9,172**	**5,405**	**-**	**-**	**14,677**
Net gains/(losses) on investments in debt securities measured at FVTOCI reclassified to profit or loss on disposal	-	12,074	-	-	-	-	**12,074**
Net credit impairment losses							
Debt securities	847	(185)	-	-	-	-	**662**
Investments for unit-linked contracts	-	22	-	-	-	-	**22**
Loans and other financial receivables	156	-	-	-	-	-	**156**
Term deposits	35	-	-	-	-	-	**35**
Total	**1,038**	**(163)**	**-**	**-**	**-**	**-**	**875**
Net gains/(losses) on investments measured at FVOCI							
Debt securities	-	52,948	-	-	-	-	**52,948**
Equity securities	-	(783)	-	-	-	-	**(783)**
Investments for unit-linked contracts	-	1,327	-	-	-	-	**1,327**
Net foreign exchange gains/(losses) on financial assets not held at FVTPL	-	(799)	-	-	-	-	**(799)**
Net gains/(losses) reclassified to profit or loss on disposal	-	(12,074)	-	-	-	-	**(12,074)**
	-	**40,619**	**-**	**-**	**-**	**-**	**40,619**
Total interest revenue and investment income (a)	**20,053**	**72,390**	**86,746**	**5,405**	**-**	**-**	**184,595**
Interest expense on subordinated loans	-	-	-	-	(13,977)	-	**(13,977)**
Interest expense on investment contracts	-	-	-	-	(14,200)	-	**(14,200)**
Total interest expense on financial liabilities (b)	**-**	**-**	**-**	**-**	**(28,177)**	**-**	**(28,177)**
Net investment income (a)+(b)	**20,053**	**72,390**	**86,746**	**5,405**	**(28,177)**	**-**	**156,418**
Amounts recognised in profit or loss	20,053	31,771	86,746	5,405	(28,177)	-	**115,799**
Amounts recognised in OCI	-	40,619	-	-	-	-	**40,619**
Total interest revenue and investment income	**20,053**	**72,390**	**86,746**	**5,405**	**(28,177)**	**-**	**156,418**

COMPANY	31/12/2023						
	(€ thousands)						
	Financial assets			Other investments	Financial liabilities		
	AC	FVOCI	FVTPL		AC	FVTPL	Total
Interest revenue from financial investments not measured at FVTPL							
Debt securities	17,586	17,556	-	-	-	-	**35,142**
Investments for unit-linked contracts	-	2,204	-	-	-	-	**2,204**
Cash and cash equivalents	273	-	-	-	-	-	**273**
Loans and other financial receivables	1,035	-	-	-	-	-	**1,035**
Total	**18,894**	**19,760**	**-**	**-**	**-**	**-**	**38,654**
Net realised gains/(losses) and change in fair value of FVTPL financial investments							
Debt securities	-	-	14,386	-	-	-	**14,386**
Equity securities	-	-	6,997	-	-	-	**6,997**
Mutual funds	-	-	22,700	-	-	-	**22,700**
Investments for unit-linked contracts	-	-	26,854	-	-	-	**26,854**
Private investment funds	-	-	2,363	-	-	-	**2,363**
Derivatives	-	-	119	-	-	-	**119**
Total	**-**	**-**	**73,419**	**-**	**-**	**-**	**73,419**
Other interest and similar income							
Dividend income from equity investments	-	100	1,006	-	-	-	**1,106**
Interest revenue from financial assets at FVTPL	-	-	6,507	-	-	-	**6,507**
Rental income from investment properties	-	-	-	4,170	-	-	**4,170**
Disposals of investment properties	-	-	-	1,235	-	-	**1,235**
Total	**-**	**100**	**7,513**	**5,405**	**-**	**-**	**13,018**
Net gains/(losses) on investments in debt securities measured at FVTOCI reclassified to profit or loss on disposal	-	12,074	-	-	-	-	**12,074**
Net credit impairment losses							
Debt securities	847	(185)	-	-	-	-	**662**
Investments for unit-linked contracts	-	22	-	-	-	-	**22**
Loans and other financial receivables	156	-	-	-	-	-	**156**
Term deposits	35	-	-	-	-	-	**35**
Total	**1,038**	**(163)**	**-**	**-**	**-**	**-**	**875**
Net gains/(losses) on investments measured at FVOCI							
Debt securities	-	52,948	-	-	-	-	**52,948**
Equity securities	-	(783)	-	-	-	-	**(783)**
Investments for unit-linked contracts	-	1,327	-	-	-	-	**1,327**
Net foreign exchange gains/(losses) on financial assets not held at FVTPL	-	(167)	-	-	-	-	**(167)**
Net gains/(losses) reclassified to profit or loss on disposal	-	(12,074)	-	-	-	-	**(12,074)**
	-	**41,251**	**-**	**-**	**-**	**-**	**41,251**
Total interest revenue and investment income (a)	**19,932**	**73,022**	**80,932**	**5,405**	**-**	**-**	**179,291**
Interest expense on subordinated loans	-	-	-	-	(13,977)	-	**(13,977)**
Interest expense on investment contracts	-	-	-	-	(14,200)	-	**(14,200)**
Total interest expense on financial liabilities (b)	**-**	**-**	**-**	**-**	**(28,177)**	**-**	**(28,177)**
Net investment income (a)+(b)	**19,932**	**73,022**	**80,932**	**5,405**	**(28,177)**	**-**	**151,114**
Amounts recognised in profit or loss	19,932	31,771	80,932	5,405	(28,177)	-	**109,863**
Amounts recognised in OCI	-	41,251	-	-	-	-	**41,251**
Total interest revenue and investment income	**19,932**	**73,022**	**80,932**	**5,405**	**(28,177)**	**-**	**151,114**

As permitted by IFRS 9, the Group has not restated the comparatives on initial application of the standard. As a result, the income statement at 31 December 2022 does not reflect the change in classification and impairment of financial investments. What is more, post-adoption of IFRS 9, the presentation of net investment income both on the face of the income statement and the disclosure note has been changed significantly to reflect the new disclosure requirements of IFRS 9, the changes prescribed by IFRS 7 as well as the consequential amendments to IAS 1 'Presentation of Financial Statements'. Accordingly, the FY 2022 comparative period is presented below to reflect solely the net investment income as was disclosed under IAS 39.

GROUP	31/12/2022 (€ thousands)					
	AFS	Trading	LaR	Other investments	Interest / finance expense	Total
Interest, dividends and other investment income						
Debt securities	39,187	571	2,314	-	-	**42,072**
Equity securities	6,573	113	-	-	-	**6,686**
Mutual funds	-	-	-	-	-	**-**
Investments for unit-linked contracts	-	-	-	-	-	**-**
Derivatives	-	-	-	-	-	**-**
Rental income from investment properties	-	-	-	4,134	-	**4,134**
Interest on deposits and other interest income	-	-	-	349	-	**349**
Gains/(losses) on disposal of investments	-	-	-	-	-	**-**
Debt securities	53,575	-	-	-	-	**53,575**
Equity securities	2,382	-	-	-	-	**2,382**
Mutual funds	(23)	-	-	-	-	**(23)**
Disposals of investment properties	-	-	-	5,587	-	**5,587**
Unrealized gains/(losses) from investments	-	-	-	-	-	**-**
Debt securities	-	(6,066)	-	-	-	**(6,066)**
Equity securities	-	-	-	-	-	**-**
Mutual funds	-	(1,113)	-	-	-	**(1,113)**
Investments for unit-linked contracts	-	(30,840)	-	-	-	**(30,840)**
Derivatives	-	96	-	-	-	**96**
	-	-	-	-	-	**-**
Net credit impairment losses	(3,473)	-	-	(9,663)	-	**(13,136)**
	-	-	-	-	-	**-**
Interest expense on financial liabilities	-	-	-	-	(12,226)	**(12,226)**
Net result from investment contracts	-	-	-	-	(11,968)	**(11,968)**
Net investment income under IAS 39	**98,221**	**(37,239)**	**2,314**	**407**	**(24,194)**	**39,509**

COMPANY	31/12/2022					
	(€ thousands)					
	AFS	Trading	LaR	Other investments	Interest / finance expense	Total
Interest, dividends and other investment income						
Debt securities	39,187	-	2,314	-	-	**41,501**
Equity securities	6,573	-	-	-	-	**6,573**
Mutual funds	-	-	-	-	-	**-**
Investments for unit-linked contracts	-	-	-	-	-	**-**
Derivatives	-	-	-	-	-	**-**
Rental income from investment properties	-	-	-	4,134	-	**4,134**
Interest on deposits and other interest income	-	-	-	386	-	**386**
Gains/(losses) on disposal of investments	-	-	-	-	-	**-**
Debt securities	53,515	-	-	-	-	**53,515**
Equity securities	2,382	-	-	-	-	**2,382**
Mutual funds	(23)	-	-	-	-	**(23)**
Disposals of investment properties	-	-	-	5,587	-	**5,587**
Unrealized gains/(losses) from investments	-	-	-	-	-	**-**
Debt securities	-	-	-	-	-	**-**
Equity securities	-	-	-	-	-	**-**
Mutual funds	-	-	-	-	-	**-**
Investments for unit-linked contracts	-	(23,322)	-	-	-	**(23,322)**
Derivatives	-	119	-	-	-	**119**
Net credit impairment losses	(3,473)	-	-	(9,663)	-	**(13,136)**
Interest expense on financial liabilities	-	-	-	-	(12,226)	**(12,226)**
Net result from investment contracts	-	-	-	-	(11,968)	**(11,968)**
Net investment income under IAS 39	**98,161**	**(23,203)**	**2,314**	**444**	**(24,194)**	**53,522**

NOTE 8: CHANGE IN IMPAIRMENT OF FINANCIAL INVESTMENTS

This note explains the change in loss allowance by stage of the Group's portfolio of financial assets subject to the impairment requirements of IFRS 9. The financial assets recorded in each stage have the following characteristics:

- Stage 1: These assets are unimpaired and without significant increase in credit risk on which a 12-month allowance for ECL is recognized
- Stage 2: A significant increase in credit risk has been experienced on these assets since initial recognition for which a lifetime ECL is recognized
- Stage 3: There is objective evidence of impairment and the assets are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognized.

a. Change in ECL allowance of financial investments measured at amortised cost

The following table provides a reconciliation by stage of the Group's gross carrying amount and allowances for debt instruments, loans and term deposits measured at amortised cost.
Movements are calculated on a quarterly basis and therefore fully capture stage movements between quarters. If movements were calculated on a year-to-date basis, they would only reflect the opening and closing position of the financial instrument.

Changes in 'new financial investments originated or purchased' and 'investments matured or sold' represent the impact from volume movements within the Group's financial investments portfolio

	Stage 1		Stage 2		Stage 3		Total	
	Carrying amount	ECL allowance	Carrying amount	ECL allowance	Carrying amount	ECL allowance	Carrying amount	ECL allowance
Balance as at 1 January 2023								
Debt securities	1,017,285	(1,540)	10,332	(470)	-	-	1,027,617	(2,010)
Term deposits	16,711	(42)	-	-	-	-	16,711	(42)
Loans	8,665	-	2,052	(8)	2,409	(280)	13,126	(288)
Total (a)	**1,042,661**	**(1,583)**	**12,384**	**(478)**	**2,409**	**(280)**	**1,057,454**	**(2,340)**
Transfer to Stage 1								
Debt securities	10,332	(7)	(10,332)	470	-	-	-	463
Term deposits	-	-	-	-	-	-	-	-
Loans	501	-	(350)	2	(151)	-	-	2
Transfer to Stage 2								
Loans	(47)	-	255	-	(208)	-	-	-
Transfer to Stage 3								
Loans	(71)	-	(86)	-	157	-	-	-
Total (b)	**10,715**	**(7)**	**(10,513)**	**472**	**(202)**	**-**	**-**	**465**
Originated or purchased								
Debt securities	118,175	(81)	-	-	-	-	118,175	(81)
Term deposits	16,878	(6)	-	-	-	-	16,878	(6)
Loans	610	(2)	9	-	5	(5)	624	(7)
Total (c)	**135,663**	**(89)**	**9**	**-**	**5**	**(5)**	**135,677**	**(94)**
Matured or sold								
Debt securities	(109,958)	99	-	-	-	-	(109,958)	99
Term deposits	(16,711)	42	-	-	-	-	(16,711)	42
Loans	(1,412)	-	(180)	(1)	(85)	2	(1,677)	1
Total (d)	**(128,081)**	**141**	**(180)**	**(1)**	**(85)**	**2**	**(128,346)**	**142**
Remeasurements								
Debt securities	(11)	366	-	-	-	-	(11)	366
Term deposits	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Total (e)	**(11)**	**366**	**-**	**-**	**-**	**-**	**(11)**	**366**
Total impairment charge for the period (f=b+c+d+e)	**-**	**411**	**-**	**471**	**-**	**(3)**	**-**	**879**
Balance as at 31 December 2023	**1,060,947**	**(1,172)**	**1,700**	**(7)**	**2,127**	**(283)**	**1,064,774**	**(1,462)**

As shown in the previous table, the allowance for ECL for financial investments measured at amortized cost decreased €0.878m during the period from €2.340m at 1 January 2023 to €1.462m at 31 December 2023. This decrease was driven by:

- €0.465m relating to underlying credit quality changes, including the credit quality impact of financial instruments transferring between stages;
- €0.142m relating to volume movements, which included the ECL allowance associated with assets derecognized (sold) and further repayment (matured);
- €0.366m relating to remeasurement impact of stage transfers.

These were partially offset by:

€0.094m relating to volume movements, which included the ECL allowance associated with new originations.

b. Change in ECL allowance of financial investments measured at FVOCI

The following table provides a reconciliation by stage of the Group's gross carrying amount and allowances for debt instruments and unit-linked assets measured at FVOCI.

Movements are calculated on a quarterly basis and therefore fully capture stage movements between quarters. If movements were calculated on a year-to-date basis, they would only reflect the opening and closing position of the financial instrument.

Changes in 'new financial investments originated or purchased' and 'investments matured or sold' represent the impact from volume movements within the Group's financial investments portfolio.

	Stage 1		Stage 2		Stage 3		Total	
	Carrying amount	ECL allowance	Carrying amount	ECL allowance	Carrying amount	ECL allowance	Carrying amount	ECL allowance
Balance as at 1 January 2023								
Debt securities	777,443	(660)	-	-	-	-	777,443	(660)
Investments for unit-linked contracts	70,105	(67)	-	-	-	-	70,105	(67)
Total (a)	**847,548**	**(727)**	-	-	-	-	**847,548**	**(727)**
Originated or purchased								
Debt securities	134,361	(118)	-	-	-	-	134,361	(118)
Investments for unit-linked contracts	38,746	(33)	-	-	-	-	38,746	(33)
Total (b)	**173,107**	**(151)**	-	-	-	-	**173,107**	**(151)**
Matured or sold								
Debt securities	(119,764)	74	-	-	-	-	(119,764)	74
Investments for unit-linked contracts	(45,372)	54	-	-	-	-	(45,372)	54
Total (c)	**(165,136)**	**127**	-	-	-	-	**(165,136)**	**127**
Remeasurements								
Debt securities	54,447	(140)	-	-	-	-	54,447	(140)
Investments for unit-linked contracts	1,617	1	-	-	-	-	1,617	1
Total (d)	**56,064**	**(139)**	-	-	-	-	**56,064**	**(139)**
Total impairment charge for the period (e=b+c+d)	-	**(163)**	-	-	-	-	-	**(163)**
Balance as at 31 December 2023	**911,583**	**(890)**	-	-	-	-	**911,583**	**(890)**

As shown in the previous table, the allowance for ECL for financial investments measured at FVOCI increased €0.163m during the period from €0.727m at 1 January 2023 to €0.890m at 31 December 2023. This increase was driven by:

- €0.151m relating to volume movements, which included the ECL allowance associated with new originations.
- €0.139m relating to remeasurement impact.

These were partially offset by:

- €0.127m relating to volume movements, which included the ECL allowance associated with assets derecognized (sold) and further repayment (matured);

NOTE 9: OTHER EXPENSES

The below table analyses the operating expenses for the years ended 2023 and 2022:

GROUP	31/12/2023				31/12/2022			
	(€ thousands)							
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
Personnel costs	(11,037)	(20,469)	(35,142)	**(66,648)**	(12,870)	(20,801)	(12,630)	**(46,301)**
Third party fees	(2,425)	(5,399)	(12,500)	**(20,324)**	(1,910)	(11,320)	(18,445)	**(31,674)**
Telecommunications-Postage	(1,245)	(2,299)	(470)	**(4,014)**	(1,888)	(3,095)	962	**(4,022)**
Rentals	(38)	(106)	(43)	**(187)**	(39)	(117)	(26)	**(183)**
Insurance premiums	(233)	(588)	(234)	**(1,056)**	(180)	(424)	(178)	**(783)**
Repairs and maintenance	(895)	(1,304)	(668)	**(2,867)**	(407)	(544)	(357)	**(1,308)**
Taxes / duties	(145)	(1,288)	(393)	**(1,826)**	(101)	(1,262)	(365)	**(1,728)**
Transport and travel expenses	(408)	(231)	(842)	**(1,481)**	(273)	(237)	(442)	**(952)**
Advertising and promotion	(156)	(1,310)	(5,857)	**(7,322)**	(112)	(602)	(3,084)	**(3,798)**
Stationery	(363)	(338)	(96)	**(797)**	(311)	(252)	(58)	**(621)**
Depreciation & impairment of assets	(2,170)	(4,158)	(3,139)	**(9,467)**	(2,002)	(4,009)	(2,859)	**(8,871)**
Provision for ligitation	8	(5,779)	(1,422)	**(7,192)**	7	-	(405)	**(398)**
Other	(541)	(2,186)	(6,638)	**(9,365)**	(1,032)	(3,200)	(8,901)	**(13,133)**
Total	**(19,647)**	**(45,456)**	**(67,443)**	**(132,546)**	**(21,118)**	**(45,863)**	**(46,790)**	**(113,771)**

COMPANY	31/12/2023				31/12/2022			
	(€ thousands)							
	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total	Expenses attributed to insurance acquisition cash flows	Other directly attributable expenses	Other operating expenses	Total
Personnel costs	(7,377)	(20,469)	(34,436)	**(62,282)**	(9,356)	(20,801)	(11,851)	**(42,008)**
Third party fees	(1,866)	(5,399)	(12,392)	**(19,658)**	(1,433)	(11,320)	(18,339)	**(31,092)**
Telecommunications-Postage	(1,143)	(2,299)	(450)	**(3,892)**	(1,787)	(3,095)	984	**(3,898)**
Rentals	(38)	(106)	(43)	**(187)**	(39)	(117)	(26)	**(183)**
Insurance premiums	(201)	(588)	(228)	**(1,017)**	(146)	(424)	(171)	**(741)**
Repairs and maintenance	(794)	(1,304)	(648)	**(2,747)**	(320)	(544)	(337)	**(1,202)**
Taxes / duties	(107)	(1,288)	(385)	**(1,781)**	(72)	(1,262)	(359)	**(1,693)**
Transport and travel expenses	(104)	(231)	(783)	**(1,118)**	(105)	(237)	(405)	**(747)**
Advertising and promotion	(17)	(1,310)	(5,830)	**(7,157)**	(13)	(602)	(3,062)	**(3,677)**
Stationery	(299)	(338)	(84)	**(721)**	(224)	(252)	(39)	**(514)**
Depreciation & impairment of assets	(1,702)	(4,158)	(3,048)	**(8,909)**	(1,564)	(4,009)	(2,762)	**(8,335)**
Provision for ligitation	-	(5,779)	(1,423)	**(7,202)**	-	-	(407)	**(407)**
Other	(209)	(2,186)	(6,217)	**(8,612)**	(760)	(3,200)	(4,264)	**(8,224)**
Total	**(13,858)**	**(45,456)**	**(65,969)**	**(125,283)**	**(15,820)**	**(45,863)**	**(41,039)**	**(102,722)**

Personnel costs are analyzed as follows:

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Wages and salaries	(51,680)	(38,535)	(48,453)	(35,371)
Obligatory social security contributions	(10,108)	(9,234)	(9,149)	(8,271)
Defined benefit plan	(1,921)	3,825	(1,888)	3,850
Premiums of company's employees DAF contracts	(2,939)	(2,357)	(2,792)	(2,216)
Total personnel costs	**(66,649)**	**(46,301)**	**(62,283)**	**(42,008)**

Line item “Premiums of Company’s employees DAF contracts” includes contributions of the Company for 2023 of €0,9m (€0,8m for 2022), relating to the group policy of the personnel’s defined contribution.

During 2023, the Group had an average of 684 employees, while the Company had an average of 598 (2022: 790 employees for the Group, and 575 employees for the Company).

Total operating expenses for the Group reached €132,9m in 2023 compared to €113,7m in 2022, representing an increase of €19,2m year on year.

The increase in line item "Personnel costs" is mainly attributed to the Voluntary Exit Scheme for the personnel in 2023.

The decrease in line item "Third party fees" is attributed to lower cost in 2023 from consulting services related to the operational transformation of the Company.

The increase in line item «Repair and maintenance» is mainly attributed to services related to digitalization projects.

The increase in line item "Advertising and promotion" is attributed to higher costs incurred for advertisement services and sponsorships.

The increase in line item "Provision for litigation" is driven by recognition of a provision for the legal case of the Pension Fund of Ethniki Employees (A.T.A.P.E.) of €7,2m.

NOTE 10: OTHER INCOME

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Gains/(Losses) on foreign exchange differences	(84)	450	(84)	450
Unit-Linked fees	163	32	163	32
Other fees from third parties	9	16	3	13
Gains/(Losses) on disposal of fixed assets	(3)	408	(3)	408
Other fees from third parties	531	696	461	693
Total other income	**616**	**1,602**	**540**	**1,596**

For year 2022, within "gain on disposal of fixed assets" is included the gain from the sale of properties by the Company at 61 Astipalea Street in Athens. 68 Vassileos Georgiou Street in Argostoli of Kefallonia, 97 Ippokratous & 8 kallidromiou Street in Athens, 54 Kolindrou Street in Katerini as well as the plot in kalamaki (Isthmia, Korinthia).

NOTE 11: FINANCE COSTS

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Bank expenses	(468)	(347)	(468)	(347)
Other	(237)	(15)	(237)	(15)
Total finance costs	**(705)**	**(362)**	**(705)**	**(362)**

NOTE 12: INCOME TAX EXPENSE

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Current tax - current year	(117)	(20,627)	-	(20,166)
Current tax - previous years	(5,787)	1,263	(5,787)	1,263
Deferred tax	12,673	(18,570)	12,673	(19,213)
Total income tax	**6,769**	**(37,934)**	**6,886**	**(38,116)**

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Profit before tax	**(36,112)**	**70,157**	**(38,446)**	**79,594**
	-	-	-	-
Tax calculated based on the current tax rate	**7,945**	**(15,435)**	**8,458**	**(17,511)**
Effect of tax rate change in Greece	-	-	()	-
Effect of different tax rates in other countries	118	(36)	-	-
Income/expenses not subject to taxation	(3,800)	(84)	(3,800)	(84)
Non tax - deductible expenses	8,204	(1,618)	7,926	(1,618)
Dividend distribution of prior year income	-	(20,166)	-	(20,166)
Previous years' income tax	(5,787)	1,263	(5,787)	1,263
Other differences	88	(1,858)	88	-
Tax calculated based on the effective tax rate	**6,769**	**(37,934)**	**6,886**	**(38,116)**
Applicable tax rate	22%	22%	22%	22%
Effective tax rate	19%	54%	18%	48%

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	2018 - 2023
ETHNIKI GENERAL INSURANCE CYPRUS LTD	CYPRUS	2012 - 2023
ETHNIKI INSURANCE CYPRUS LTD	CYPRUS	2012 - 2023
NATIONAL INSURANCE AGENTS & CONSULTANTS LTD	CYPRUS	2008 - 2023
SOCIETATE COMERCIALA GARANTA ASIGURARI S.A.	ROMANIA	2003 - 2023

NOTE 13: PROPERTY AND EQUIPMENT

GROUP

	Land	Buildings	Right of use assets	Vehicles & equipment	Leasehold improvements	Assets under construction	Total
				(€ thousands)			
Cost							
Balance at 1/1/2022	**56,782**	**102,773**	**4,264**	**30,641**	**1,440**	**1,712**	**197,612**
Additions	-	254	1,187	824	16	14	2,295
Transfers	(3,139)	(3,205)	(243)	(1,001)	-	-	(7,588)
Disposals & write offs	(202)	(1,011)	(135)	(346)	(19)	-	(1,713)
Balance at 31/12/2022	**53,441**	**98,811**	**5,073**	**30,118**	**1,437**	**1,726**	**190,606**
Accumulated depreciation and impairment							
Balance at 1/1/2022	**(858)**	**(46,971)**	**(2,784)**	**(28,242)**	**(1,337)**	**-**	**(80,192)**
Disposals & write offs	-	303	77	332	19	-	731
Transfers' Depreciation charge	832	1,115	143	695	-	-	2,785
Depreciation charge	-	(2,600)	(966)	(979)	(41)	-	(4,586)
Balance at 31/12/2022	**(26)**	**(48,153)**	**(3,531)**	**(28,194)**	**(1,359)**	**-**	**(81,262)**
Net book value at 31/12/2022	**53,415**	**50,658**	**1,542**	**1,924**	**78**	**1,726**	**109,343**
Cost							
Balance at 1/1/2023	**53,442**	**98,811**	**5,073**	**30,118**	**1,437**	**1,726**	**190,607**
Additions	80	622	1,291	2,629	-	74	4,696
Transfers	(486)	(634)	-	-	-	-	(1,120)
Disposals & write offs	-	-	(534)	(406)	(336)	(66)	(1,342)
Balance at 31/12/2023	**53,036**	**98,799**	**5,830**	**32,341**	**1,101**	**1,734**	**192,841**
Accumulated depreciation and impairment							
Balance at 1/1/2023	**(26)**	**(48,153)**	**(3,531)**	**(28,194)**	**(1,359)**	**-**	**(81,263)**
Disposals & write offs	-	-	412	294	336	-	1,042
Transfers' Depreciation charge	19	407	-	-	-	-	426
Depreciation charge	(117)	(2,560)	(1,031)	(1,036)	(11)	(14)	(4,769)
Balance at 31/12/2023	**(124)**	**(50,305)**	**(4,149)**	**(28,935)**	**(1,034)**	**(14)**	**(84,564)**
Net book value at 31/12/2023	**52,912**	**48,494**	**1,681**	**3,406**	**67**	**1,720**	**108,277**

COMPANY

	Land	Buildings	Right of use assets	Vehicles & equipment	Leasehold improvements	Assets under construction	Total
				(€ thousands)			
Cost							
Balance at 1/1/2022	**55,872**	**96,166**	**2,767**	**27,382**	**1,266**	**1,712**	**185,165**
Additions	-	235	985	668	16	14	1,918
Transfers	(2,799)	(428)	-	-	-	-	(3,227)
Disposals & write offs	(201)	(1,011)	(135)	(335)	(19)	-	(1,701)
Balance at 31/12/2022	**52,872**	**94,962**	**3,617**	**27,715**	**1,263**	**1,726**	**182,155**
Accumulated depreciation and impairment							
Balance at 1/1/2022	**(796)**	**(44,469)**	**(1,817)**	**(25,471)**	**(1,239)**	-	**(73,792)**
Disposals & write offs	-	303	77	321	19	-	720
Transfers' Depreciation charge	767	147	-	-	-	-	914
Depreciation charge	-	(2,485)	(671)	(911)	(28)	-	(4,095)
Balance at 31/12/2022	**(29)**	**(46,504)**	**(2,411)**	**(26,061)**	**(1,248)**	-	**(76,253)**
		-	-	-	-	-	-
Net book value at 31/12/2022	**52,843**	**48,458**	**1,206**	**1,654**	**15**	**1,726**	**105,902**
Cost							
Balance at 1/1/2023	**52,872**	**94,962**	**3,617**	**27,715**	**1,263**	**1,726**	**182,155**
Additions	-	594	930	2,620	-	52	4,196
Transfers	(486)	(634)	-	-	-	-	(1,120)
Disposals & write offs	-	-	(272)	(406)	(336)	(66)	(1,080)
Balance at 31/12/2023	**52,386**	**94,922**	**4,275**	**29,929**	**927**	**1,712**	**184,151**
Accumulated depreciation and impairment							
Balance at 1/1/2023	**(29)**	**(46,504)**	**(2,411)**	**(26,061)**	**(1,248)**	-	**(76,253)**
Disposals & write offs	-	-	150	294	336	-	780
Transfers' Depreciation charge	19	407	-	-	-	-	426
Depreciation charge	-	(2,500)	(726)	(1,011)	(11)	-	(4,248)
Balance at 31/12/2023	**(10)**	**(48,597)**	**(2,987)**	**(26,778)**	**(923)**	-	**(79,295)**
Net book value at 31/12/2023	**52,376**	**46,325**	**1,288**	**3,151**	**4**	**1,712**	**104,856**

Depreciation and impairment charges are recognized under “Other expenses” in the statement of total comprehensive income.

The management of the Company engaged certified independent appraisers to value some of its own-used property and (103-105 Syggrou Avenue (building A, secured parking areas) – 310-312 Iera Odos str., Aegaleo – 5 Ag. Glykerias str., Galatsi – 37 Skalidi str.,Chania, Crete – 26 Eleftherias sq. Heraclion, Crete – 27 Tsimiski str., Thessaloniki – 70-72 Papanastasiou str., Larissa – 9 Patron str., Pyrgos – 135 Syggrou Avenue, Athens – 7-9 Ag. Dionysiou str., Patra – 294 Syggrou avenue, Athens).

The estimated fair value of the Company’s own-used property as at 31st December 2023 was set at €132,269 thousands, whereas property held for sale was fair valued at €64,623 thousands. The fair value of properties held for sale was based on the proposed selling price. The fair value of the municipality of Hellenikon property was set by reference to the 31.365/20.06.2017 Preliminary contract.

Line items “Transfers” and “Transfers – Depreciation Charge” include reclassifications of available-for-sale properties with a depreciable value of €694 thousands.

NOTE 14: ASSETS HELD FOR SALE

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Plot of Elliniko - 35th str.	6,120	6,120	6,120	6,120
20 Iasonos str., Korai, Argonafton - Volos	-	1,070	-	1,070
Kouklia VILAGE HA POTAMI No 19 Pafou, Cyprus	423	423	423	423
Fragkolagada - Argolida (field)	5	5	5	5
Stifogianni - Almiros Magnisia (field)	5	5	5	5
6 Ethn. Antistaseos str. - Arta (7 Vlachoutsh str.)	150	150	150	150
144 Vas. Olgas str. - Thessaloniki (residence)	260	260	260	260
17 Pol. Konstanta str. - Kerkyra	298	298	298	298
62 Athinas str - Athens	2,574	-	2,574	-
8 Pal. Patron Germanou str.- Filothei	1,740	-	1,740	-
19 Leonidou str. - Athens (plot)	170	-	170	-
36 Kolokinthous & Iasonos str. (plot)	430	-	430	-
2 Voulkoudi str. & 26 Giota Gonou str. - Giannitsa	71	-	71	-
121 Ethn. Antistaseos str. - Thessaloniki	651	-	651	-
4 Korai & 30 Stadiou str, Athens	41,379	-	41,379	-
Total assets held for sale	**54,276**	**8,331**	**54,276**	**8,331**

With regard to 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 31/12/2023 the legal transfer of the property has not been finalised (see note 30).

As of 30.04.2024, the property in 4 Korai & 30 Stadiou str, Athens that was held for sale at the current reporting period, was finally sold under the terms of the contract 18.229. The consideration received amounted to €48 million.

For the properties at 8 Pal. Patron Germanou str.- Filothei, 19 Leonidou str. - Athens, 36 Kolokinthous & Iasonos str. and 121 Ethn. Antistaseos str. – Thessaloniki owned by the Company, previous impairment losses amounting to € 761 thousands were reversed, € 203 thousands of which was attributed to buildings and the rest of € 558 thousands to land.

NOTE 15: INVESTMENT PROPERTY

	GROUP				COMPANY			
	Land	Buildings	Assets under construction	Total	Land	Buildings	Assets under construction	Total
				(€ thousands)				
Cost								
Balance at 1/1/2022	**47,090**	**97,170**	**-**	**144,260**	**46,973**	**96,525**	**-**	**143,498**
Transfers	2,306	(645)	-	1,661	2,423	-	-	2,423
Disposals	(2,790)	(7,465)	-	(10,255)	(2,790)	(7,465)	-	(10,255)
Additions	-	9	-	9	-	9	-	9
Balance at 31/12/2022	**46,606**	**89,069**	**-**	**135,675**	**46,606**	**89,069**	**-**	**135,675**
Accumulated depreciation and impairment								
Balance at 1/1/2022	**(1,380)**	**(64,472)**	**-**	**(65,852)**	**(1,380)**	**(64,159)**	**-**	**(65,539)**
Depreciation charge	-	(2,619)	-	(2,619)	-	(2,619)	-	(2,619)
Transfers	(737)	313	-	(424)	(737)	-	-	(737)
Disposals	(1)	5,781	-	5,780	(1)	5,781	-	5,780
Impairment charge	919	260	-	1,179	919	260	-	1,179
Balance at 31/12/2022	**(1,199)**	**(60,737)**	**-**	**(61,936)**	**(1,199)**	**(60,737)**	**-**	**(61,936)**
Net book value at 31/12/2022	**45,407**	**28,332**	**-**	**73,739**	**45,407**	**28,332**	**-**	**73,739**
Cost								
Balance at 1/1/2023	**46,606**	**89,069**	**-**	**135,675**	**46,606**	**89,069**	**-**	**135,675**
Transfers	(32,744)	(44,942)	-	(77,686)	(32,744)	(44,942)	-	(77,686)
Disposals	(1,650)	-	-	(1,650)	(1,650)	-	-	(1,650)
Additions	-	159	-	159	-	159	-	159
Balance at 31/12/2023	**12,212**	**44,286**	**-**	**56,498**	**12,212**	**44,286**	**-**	**56,498**
Accumulated depreciation and impairment								
Balance at 1/1/2023	**(1,199)**	**(60,737)**	**-**	**(61,936)**	**(1,199)**	**(60,737)**	**-**	**(61,936)**
Depreciation charge	-	(2,241)	-	(2,241)	-	(2,241)	-	(2,241)
Transfers	724	31,401	-	32,125	724	31,401	-	32,125
Disposals	250	-	-	250	250	-	-	250
Impairment charge	3	7	-	10	3	7	-	10
Balance at 31/12/2023	**(222)**	**(31,570)**	**-**	**(31,792)**	**(222)**	**(31,570)**	**-**	**(31,792)**
Net book value at 31/12/2023	**11,990**	**12,716**	**-**	**24,706**	**11,990**	**12,716**	**-**	**24,706**

Depreciation and impairment charges are recognized within the line “Other expenses” in the statement of total comprehensive income.

Rental income for the Group and the Company for the year ended 31st December 2023, amounted to €4,170 thousands and €4,170 thousands respectively. For 2022, rental income for the Group and the Company amounted to €4,148 thousands and €4,134 thousands respectively (see Note 7).

The fair value of investment properties held at 31.12.2023 is €45,479 thousands (carrying amount: €24,706 thousands).

The management of the Company had engaged certified independent appraisers to value certain investment property owned by the Group (103-105 Syggrou Ave. (building B, Conference center), Athens – 8 Karageorgi Servias str., Athens – 58 Athinas str., Athens – Ktima Argous , 4 Vas. Konstantinou str., Argos), the fair value of which at 31.12.2023 was determined at €35,140 thousands (carrying amount: €20,544 thousands).

During the reporting period of 2023, for investment properties held by the Company, previous impairment losses amounting to €10 thousands were reversed, €3 thousands of which was attributed to land and the rest of €7 thousands to buildings.

NOTE 16: INTAGIBLE ASSETS

	GROUP			COMPANY		
	Goodwill	Software	Total	Goodwill	Software	Total
			(€ thousands)			
Cost						
Balance at 1/1/2022	**671**	**56,091**	**56,762**	**-**	**54,357**	**54,357**
Additions	-	5,208	5,208	-	5,001	5,001
Transfers	(671)	(864)	(1,535)	-	-	-
Balance at 31/12/2022	**-**	**60,435**	**60,435**	**-**	**59,358**	**59,358**
Accumulated amortization and impairment						
Balance at 1/1/2022	**(187)**	**(45,309)**	**(45,496)**	**-**	**(44,136)**	**(44,136)**
Amortization charge	-	(2,933)	(2,933)	-	(2,889)	(2,889)
Transfers	187	366	553	-	-	-
Balance at 31/12/2022	**-**	**(47,876)**	**(47,876)**	**-**	**(47,025)**	**(47,025)**
Net book value at 31/12/2022	**-**	**12,559**	**12,559**	**-**	**12,333**	**12,333**
Cost						
Balance at 1/1/2023	**-**	**60,435**	**60,435**	**-**	**59,358**	**59,358**
Additions	-	5,553	5,553	-	5,329	5,329
Transfers	-	-	-	-	-	-
Balance at 31/12/2023	**-**	**65,988**	**65,988**	**-**	**64,687**	**64,687**
Accumulated amortization and impairment						
Balance at 1/1/2023	**-**	**(47,876)**	**(47,876)**	**-**	**(47,025)**	**(47,025)**
Amortization charge	-	(3,254)	(3,254)	-	(3,191)	(3,191)
Balance at 31/12/2023	**-**	**(51,130)**	**(51,130)**	**-**	**(50,216)**	**(50,216)**
Net book value at 31/12/2023	**-**	**14,858**	**14,858**	**-**	**14,471**	**14,471**

Amortization charges for the period are recognized under "Other expenses" in the statement of total comprehensive income.

Additions relate to the expenditure incurred for the operating improvement of the Company's software programs.

NOTE 17: INVESTMENT IN SUBSIDIARIES

		31/12/2023		31/12/2022	
	Country	% of ownership	Carrying value	% of ownership	Carrying value
Participation			*(€ thousands)*		
Company					
ETHNIKI INSURANCE (CYPRUS) LTD	Cyprus	100.00%	5,704	100.00%	5,704
Total investments in subsidiaries			**5,704**		**5,704**

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.

During the last quarter of 2023 the Company re-assessed the potential of disinvestment from its subsidiary in Romania "Societate Comerciala Garanta Asigurari S.A." and as a result, management has retained its commitment to a plan to sell the aforementioned subsidiary. Consequently, the investment in the subsidiary has been presented as a held for sale asset, for which an impairment of €9.332 thousands has been recognized (2022: €9.663 thousands), effectively reducing the investment value to zero.

ASSETS AND LIABILITIES HELD FOR SALE

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
		(€ thousands)		
Assets held for Sale				
SOCIETATE COMERCIALA GARANTA ASIGURARI S.A.	27,959	30,793	-	-
Liabilities directly associated with assets held for sale				
SOCIETATE COMERCIALA GARANTA ASIGURARI S.A.	27,959	30,793	-	-

NOTE 18: DEFFERED TAX ASSETS / LIABILITIES

GROUP	Balance at 31/12/2021	Recognized in profit or loss	Recognized in equity	Disposal of subsidiaries	Balance at 31/12/2022	IFRS9 transition	Recognized in profit or loss	Recognized in equity	Disposal of subsidiaries	Balance at 31/12/2023
					(€ thousands)					
Intangible assets	15	2	-	-	17	-	8	-	-	25
Carried forward tax losses	-	8,924	-	-	8,924	-	17,906	-	-	26,830
Post retirement benefits	5,099	(1,745)	(4,269)	-	(915)	-	(1,020)	894	-	(1,041)
Provision for non-performing receivables	1,029	(1,000)	-	(1)	28	-	1,915	-	-	1,943
Investment property	(4,749)	506	-	(35)	(4,278)	-	(80)	-	-	(4,358)
Property & equipment	(4,250)	(183)	-	(11)	(4,444)	-	(5)	-	-	(4,449)
Financial assets	(38,367)	(11,609)	130,746	7	80,777	(32,257)	(8,914)	(9,075)	-	30,531
PSI loss (Law 4046/12)	54,395	(2,720)	-	-	51,675	-	(2,720)	-	-	48,955
Other provisions	2,231	2,205	-	(533)	3,903	-	(480)	-	-	3,423
Insurance liabilities				-	73,579	-	6,063	3,270	-	82,912
Deferred tax assets	**142,245**	**(19,213)**	**86,807**	**(573)**	**209,266**		**12,673**	**(4,911)**	**-**	**184,771**
Property & equipment	-	-	-	-	-		-	-	-	-
Investment property	-	(9)	-	9	-		-	-	-	-
Other provisions	-	(440)	-	440	-		-	-	-	-
Available for sale securities	-	(194)	-	194	-		-	-	-	-
Deferred tax liabilities	**-**	**(643)**	**-**	**643**	**-**		**-**	**-**	**-**	**-**

COMPANY	Balance at 31/12/2021	Recognized in profit or loss	Recognized in equity	Balance at 31/12/2022	IFRS9 transition	Recognized in profit or loss	Recognized in equity	Balance at 31/12/2023
				(€ thousands)				
Intangible assets	15	2	-	17	-	8	-	25
Carried forward tax losses	-	8,924	-	8,924	-	17,906	-	26,830
Post retirement benefits	5,099	(1,745)	(4,269)	(915)	-	(1,020)	894	(1,041)
Provision for non-performing receivables	1,028	(1,000)	-	28	-	1,915	-	1,943
Investment property	(4,784)	506	-	(4,278)	-	(80)	-	(4,358)
Property & equipment	(4,261)	(183)	-	(4,444)	-	(5)	-	(4,449)
Financial assets	(38,360)	(11,609)	130,746	80,777	(32,257)	(8,914)	(9,075)	30,531
PSI loss (Law 4046/12)	54,395	(2,720)	-	51,675	-	(2,720)	-	48,955
Other provisions	1,697	2,205	-	3,902	-	(480)	-	3,422
Insurance liabilities	126,842	(13,593)	(39,669)	73,580	-	6,063	3,270	82,913
Deferred tax assets	**141,671**	**(19,213)**	**86,808**	**209,266**	**(32,257)**	**12,673**	**(4,911)**	**184,771**

Based on the Group's accounting principles and estimates for future taxable profits, the above deferred tax assets, concerning temporary tax differences, are deemed recoverable. Deferred tax asset on insurance liabilities relates to the adoption of IFRS 17, as described in Note 2.3.1.. At the date of IFRS 17 transition, deferred tax is mainly attributable to the CSM element that produced a deferred tax of €112.379 thousands (Company: €109.708 thousands), which will be amortized in accordance with the unwinding of the CSM. Deferred tax on carried forward tax losses, amounting to €9.012 thousands and €17.819 thousands for years 2022 and 2023 respectively, will be amortized up to and years 2027 and 2028.

The management's assessment on the recoverability of the deferred tax asset is described in Note 3.6.

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 2023 amounts to €222,523 thousands.

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

NOTE 19: BREAKDOWN OF FINANCIAL ASSETS AND LIABILITIES

The following table provides an analysis of the Group's financial assets and financial liabilities by type and classification category in accordance with IFRS 9, namely investments measured at amortized cost (AC), fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL), showing separately the carrying value of those (i) mandatorily classified and (ii) those designated at initial recognition.

GROUP	31/12/2023 (€ thousands) IFRS 9 Carrying amount					
	AC	FVOCI		FVTPL		Total
Financial assets		Designated	Mandatory	Designated	Mandatory	
Debt securities	1,034,660	-	846,488	4,855	354,979	**2,240,981**
Equity securities	-	3,601	-	-	25,694	**29,296**
Mutual funds	-	-	-	6,827	465,478	**472,305**
Private investment funds	-	-	-	-	63,062	**63,062**
Unit-linked	-	65,096	-	508,837	40,502	**614,435**
Loans	20,947	-	-	-	-	**20,947**
Derivative financial assets	-	-	-	-	358	**358**
Total financial assets	**1,055,607**	**68,697**	**846,488**	**520,519**	**950,074**	**3,441,384**
Other financial receivables	25,354	-	-	-	-	**25,354**
Cash and cash equivalents	55,532	-	-	-	-	**55,532**
Financial Liabilities						
Investment contract liabilities	1,022,771	-	-	27,224	-	**1,049,995**
Subordinated debt	177,171	-	-	-	-	**177,171**
Total financial liabilities	**1,199,942**	**-**	**-**	**27,224**	**-**	**1,227,166**

COMPANY	31/12/2023 (€ thousands) IFRS 9 Carrying amount					
	AC	FVOCI		FVTPL		Total
Financial assets		Designated	Mandatory	Designated	Mandatory	
Debt securities	1,034,660	-	846,488	4,856	332,278	**2,218,281**
Equity securities	-	3,601	-	-	25,681	**29,283**
Mutual funds	-	-	-	-	465,478	**465,478**
Private investment funds	-	-	-	-	63,062	**63,062**
Unit-linked	-	65,096	-	508,837	-	**573,933**
Loans	20,947	-	-	-	-	**20,947**
Derivative financial assets	-	-	-	-	358	**358**
Total financial assets	**1,055,607**	**68,697**	**846,488**	**513,693**	**886,858**	**3,371,342**
Other financial receivables	25,354	-	-	-	-	**25,354**
Cash and cash equivalents	43,213	-	-	-	-	**43,213**
Financial Liabilities						
Investment contract liabilities	1,022,771	-	-	27,224	-	**1,049,995**
Subordinated debt	177,171	-	-	-	-	**177,171**
Total financial liabilities	**1,199,942**	**-**	**-**	**27,224**	**-**	**1,227,166**

As permitted by IFRS 9, the Group has not restated the comparatives on initial application of the standard, nor has it applied the classification overlay as permitted by the amendments to IFRS 17. As a result, the statement of financial position at 31 December 2022 does not reflect the change in classification of certain debt securities from the IAS 39 available-for-sale category to amortized cost under IFRS 9. Accordingly, the FY 2022 comparative period is presented below to reflect solely the classification and measurement under IAS 39.

	GROUP 31/12/2022 (€ thousands) IAS 39 Carrying amount			
	AFS	Trading	LaR	Total
Debt securities	2,030,982	17,051	40,876	**2,088,909**
Equity securities	28,170	7	-	**28,177**
Mutual funds	435,368	6,411	-	**441,779**
Private equity funds	13,738	-	-	**13,738**
Unit-linked	-	615,617	-	**615,617**
Derivative financial assets	-	239	-	**239**
Total finanancial assets	**2,508,258**	**639,325**	**40,876**	**3,188,459**
Financial Liabilities				
Investment contract liabilities	1,019,733	-	-	**1,019,733**
Subordinated debt	177,166	-	-	**177,166**
Total financial liabilities	**1,196,899**	**-**	**-**	**1,196,899**

	COMPANY 31/12/2022 (€ thousands) IAS 39 Carrying amount			
	AFS	Trading	LaR	Total
Debt securities	2,030,982	-	40,876	**2,071,858**
Equity securities	28,170	-	-	**28,170**
Mutual funds	435,368	-	-	**435,368**
Private equity funds	13,738	-	-	**13,738**
Unit-linked	-	583,125	-	**583,125**
Derivative financial assets	-	239	-	**239**
Total finanancial assets	**2,508,258**	**583,364**	**40,876**	**3,132,498**
Financial Liabilities				
Investment contract liabilities	1,019,733	-	-	**1,019,733**
Subordinated debt	177,166	-	-	**177,166**
Total financial liabilities	**1,196,899**	**-**	**-**	**1,196,899**

NOTE 20: FINANCIAL ASSETS AT AMORTISED COST BY PRODUCT LINE

The table below presents the composition of the Group's financial assets classified as measured at amortized cost with the debt instruments portfolio being further broken into by type of issuer and listing status and loans being presented by type of borrower.

	GROUP 31/12/2023 Carrying amount	COMPANY 31/12/2023 Carrying amount
	(€ thousands)	
1. Debt securities		
A. Government bonds		
- Greek Government	40,664	40,664
- ForeignGovernment	832,646	832,646
B. Corporate bonds		
- Listed	161,350	161,350
- Unlisted	-	-
Total debt securities	**1,034,660**	**1,034,660**
2. Loans		
A. To staff		
- Mortgage	7,968	7,968
- Other	2,229	2,229
B. To intermediaries	750	750
C. Private credit	10,000	10,000
Total loans	**20,947**	**20,947**
3. Other financial receivables		
- Accrued interest income	**22,893**	22,893
- Other	**2,461**	2,461
Total other financial receivables	**25,354**	**25,354**
4. Cash and cash equivalents	**55,532**	**43,213**
Total	**1,136,493**	**1,124,174**

The amount of €10ml that refers to "Private credit" in the above table is related to a collateralized bond loan advanced to Dimand SA, a company operating in the real estate sector, as part of the Group's strategic asset allocation program. The loan has a term of 3 years, with a fixed annual interest rate at 8%.

The fair value of debt securities carried at amortized cost was €940,231. During 2023, the transfers between levels within the portfolios included transfers from Level 1 to Level 2 of €33,608 thousands and transfers from Level 2 to Level 1 of €231,816 thousands.

	GROUP 31/12/2023				COMPANY 31/12/2023			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	(€ thousands)				(€ thousands)			
Financial assets at AC								
Government bonds	640,879	148,062	-	788,941	640,879	148,062	-	788,941
Other debt securities	-	151,290	-	151,290	-	151,290	-	151,290
Total	**640,879**	**299,352**	**-**	**940,231**	**640,879**	**299,352**	**-**	**940,231**

NOTE 21: FINANCIAL ASSETS AT FVOCI BY PRODUCT LINE

The table below presents the composition of the Group's financial assets classified as measured at fair value through other comprehensive income. The Group's debt instruments portfolio is further broken into by type of issuer and listing status, the portfolio of equity instruments held is presented by listing status, with unit-linked assets being presented by type of investment exposure.

	GROUP 31/12/2023 Carrying amount	COMPANY 31/12/2023 Carrying amount
	(€ thousands)	
1. Debt securities		
A. Government bonds		
- Greek Government	111,150	111,150
- Foreign Government	718,515	718,515
B. Corporate bonds		
- Listed	16,822	16,822
- Unlisted	-	-
Total debt securities	**846,487**	**846,487**
2. Equity securities		
- Listed	3,601	3,601
- Unlisted	-	-
Total equity securities	**3,601**	**3,601**
3. Investments for unit-linked contracts		
A. Government bonds		
- Greek Government	**9,431**	9,431
- Foreign Government	**38,687**	38,687
B. Corporate bonds		
- Listed	**16,978**	16,978
- Unlisted	**-**	-
Total investments for unit-linked contracts	**65,096**	**65,096**
Total	**915,184**	**915,184**

FVOCI securities are categorized according to IFRS 13 in the following fair value hierarchy levels:

	GROUP 31/12/2023				COMPANY 31/12/2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(€ thousands)				(€ thousands)			
Financial assets at FVOCI								
Government bonds	609,097	220,568	-	829,665	609,097	220,568	-	829,665
Other debt securities	-	16,822	-	16,822	-	16,822	-	16,822
Equity securities	3,601	-	-	3,601	3,601	-	-	3,601
Unit-linked	36,747	28,349	-	65,096	36,747	28,349	-	65,096
Total	**649,445**	**265,739**	**-**	**915,184**	**649,445**	**265,739**	**-**	**915,184**

During 2023, the transfers between levels within the portfolios included transfers from Level 1 to Level 2 of €31,324 thousands and transfers from Level 2 to Level 1 of €63,652 thousands.

NOTE 22: FINANCIAL ASSETS AT FVTPL BY PRODUCT LINE

The table below presents the composition of the Group's financial assets classified as measured at fair value through profit or loss. The Group's debt instruments portfolio is further broken into by type of issuer and listing status, the portfolio of equity instruments held is presented by listing status, mutual fund assets being split into local and EU investments, with unit-linked assets being further presented by type of investment exposure.

	GROUP 31/12/2023 Carrying amount	COMPANY 31/12/2023 Carrying amount
	(€ thousands)	
1. Debt securities		
A. Government bonds		
- Greek Government	-	-
- Foreign Government	110,551	88,463
B. Corporate bonds		
- Listed	249,283	248,671
- Unlisted	-	-
Total debt securities	**359,834**	**337,133**
2. Equity securities		
- Listed	25,694	25,681
- Unlisted	-	-
Total equity securities	**25,694**	**25,681**
3. Mutual funds		
- Greek	85,878	85,878
- Other EU	386,428	379,601
Total mutual funds	**472,306**	**465,478**
4. Investments for unit-linked contracts		
- Mutual funds	251,241	244,127
- Debt securities (bonds)	18,748	1,976
- Equities	2,816	748
- Deposits	276,519	261,971
- Derivative financial assets	15	15
Total Investments for unit-linked contracts	**549,339**	**508,837**
5. Private investment funds	63,062	**63,062**
6. Derivative financial assets	358	**358**
Total	**1,470,593**	**1,400,550**

FVTPL securities are categorized according to IFRS 13 in the following fair value hierarchy levels:

	GROUP 31/12/2023				COMPANY 31/12/2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(€ thousands)				(€ thousands)			
Financial assets at FVTPL								
Government bonds	104,916	5,635	-	110,551	82,828	5,635	-	88,463
Other debt securities	34,430	214,853	-	249,283	33,818	214,853	-	248,671
Mutual Funds	472,306	-	-	472,306	465,478	-	-	465,478
Private equity funds	-	-	63,062	63,062	-	-	63,062	63,062
Equity securities	25,694	-	-	25,694	25,681	-	-	25,681
Derivatives	-	358	-	358	-	358	-	358
Unit-linked	285,661	263,678	-	549,339	248,656	260,181	-	508,837
Total	**923,007**	**484,524**	**63,062**	**1,470,593**	**856,461**	**481,027**	**63,062**	**1,400,550**

During 2023, the transfers between levels within the portfolios included transfers from Level 1 to Level 2 of €5,635 thousands and transfers from Level 2 to Level 1 of €49,527 thousands.

NOTE 23: PORTFOLIO ANALYSIS BY TYPE OF INTEREST RATE

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

GROUP 31/12/2023	Amortised cost	FVOCI	FVTPL	TOTAL
	(€ thousands)			
Fixed interest rate	1,006,263	903,786	373,725	2,283,774
Variable interest rate	28,397	7,797	4,857	41,051
Total	**1,034,660**	**911,583**	**378,582**	**2,324,825**

GROUP 31/12/2022	Available for sale	Trading	Loans & receivables	TOTAL
	(€ thousands)			
Fixed interest rate	2,003,238	17,052	40,876	2,061,166
Variable interest rate	27,744	-	-	27,744
Total	**2,030,982**	**17,052**	**40,876**	**2,088,910**

COMPANY 31/12/2023	Amortised cost	FVOCI	FVTPL	TOTAL
	(€ thousands)			
Fixed interest rate	1,006,263	903,786	334,253	2,244,302
Variable interest rate	28,397	7,797	4,856	41,050
Total	**1,034,660**	**911,583**	**339,109**	**2,285,352**

COMPANY 31/12/2022	Available for sale	Trading	Loans & receivables	TOTAL
	(€ thousands)			
Fixed interest rate	2,003,238	-	40,876	2,044,114
Variable interest rate	27,744	-	-	27,744
Total	**2,030,982**	**-**	**40,876**	**2,071,858**

NOTE 24: OTHER RECEIVABLES

This note analyses the Group's total other receivables which have been broken down into other receivables within the scope of IFRS 9 which are measured at amortized cost and other non-financial receivables.

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Other financial receivables				
Accrued interest	22,893	19,867	22,893	19,867
Amicable settlement claims	652	795	652	795
Other	60,053	60,312	60,053	60,312
Total other financial receivables	**83,598**	**80,974**	**83,598**	**80,974**
ECL allowance for other financial receivables	(58,244)	(58,414)	(58,244)	(58,414)
Total net other financial receivables	**25,354**	**22,560**	**25,354**	**22,560**
Staff mortgage loans	-	8,802	-	8,802
Loans to personnel - agents	-	3,463	-	3,463
Provision for doubtful loans	-	(275)	-	(275)
Loans	**-**	**11,990**	**-**	**11,990**
Other non financial receivables				
Prepaid expenses	41,725	4,131	41,725	4,131
Other	3,182	3,927	2,556	3,412
Total other non financial receivables	**44,907**	**8,058**	**44,281**	**7,543**
Total other receivables	**70,261**	**42,609**	**69,635**	**42,094**

Accrued interest relates to accrued interest revenue from debt securities and loans. Other receivables in scope of IFRS 9 include amounts receivable from intermediaries and other sundry balances. Amicable settlement claims relate to amounts receivable from those insurance companies that participate in the clearing system for moto claims. The recognition of the ECL allowance is based on the simplified approach adopted by the Group for other receivables measured at amortized cost.

In connection with the receivables in scope of IFRS 9, the Group, as permitted by the transitional provisions, has not restated the comparatives on initial application of the standard. As a result, the FY 2022 comparative period is presented to reflect solely the classification and measurement under IAS 39.

Staff loans and loans granted to intermediaries are presented only for the FY 2022 comparative period because up until the transition to IFRS 9 they were presented under other receivables. However, following the application of IFRS 9, loans are presented under the note financial assets (see note 19 and 20).

Before the application of IFRS 17, premiums receivable from policyholders were part of other assets and presented in this note. However, these are now considered to be within the boundary of an insurance contract and therefore are accounted for in accordance with IFRS 17 as part of the insurance liability both for the current and comparative reporting periods.

Other non-financial receivables include prepaid expenses and other accrued income.

NOTE 25: CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Cash in hand	214	101	4	4
Sight deposits	35,308	50,826	29,638	48,839
Time deposits with financial institutions	20,010	23,223	13,571	12,710
Total cash and cash equivalents	**55,532**	**74,150**	**43,213**	**61,553**

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

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

	31/12/2023				31/12/2022			
	Cash in hand	Sight deposits and repos	Time deposits with	TOTAL	Cash in hand	Sight deposits and repos	Time deposits with	TOTAL
	(€ thousands)				*(€ thousands)*			
GROUP								
Fixed interest rate	-	630	20,010	20,640	-	1,025	23,223	24,248
Non interest bearing	214	34,678	-	34,892	101	49,801	-	49,902
Total	**214**	**35,308**	**20,010**	**55,532**	**101**	**50,826**	**23,223**	**74,150**
COMPANY								
Fixed interest rate	-	630	13,571	14,201	-	1,025	12,710	13,735
Non interest bearing	4	29,008	-	29,012	4	47,814	-	47,818
Total	**4**	**29,638**	**13,571**	**43,213**	**4**	**48,839**	**12,710**	**61,553**

NOTE 26: SHARE CAPITAL

The share capital of the Company as at 31 December 2023 amounts to €235,221 thousands, divided in 196,017,480 registered shares with a nominal value of €1.2 each. As at 31 December 2023, the Company is a subsidiary of Ethniki Holdings S.á.r.l., which holds 100% of the Company's share capital.

NOTE 27: RESERVES

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Statutory reserve	26,100	26,100	26,863	26,863
Special reserves	2,027	2,027	2,027	2,027
Extraordinary reserves	3	3	3	3
Reserve from non taxable income	342	342	-	342
Available-for-sale securities reserve	-	(289,201)	-	(288,260)
Revaluation reserve for debt securities measured at FVOCI	(67,253)	-	(65,819)	-
Insurance/ Reinsurance finance reserve	117,418	129,009	117,418	129,009
Liabilities from defined benefit plans	2,313	5,484	2,313	5,484
Currency translation differences	(5,077)	(4,917)	-	-
Share option plan	4,057	-	4,057	-
Other reserves	2,227	1,915	-	-
Total reserves	**82,157**	**(129,238)**	**86,862**	**(124,532)**

Movement of OCI reserve:

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Balance at beginning of the period (under IAS 39)	**(289,201)**	**242,494**	**(288,260)**	**242,472**
Transional IFRS 9 impact	190,265	-	190,265	-
Net gains/(losses) from changes in fair value	41,358	(486,194)	41,851	(485,231)
Net (gains)/losses reclassified to profit or loss	(9,418)	(43,750)	(9,418)	(43,750)
Impairment gain/(loss)	(127)	2,957	(127)	2,957
Effect of tax rate change	-	(4,708)	-	(4,708)
Other movements	(130)	-	(130)	-
Balance at end of the period	**(67,253)**	**(289,201)**	**(65,819)**	**(288,260)**

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.

Revaluation reserve for debt securities (measured at FVOCI): This reserve includes valuation of gains and losses on FVOCI securities and is transferred to profit or loss upon sale. Any realized gains or losses are taxed with the corporate income tax rate.

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. This reserve has been replaced by the revaluation reserve for debt securities measured at FVOCI, due to the transition to IFRS9 (see note 2.3.1.2.).

Insurance/ Reinsurance finance reserve: The Group has elected to disaggregate (re)insurance finance income or expenses between profit or loss and other comprehensive income (OCI) for the majority of its portfolios measured under GMM and PAA, with the resulting impact of changes in market interest rates on the value of the insurance and related reinsurance assets and liabilities being reflected in OCI. The OCI option is also applied to portfolios of reinsurance contracts held (see note 2.9.13).

Extraordinary reserves: These reserves have been established in the past pursuant to a resolution of the Company's General Meeting, comprise of special reserves from the merger of subsidiaries and can be distributed to the 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 Company's defined benefit plans. Changes in the reserve over the year are presented in Note 41.

Currency translation differences: This reserve relates to the cumulative currency translation adjustments resulting from the use of closing and average exchange rates and from revaluing our Romanian subsidiary's opening net asset balance at closing. Cumulative translation adjustments are reclassified from OCI to net income upon disposal of our subsidiary.

NOTE 28: RETAINED EARNINGS

Retained earnings of the Company as at 31 December 31 2023, include realized gains on the disposal of E.U. bonds, interest on Greek Government Bonds and Treasury Bills, which under Ministerial Circular 1032/2015 and Law 5045/2023, 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. The aformentioned gains for which taxation has been suspended, amount to €3.563 thousands.
Following the 175/ 25.11.2022 Extraordinary General Meeting, the Company approved the distribution of a dividend of €91,689 thousand, deriving from other discretionary reserves (€1,251 thousand) and prior year profits (€90,438 thousand), in accordance with article 162, paragraph 3 of Law 4548/2018. The above distribution, to the sole shareholder of the Company "Ethniki Holdings S.à.r.l.", was completed within 2022.

NOTE 29: INVESTMENT CONTRACT LIABILITIES

GROUP & COMPANY	31/12/2023	31/12/2022
	(€ thousands)	
Group investment contracts		
Balance at beginning of the period	**217,948**	**195,996**
Contributions	53,031	41,578
Withdrawals	(31,128)	(19,073)
Interest	2,797	2,012
Other movements	16,538	(2,565)
Balance at end of the period	**259,185**	**217,948**
Investment contracts to individuals		
Balance at beginning of the period	**801,785**	**791,957**
Reserve release	(55,328)	(38,779)
New policies	-	-
Change in reserve	44,798	48,522
Other movements	(445)	85
Balance at end of the period	**790,810**	**801,785**
Total investment contract liabilities	**1,049,995**	**1,019,733**

Within line "Investment contracts to individuals" endowment contracts with premium return in case of death of amount €788,389 thousands (2022: €799,274 thousands) and Unit-Linked contracts of amount €2,421 thousands (2022: €2,511 thousands), are included.

Investment contract liabilities are in scope of IFRS 9. The vast majority is classified as measured at amortized cost (€1,022,771 thousands) while the rest is carried at fair value through profit or loss (€27,224 thousands). The fair value of the investment contract liabilities that were classified as measured at amortized cost was estimated to be €960.192 thousands (2022: €878.604 thousands).

NOTE 30: OTHER LIABILITIES

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
		(€ thousands)		
Amounts due to brokers and agents	11,483	10,370	11,483	10,370
Payable expenses and deferred income	9,934	8,975	9,934	8,975
Creditors and suppliers	8,055	13,609	8,055	13,609
Taxes and duties	3,732	3,181	3,732	3,181
Amounts collected on behalf of third parties	72	101	72	101
Amounts due to social security organizations	1,735	1,480	1,735	1,480
Provision for third party claims against the Company	8,785	1,583	8,785	1,583
Provision for accrued expenses	5,380	4,965	5,380	4,965
Other liabilities	16,187	10,134	14,027	8,230
Total other liabilities	**65,363**	**54,397**	**63,203**	**52,493**

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 Company consider that all pending litigations will be settled without a significant adverse impact on the Group's financial position or operating results. The Company has formed a provision for all the litigations that considers it is more likely than not, to incur a loss.

The adoption of IFRS 16 on 1 January 2019, resulted in an increase of the Group's and the Company's assets and liabilities. The effect in the Group's and Company's liabilities is presented within line "Other liabilities" and as at 31 December 2023 amounted to €1,622 thousands (2022: €1,557 thousands) for the Group and to €1,272 thousands (2022: €1,218 thousands) for the Company as at 31st December 2023 (see Note 2.14).

Within line "Payable expenses and deferred income", amount of € 6,120 thousands relates to the deferred income for the transaction of property "Plot of Elliniko - 35th Street" (see Note 14).

NOTE 31: FINANCIAL LIABILITIES

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Short-term borrowings	2,171	2,166	2,171	2,166
Long-term borrowings	175,000	175,000	175,000	175,000
Total borrowed funds	**177,171**	**177,166**	**177,171**	**177,166**

The Company has issued a subordinated loan of indefinite duration of €50,000 thousands, out of which €45,000 thousands is held by NBG and €5,000 thousands is held by NBG Bank Malta, (a 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.

Additionally, the Company has issued a 10-year duration subordinated loan of €125,000 thousands, 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.

The fair value of the total borrowed funds is estimated to be €169.267 thousands (2022: €163.560 thousands).

NOTE 32: INSURANCE CONTRACT ASSETS & LIABILITIES

i. Breakdown of portfolios

The breakdown of groups of insurance and reinsurance contracts issued, and reinsurance contracts held, that are in an asset position and those in a liability position is set out in the table below:

GROUP	31/12/2023 (€ thousands)		
	Assets	Liabilities	Net
Insurance contracts			
Life Risk & Savings	(43,272)	1,397,950	**1,354,678**
Participating	(1,778)	448,959	**447,181**
Life & Health	(34)	82,282	**82,248**
Motor	-	185,946	**185,946**
Other non-Life	(146)	246,234	**246,088**
Total insurance contracts	**(45,230)**	**2,361,371**	**2,316,141**
Reinsurance contracts held			
Life Risk & Savings	(6,321)	2,632	**(3,689)**
Participating	-	-	**-**
Life & Health	(1,664)	810	**(854)**
Motor	(3,977)	-	**(3,977)**
Other non-Life	(187,581)	6,684	**(180,897)**
Total reinsurance contracts held	**(199,543)**	**10,126**	**(189,417)**

GROUP	31/12/2022 (€ thousands)		
	Assets	Liabilities	Net
Insurance contracts			
Life Risk & Savings	(30,038)	1,323,093	**1,293,055**
Participating	(1,415)	436,557	**435,142**
Life & Health	-	62,101	**62,101**
Motor	-	192,785	**192,785**
Other non-Life	(687)	93,947	**93,260**
Total insurance contracts	**(32,140)**	**2,108,483**	**2,076,343**
Reinsurance contracts held			
Life Risk & Savings	(6,129)	2,016	**(4,113)**
Participating	-	-	**-**
Life & Health	(1,213)	1,701	**488**
Motor	(4,051)	-	**(4,051)**
Other non-Life	(47,344)	2,374	**(44,970)**
Total reinsurance contracts held	**(58,737)**	**6,091**	**(52,646)**

COMPANY	31/12/2023		
	(€ thousands)		
	Assets	Liabilities	Net
Insurance contracts			
Life Risk & Savings	(42,508)	1,364,108	**1,321,600**
Participating	-	423,540	**423,540**
Life & Health	(34)	79,776	**79,742**
Motor	-	176,949	**176,949**
Other non-Life	(146)	244,105	**243,959**
Total insurance contracts	**(42,688)**	**2,288,478**	**2,245,790**
Reinsurance contracts held			
Life Risk & Savings	-	2,632	**2,632**
Participating	-	-	**-**
Life & Health	(1,461)	810	**(651)**
Motor	(1,998)	-	**(1,998)**
Other non-Life	(186,602)	6,684	**(179,918)**
Total reinsurance contracts held	**(190,061)**	**10,126**	**(179,935)**

COMPANY	31/12/2022		
	(€ thousands)		
	Assets	Liabilities	Net
Insurance contracts			
Life Risk & Savings	(29,487)	1,295,751	**1,266,264**
Participating	-	415,445	**415,445**
Life & Health	-	59,952	**59,952**
Motor	-	185,303	**185,303**
Other non-Life	(687)	91,771	**91,084**
Total insurance contracts	**(30,174)**	**2,048,222**	**2,018,048**
Reinsurance contracts held			
Life Risk & Savings	(16)	2,016	**2,000**
Participating	-	-	**-**
Life & Health	(1,080)	1,701	**621**
Motor	(2,147)	-	**(2,147)**
Other non-Life	(46,484)	2,374	**(44,110)**
Total reinsurance contracts held	**(49,727)**	**6,091**	**(43,636)**

ii. <u>Reconciliation of the liability for remaining coverage and liability for incurred claims</u>

The reconciliation of the net asset or liability for insurance contracts issued, analysing the liability for remaining coverage and the liability for incurred claims for Life Risk & Savings portfolios is disclosed in the table below:

GROUP

	31/12/2023				
Life Risk & Savings - Insurance contracts issued	**Liabilities for remaining coverage**		**Liabilities for incurred claims**	**Assets for insurance acquisition cash flows**	**Total**
(€ thousands)	**Excluding loss component**	**Loss component**	**Contracts not under PAA**		
Insurance contract liabilities as at 01/01	1,138,417	84,718	99,958	-	1,323,093
Insurance contract assets as at 01/01	(37,916)	83	7,794	-	(30,038)
Net insurance contract (assets)/liabilities as at 01/01	**1,100,502**	**84,800**	**107,753**	**-**	**1,293,055**
Insurance revenue					
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(123,063)	-	-	-	(123,063)
Other contracts	(39,272)	-	-	-	(39,272)
	(162,335)	**-**	**-**	**-**	**(162,335)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(5,048)		-	130,353
Amortisation of insurance acquisition cash flows	6,707	-		-	6,707
Changes to liabilities for incurred claims	-	-		-	23,273
Losses on onerous contracts and reversals of those losses	-	85,831	-	-	85,831
	6,707	**80,783**	**158,674**	**-**	**246,163**
Investment components	(68,909)	-	68,909	-	-
Insurance service result	**(224,537)**	**80,783**	**227,583**	**-**	**83,828**
Insurance finance expenses	10,404	1,389	(50)	-	11,743
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(214,133)**	**82,172**	**227,532**	**-**	**95,571**
Cash flows					
Premiums received	206,216	-	-	-	206,216
Claims and other expenses paid	-	-	(209,071)	-	(209,071)
Insurance acquisition cash flows	(31,094)	-	-	-	(31,094)
Total cash flows	**175,122**	**-**	**(209,071)**	**-**	**(33,949)**
Other movements	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**1,061,491**	**166,972**	**126,214**	**-**	**1,354,677**
Insurance contract liabilities as at 31/12	1,127,362	156,599	113,989	-	1,397,950
Insurance contract assets as at 31/12	(65,871)	10,374	12,225	-	(43,272)
Net insurance contract (assets)/liabilities as at 31/12	**1,061,491**	**166,972**	**126,214**	**-**	**1,354,677**

GROUP

Life Risk & Savings - Insurance contracts issued	Liabilities for remaining coverage		Liabilities for incurred claims	Assets for insurance acquisition cash flows	Total
	31/12/2022				
(€ thousands)	**Excluding loss component**	**Loss component**	**Contracts not under PAA**		
Insurance contract liabilities as at 01/01	1,441,892	89,632	100,520	-	1,632,044
Insurance contract assets as at 01/01	(136,647)	77	11,154	-	(125,416)
Net insurance contract (assets)/liabilities as at 01/01	**1,305,245**	**89,709**	**111,673**	**-**	**1,506,628**
Insurance revenue					
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(121,083)	-	-	-	(121,083)
Other contracts	(34,979)	-	-	-	(34,979)
	(156,062)	**-**	**-**	**-**	**(156,062)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(5,785)		-	124,930
Amortisation of insurance acquisition cash flows	6,109	-		-	6,109
Changes to liabilities for incurred claims	-	-		-	8,324
Losses on onerous contracts and reversals of those losses	-	(336)	-	-	(336)
	6,109	**(6,121)**	**139,039**	**-**	**139,027**
Investment components	(69,089)	-	69,089	-	-
Insurance service result	**(219,042)**	**(6,121)**	**208,128**	**-**	**(17,035)**
Insurance finance expenses	(165,125)	1,212	(7,023)	-	(170,935)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(384,167)**	**(4,909)**	**201,105**	**-**	**(187,970)**
Cash flows					
Premiums received	211,637	-	-	-	211,637
Claims and other expenses paid	-	-	(205,026)	-	(205,026)
Insurance acquisition cash flows	(32,214)	-	-	-	(32,214)
Total cash flows	**179,423**	**-**	**(205,026)**	**-**	**(25,603)**
Other movements	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**1,100,502**	**84,800**	**107,753**	**-**	**1,293,055**
Insurance contract liabilities as at 31/12	1,138,417	84,718	99,959	-	1,323,094
Insurance contract assets as at 31/12	(37,916)	83	7,794	-	(30,038)
Net insurance contract (assets)/liabilities as at 31/12	**1,100,502**	**84,800**	**107,753**	**-**	**1,293,055**

COMPANY

Life Risk & Savings - Insurance contracts issued (€ thousands)	31/12/2023 Liabilities for remaining coverage: Excluding loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims: Contracts not under PAA	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities as at 01/01	1,111,911	82,989	100,851	-	1,295,751
Insurance contract assets as at 01/01	(37,364)	83	7,794	-	(29,487)
Net insurance contract (assets)/liabilities as at 01/01	**1,074,547**	**83,072**	**108,645**	**-**	**1,266,264**
Insurance revenue					
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(122,018)	-	-	-	(122,018)
Other contracts	(38,117)	-	-	-	(38,117)
	(160,135)	**-**	**-**	**-**	**(160,135)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(5,048)		-	129,311
Amortisation of insurance acquisition cash flows	6,565	-		-	6,565
Changes to liabilities for incurred claims	-	-		-	23,506
Losses on onerous contracts and reversals of those losses	-	85,764	-	-	85,764
	6,565	**80,716**	**157,865**	**-**	**245,146**
Investment components	(68,909)	-	68,909	-	-
Insurance service result	**(222,479)**	**80,716**	**226,774**	**-**	**85,011**
Insurance finance expenses	7,316	1,379	(50)	-	8,645
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(215,163)**	**82,095**	**226,724**	**-**	**93,656**
Cash flows					
Premiums received	197,906	-	-	-	197,906
Claims and other expenses paid	-	-	(206,580)	-	(206,580)
Insurance acquisition cash flows	(29,645)	-	-	-	(29,645)
Total cash flows	**168,261**	**-**	**(206,580)**	**-**	**(38,319)**
Other movements	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**1,027,645**	**165,167**	**128,789**	**-**	**1,321,601**
Insurance contract liabilities as at 31/12	1,092,751	154,793	116,565	-	1,364,109
Insurance contract assets as at 31/12	(65,106)	10,374	12,224	-	(42,508)
Net insurance contract (assets)/liabilities as at 31/12	**1,027,645**	**165,167**	**128,789**	**-**	**1,321,601**

COMPANY

	31/12/2022				
Life Risk & Savings - Insurance contracts issued	**Liabilities for remaining coverage**		**Liabilities for incurred claims**	**Assets for insurance acquisition cash flows**	**Total**
(€ thousands)	**Excluding loss component**	**Loss component**	**Contracts not under PAA**		
Insurance contract liabilities as at 01/01	1,416,048	88,102	100,286	-	1,604,436
Insurance contract assets as at 01/01	(135,928)	77	11,154	-	(124,697)
Net insurance contract (assets)/liabilities as at 01/01	**1,280,120**	**88,179**	**111,440**	**-**	**1,479,739**
Insurance revenue					
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(120,120)	-	-	-	(120,120)
Other contracts	(34,073)	-	-	-	(34,073)
	(154,193)	**-**	**-**	**-**	**(154,193)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(5,785)		-	123,884
Amortisation of insurance acquisition cash flows	5,995	-		-	5,995
Changes to liabilities for incurred claims	-	-		-	8,363
Losses on onerous contracts and reversals of those losses	-	(528)	-	-	(528)
	5,995	**(6,313)**	**138,032**	**-**	**137,714**
Investment components	(69,089)	-	69,089	-	-
Insurance service result	**(217,287)**	**(6,313)**	**207,121**	**-**	**(16,479)**
Insurance finance expenses	(160,983)	1,205	(7,023)	-	(166,801)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(378,270)**	**(5,108)**	**200,098**	**-**	**(183,280)**
Cash flows					
Premiums received	203,538	-	-	-	203,538
Claims and other expenses paid	-	-	(202,892)	-	(202,892)
Insurance acquisition cash flows	(30,840)	-	-	-	(30,840)
Total cash flows	**172,698**	**-**	**(202,892)**	**-**	**(30,194)**
Other movements	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**1,074,548**	**83,071**	**108,646**	**-**	**1,266,265**
Insurance contract liabilities as at 31/12	1,111,912	82,988	100,852	-	1,295,752
Insurance contract assets as at 31/12	(37,364)	83	7,794	-	(29,487)
Net insurance contract (assets)/liabilities as at 31/12	**1,074,548**	**83,071**	**108,646**	**-**	**1,266,265**

The reconciliation of the net asset or liability for insurance contracts issued, analysing the liability for remaining coverage and the liability for incurred claims for Participating portfolio is disclosed in the table below:

GROUP					
	31/12/2023				
Direct participating - Insurance contracts issued	**Liabilities for remaining coverage**		**Liabilities for incurred claims**	**Assets for insurance acquisition cash flows**	**Total**
(€ thousands)	**Excluding loss component**	**Loss component**	**Contracts not under PAA**		
Insurance contract liabilities as at 01/01	436,543	9	5	-	436,557
Insurance contract assets as at 01/01	(1,416)	-	-	-	(1,416)
Net insurance contract (assets)/liabilities as at 01/01	**435,127**	**9**	**5**	**-**	**435,141**
Insurance revenue					
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(828)	-	-	-	(828)
Other contracts	(5,055)	-	-	-	(5,055)
	(5,883)	**-**	**-**	**-**	**(5,883)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(1)		-	2,110
Amortisation of insurance acquisition cash flows	737	-		-	737
Changes to liabilities for incurred claims	-	-		-	1,039
Losses on onerous contracts and reversals of those losses	-	3	-	-	3
	737	**2**	**3,150**	**-**	**3,889**
Investment components	(77,741)	-	77,741	-	-
Insurance service result	**(82,887)**	**2**	**80,891**	**-**	**(1,994)**
Insurance finance expenses	21,027	-	-	-	21,027
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(61,860)**	**2**	**80,891**	**-**	**19,033**
Cash flows					
Premiums received	72,519	-	-	-	72,519
Claims and other expenses paid	-	-	(71,527)	-	(71,527)
Insurance acquisition cash flows	(7,986)	-	-	-	(7,986)
Total cash flows	**64,534**	**-**	**(71,527)**	**-**	**(6,993)**
Other movements	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**437,801**	**11**	**9,369**	**-**	**447,181**
Insurance contract liabilities as at 31/12	439,579	11	9,369	-	448,959
Insurance contract assets as at 31/12	(1,778)	-	-	-	(1,778)
Net insurance contract (assets)/liabilities as at 31/12	**437,801**	**11**	**9,369**	**-**	**447,181**

GROUP

	31/12/2022				
Direct participating - Insurance contracts issued	**Liabilities for remaining coverage**		**Liabilities for incurred claims**	**Assets for insurance acquisition cash flows**	**Total**
(€ thousands)	**Excluding loss component**	**Loss component**	**Contracts not under PAA**		
Insurance contract liabilities as at 01/01	400,742	-	1,732	-	402,474
Insurance contract assets as at 01/01	(1,383)	-	-	-	(1,383)
Net insurance contract (assets)/liabilities as at 01/01	**399,359**	**-**	**1,732**	**-**	**401,091**
Insurance revenue					
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	(793)	-	-	-	(793)
Other contracts	(3,434)	-	-	-	(3,434)
	(4,228)	**-**	**-**	**-**	**(4,227)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-		-	1,039
Amortisation of insurance acquisition cash flows	285	-		-	285
Changes to liabilities for incurred claims	-	-		-	1,180
Losses on onerous contracts and reversals of those losses	-	9	-	-	9
	285	**9**	**2,219**	**-**	**2,513**
Investment components	-	-	-	-	-
Insurance service result	**(3,942)**	**9**	**2,219**	**-**	**(1,714)**
Insurance finance expenses	(8,824)	-	-	-	(8,824)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(12,766)**	**9**	**2,219**	**-**	**(10,538)**
Cash flows					
Premiums received	66,524	-	-	-	66,524
Claims and other expenses paid	-	-	(15,634)	-	(15,634)
Insurance acquisition cash flows	(6,301)	-	-	-	(6,301)
Total cash flows	**60,223**	**-**	**(15,634)**	**-**	**44,589**
Other movements	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**446,815**	**9**	**(11,683)**	**-**	**435,141**
Insurance contract liabilities as at 31/12	448,231	9	(11,683)	-	436,557
Insurance contract assets as at 31/12	(1,416)	-	-	-	(1,416)
Net insurance contract (assets)/liabilities as at 31/12	**446,815**	**9**	**(11,683)**	**-**	**435,141**

COMPANY

Direct participating - Insurance contracts issued	31/12/2023				
	Liabilities for remaining coverage		Liabilities for incurred claims	Assets for insurance acquisition cash flows	Total
(€ thousands)	Excluding loss component	Loss component	Contracts not under PAA		
Insurance contract liabilities as at 01/01	413,750	9	1,686	-	415,445
Insurance contract assets as at 01/01	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 01/01	**413,750**	**9**	**1,686**	**-**	**415,445**
Insurance revenue					
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-
Other contracts	(4,084)	-	-	-	(4,084)
	(4,084)	**-**	**-**	**-**	**(4,084)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	(1)		-	938
Amortisation of insurance acquisition cash flows	638	-		-	638
Changes to liabilities for incurred claims	-	-		-	1,334
Losses on onerous contracts and reversals of those losses	-	3	-	-	3
	638	**2**	**2,273**	**-**	**2,913**
Investment components	(77,741)	-	77,741	-	-
Insurance service result	**(81,187)**	**2**	**80,013**	**-**	**(1,171)**
Insurance finance expenses	19,520	-	-	-	19,520
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(61,666)**	**2**	**80,013**	**-**	**18,349**
Cash flows					
Premiums received	64,062	-	-	-	64,062
Claims and other expenses paid	-	-	(68,360)	-	(68,360)
Insurance acquisition cash flows	(5,955)	-	-	-	(5,955)
Total cash flows	**58,107**	**-**	**(68,360)**	**-**	**(10,254)**
Other movements	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**410,190**	**11**	**13,339**	**-**	**423,540**
Insurance contract liabilities as at 31/12	410,189	11	13,339	-	423,539
Insurance contract assets as at 31/12	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**410,189**	**11**	**13,339**	**-**	**423,539**

COMPANY

	31/12/2022				
Direct participating - Insurance contracts issued	**Liabilities for remaining coverage**		**Liabilities for incurred claims**	**Assets for insurance acquisition cash flows**	**Total**
(€ thousands)	**Excluding loss component**	**Loss component**	**Contracts not under PAA**		
Insurance contract liabilities as at 01/01	379,027	-	1,444	-	380,470
Insurance contract assets as at 01/01	(2)	-	-	-	(2)
Net insurance contract (assets)/liabilities as at 01/01	**379,025**	**-**	**1,444**	**-**	**380,469**
Insurance revenue					
Contracts under modified retrospective approach	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-
Other contracts	(2,632)	-	-	-	(2,632)
	(2,632)	**-**	**-**	**-**	**(2,632)**
Insurance service expenses					
Incurred claims and other directly attributable expenses	-	-		-	332
Amortisation of insurance acquisition cash flows	195	-		-	195
Changes to liabilities for incurred claims	-	-		-	1,214
Losses on onerous contracts and reversals of those losses	-	9	-	-	9
	195	**9**	**1,546**	**-**	**1,750**
Investment components	(11,627)	-	11,627	-	-
Insurance service result	**(14,064)**	**9**	**13,173**	**-**	**(882)**
Insurance finance expenses	(6,065)	-	-	-	(6,065)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(20,130)**	**9**	**13,173**	**-**	**(6,948)**
Cash flows					
Premiums received	59,291	-	-	-	59,291
Claims and other expenses paid	-	-	(12,992)	-	(12,992)
Insurance acquisition cash flows	(4,375)	-	-	-	(4,375)
Total cash flows	**54,915**	**-**	**(12,992)**	**-**	**41,923**
Other movements	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**413,811**	**9**	**1,625**	**-**	**415,444**
Insurance contract liabilities as at 31/12	413,811	9	1,625	-	415,444
Insurance contract assets as at 31/12	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**413,811**	**9**	**1,625**	**-**	**415,444**

The reconciliation of the net asset or liability for insurance contracts issued, analysing the liability for remaining coverage and the liability for incurred claims for Life & Health portfolio is disclosed in the table below:

GROUP	31/12/2023					
Life & Health Insurance contracts issued	**Liabilities for remaining coverage**		**Liabilities for incurred claims**		**Assets for insurance acquisition cash flows**	**Total**
(€ thousands)	**Excluding loss component**	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment**		
Insurance contract liabilities as at 01/01	15,351	-	45,332	1,419	-	62,101
Insurance contract assets as at 01/01	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 01/01	**15,351**	**-**	**45,332**	**1,419**	**-**	**62,101**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(172,968)	-	-	-	-	(172,968)
	(172,968)	**-**	**-**	**-**	**-**	**(172,968)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	136,062	1,346	-	137,408
Amortisation of insurance acquisition cash flows	42,672	-	-	-	-	42,672
Changes to liabilities for incurred claims	-	-	(13,659)	(750)	-	(14,409)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-
	42,672	**-**	**122,403**	**596**	**-**	**165,671**
Investment components	-	-	-	-	-	-
Insurance service result	**(130,296)**	**-**	**122,403**	**596**	**-**	**(7,297)**
Insurance finance expenses	-	-	**707**	-	-	**707**
Effect of movements in exchange rates	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(130,296)**	**-**	**123,110**	**596**	**-**	**(6,590)**
Cash flows						
Premiums received	177,409	-	-	-	-	177,409
Claims and other expenses paid	-	-	(108,403)	-	-	(108,403)
Insurance acquisition cash flows	(42,269)	-	-	-	-	(42,269)
Total cash flows	**135,141**	**-**	**(108,403)**	**-**	**-**	**26,737**
Other movements	-	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**20,195**	**-**	**60,039**	**2,015**	**-**	**82,248**
Insurance contract liabilities as at 31/12	20,181	-	60,086	2,015	-	82,282
Insurance contract assets as at 31/12	14	-	(48)	-	-	(34)
Net insurance contract (assets)/liabilities as at 31/12	**20,195**	**-**	**60,039**	**2,015**	**-**	**82,248**

GROUP

Life & Health Insurance contracts issued (€ thousands)	31/12/2022 Liabilities for remaining coverage		Liabilities for incurred claims		Assets for insurance acquisition cash flows	Total
	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment		
Insurance contract liabilities as at 01/01	11,709	-	38,459	1,165	-	51,334
Insurance contract assets as at 01/01	(28)	-		-	-	(28)
Net insurance contract (assets)/liabilities as at 01/01	**11,682**	**-**	**38,459**	**1,165**	**-**	**51,306**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(142,603)	-	-	-	-	(142,603)
	(142,603)	**-**	**-**	**-**	**-**	**(142,603)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	111,165	824	-	111,989
Amortisation of insurance acquisition cash flows	38,008	-	-	-	-	38,008
Changes to liabilities for incurred claims	-	-	(8,529)	(571)	-	(9,100)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-
	38,008	**-**	**102,636**	**253**	**-**	**140,897**
Investment components	-	-	-	-	-	-
Insurance service result	**(104,595)**	**-**	**102,636**	**253**	**-**	**(1,706)**
Insurance finance expenses	**-**	**-**	**(274)**	**-**	**-**	**(274)**
Effect of movements in exchange rates	**-**	**-**	**-**	**-**	**-**	**-**
Total changes in the statement of profit or loss and OCI	**(104,595)**	**-**	**102,363**	**253**	**-**	**(1,979)**
Cash flows						
Premiums received	145,050	-	-	-	-	145,050
Claims and other expenses paid	-	-	(95,489)	-	-	(95,489)
Insurance acquisition cash flows	(36,786)	-	-	-	-	(36,786)
Total cash flows	**108,264**	**-**	**(95,489)**	**-**	**-**	**12,774**
Other movements	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to other items in the statement of financial position	-	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**15,351**	**-**	**45,332**	**1,419**	**-**	**62,101**
Insurance contract liabilities as at 31/12	15,351	-	45,332	1,419	-	62,101
Insurance contract assets as at 31/12	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**15,351**	**-**	**45,332**	**1,419**	**-**	**62,101**

COMPANY

Life & Health - Insurance contracts issued (€ thousands)	Liabilities for remaining coverage		Liabilities for incurred claims		Assets for insurance acquisition cash flows	Total
31/12/2023	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment		
Insurance contract liabilities as at 01/01	14,599	-	43,940	1,414	-	59,952
Insurance contract assets as at 01/01	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 01/01	**14,599**	**-**	**43,940**	**1,414**	**-**	**59,952**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(163,514)	-	-	-	-	(163,514)
	(163,514)	**-**	**-**	**-**	**-**	**(163,514)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	130,717	1,345	-	132,062
Amortisation of insurance acquisition cash flows	40,234	-	-	-	-	40,234
Changes to liabilities for incurred claims	-	-	(13,656)	(751)	-	(14,407)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-
	40,234	**-**	**117,061**	**594**	**-**	**157,889**
Investment components	-	-	-	-	-	-
Insurance service result	**(123,280)**	**-**	**117,061**	**594**	**-**	**(5,625)**
Insurance finance expenses	-	-	669	-	-	669
Effect of movements in exchange rates	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(123,280)**	**-**	**117,730**	**594**	**-**	**(4,956)**
Cash flows						
Premiums received	167,845	-	-	-	-	167,845
Claims and other expenses paid	-	-	(103,303)	-	-	(103,303)
Insurance acquisition cash flows	(39,796)	-	-	-	-	(39,796)
Total cash flows	**128,049**	**-**	**(103,303)**	**-**	**-**	**24,746**
Other movements	-	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**19,368**	**-**	**58,367**	**2,008**	**-**	**79,742**
Insurance contract liabilities as at 31/12	19,354	-	58,414	2,008	-	79,775
Insurance contract assets as at 31/12	14	-	(48)	-	-	(34)
Net insurance contract (assets)/liabilities as at 31/12	**19,368**	**-**	**58,366**	**2,008**	**-**	**79,741**

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Life & Health Insurance contracts issued (€ thousands)	Liabilities for remaining coverage		Liabilities for incurred claims		Assets for insurance acquisition cash flows	Total
31/12/2022	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment		
Insurance contract liabilities as at 01/01	10,954	-	36,882	1,160	-	48,997
Insurance contract assets as at 01/01	(28)	-	-	-	-	(28)
Net insurance contract (assets)/liabilities as at 01/01	**10,926**	**-**	**36,882**	**1,160**	**-**	**48,969**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(133,463)	-	-	-	-	(133,463)
	(133,463)	**-**	**-**	**-**	**-**	**(133,463)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	106,495	824	-	107,319
Amortisation of insurance acquisition cash flows	35,607	-	-	-	-	35,607
Changes to liabilities for incurred claims	-	-	(8,191)	(571)	-	(8,762)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-
	35,607	**-**	**98,304**	**253**	**-**	**134,164**
Investment components	-	-	-	-	-	-
Insurance service result	**(97,856)**	**-**	**98,304**	**253**	**-**	**701**
Insurance finance expenses	**-**	**-**	**(272)**	**-**	**-**	**(272)**
Effect of movements in exchange rates	**-**	**-**	**-**	**-**	**-**	**-**
Total changes in the statement of profit or loss and OCI	**(97,856)**	**-**	**98,032**	**253**	**-**	**429**
Cash flows						
Premiums received	135,904	-	-	-	-	135,904
Claims and other expenses paid	-	-	(90,974)	-	-	(90,974)
Insurance acquisition cash flows	(34,376)	-	-	-	-	(34,376)
Total cash flows	**101,529**	**-**	**(90,974)**	**-**	**-**	**10,554**
Other movements	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**14,599**	**-**	**43,940**	**1,413**	**-**	**59,952**
Insurance contract liabilities as at 31/12	14,599	-	43,940	1,414	-	59,952
Insurance contract assets as at 31/12	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**14,599**	**-**	**43,940**	**1,414**	**-**	**59,952**

The reconciliation of the net asset or liability for insurance contracts issued, analysing the liability for remaining coverage and the liability for incurred claims for Motor portfolio, is disclosed in the table below:

GROUP	31/12/2023					
Motor - Insurance contracts issued	**Liabilities for remaining coverage**		**Liabilities for incurred claims**		**Assets for insurance acquisition cash flows**	**Total**
(€ thousands)	**Excluding loss component**	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment**		
Insurance contract liabilities as at 01/01	19,890	138	164,192	8,565	-	192,785
Insurance contract assets as at 01/01	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 01/01	**19,890**	**138**	**164,192**	**8,565**	**-**	**192,785**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(73,771)	-	-	-	-	(73,771)
	(73,771)	**-**	**-**	**-**	**-**	**(73,771)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	61,451	912	-	62,363
Amortisation of insurance acquisition cash flows	15,107	-	-	-	-	15,107
Changes to liabilities for incurred claims	-	-	(13,468)	(2,065)	-	(15,533)
Losses on onerous contracts and reversals of those losses	-	40	-	-	-	40
	15,107	**40**	**47,983**	**(1,153)**	**-**	**61,978**
Investment components	-	-	-	-	-	-
Insurance service result	**(58,663)**	**40**	**47,983**	**(1,153)**	**-**	**(11,793)**
Insurance finance expenses	**-**	**-**	**6,679**	**-**	**-**	**6,679**
Effect of movements in exchange rates	**-**	**-**	**-**	**-**	**-**	**-**
Total changes in the statement of profit or loss and OCI	**(58,663)**	**40**	**54,662**	**(1,153)**	**-**	**(5,114)**
Cash flows						
Premiums received	73,872	-	-	-	-	73,872
Claims and other expenses paid	-	-	(60,196)	-	-	(60,196)
Insurance acquisition cash flows	(15,400)	-	-	-	-	(15,400)
Total cash flows	**58,471**	**-**	**(60,196)**	**-**	**-**	**(1,725)**
Other movements	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**19,698**	**178**	**158,657**	**7,412**	**-**	**185,946**
Insurance contract liabilities as at 31/12	19,698	178	158,657	7,412	-	185,946
Insurance contract assets as at 31/12	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**19,698**	**178**	**158,657**	**7,412**	**-**	**185,946**

GROUP

Motor - Insurance contracts issued (€ thousands)	**31/12/2022** Liabilities for remaining coverage: Excluding loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims: Estimates of the present value of future cash flows	Liabilities for incurred claims: Risk adjustment	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities as at 01/01	21,037	-	205,391	10,564	-	236,991
Insurance contract assets as at 01/01	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 01/01	**21,037**	**-**	**205,391**	**10,564**	**-**	**236,991**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(75,204)	-	-	-	-	(75,204)
	(75,204)	**-**	**-**	**-**	**-**	**(75,204)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	60,323	1,053	-	61,375
Amortisation of insurance acquisition cash flows	17,080	-	-	-	-	17,080
Changes to liabilities for incurred claims	-	-	(29,801)	(3,052)	-	(32,853)
Losses on onerous contracts and reversals of those losses	-	138	-	-	-	138
	17,080	**138**	**30,522**	**(1,999)**	**-**	**45,740**
Investment components	-	-	-	-	-	-
Insurance service result	**(58,124)**	**138**	**30,522**	**(1,999)**	**-**	**(29,464)**
Insurance finance expenses	**-**	**-**	**(14,461)**	**-**	**-**	**(14,461)**
Effect of movements in exchange rates	**-**	**-**	**-**	**-**	**-**	**-**
Total changes in the statement of profit or loss and OCI	**(58,124)**	**138**	**16,061**	**(1,999)**	**-**	**(43,925)**
Cash flows						
Premiums received	73,144	-	-	-	-	73,144
Claims and other expenses paid	-	-	(57,259)	-	-	(57,259)
Insurance acquisition cash flows	(16,166)	-	-	-	-	(16,166)
Total cash flows	**56,977**	**-**	**(57,259)**	**-**	**-**	**(282)**
Other movements	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**19,890**	**138**	**164,192**	**8,565**	**-**	**192,785**
Insurance contract liabilities as at 31/12	19,890	138	164,192	8,565	-	192,785
Insurance contract assets as at 31/12	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**19,890**	**138**	**164,192**	**8,565**	**-**	**192,785**

COMPANY	31/12/2023					
Motor - Insurance contracts issued	**Liabilities for remaining coverage**		**Liabilities for incurred claims**		**Assets for insurance acquisition cash flows**	**Total**
(€ thousands)	**Excluding loss component**	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment**		
Insurance contract liabilities as at 01/01	19,073	-	158,145	8,086	-	185,303
Insurance contract assets as at 01/01	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 01/01	**19,073**	**-**	**158,145**	**8,086**	**-**	**185,303**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(66,061)	-	-	-	-	(66,061)
	(66,061)	**-**	**-**	**-**	**-**	**(66,061)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	54,601	913	-	55,514
Amortisation of insurance acquisition cash flows	13,405	-	-	-	-	13,405
Changes to liabilities for incurred claims	-	-	(13,709)	(2,164)	-	(15,873)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-
	13,405	**-**	**40,892**	**(1,251)**	**-**	**53,046**
Investment components	-	-	-	-	-	-
Insurance service result	**(52,656)**	**-**	**40,892**	**(1,251)**	**-**	**(13,015)**
Insurance finance expenses	-	-	6,387	-	-	6,387
Effect of movements in exchange rates	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(52,656)**	**-**	**47,279**	**(1,251)**	**-**	**(6,628)**
Cash flows						
Premiums received	65,885	-	-	-	-	65,885
Claims and other expenses paid	-	-	(54,305)	-	-	(54,305)
Insurance acquisition cash flows	(13,305)	-	-	-	-	(13,305)
Total cash flows	**52,580**	**-**	**(54,305)**	**-**	**-**	**(1,726)**
Other movements	-	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**18,996**	**-**	**151,119**	**6,835**	**-**	**176,950**
Insurance contract liabilities as at 31/12	18,996	-	151,119	6,834	-	176,949
Insurance contract assets as at 31/12	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**18,996**	**-**	**151,119**	**6,834**	**-**	**176,949**

Lower interest rate environment in 2023 led to increase of fulfilment cash flows of liability of incurred claims by €6.4m compared to a decrease of €14m in 2022, as a result of significantly higher interest rates used in the discounting of expected cash flows.

COMPANY	31/12/2022					
Motor - Insurance contracts issued	Liabilities for remaining coverage		Liabilities for incurred claims		Assets for insurance acquisition cash flows	Total
(€ thousands)	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment		
Insurance contract liabilities as at 01/01	20,305	-	198,613	10,020	-	228,939
Insurance contract assets as at 01/01	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 01/01	**20,305**	**-**	**198,613**	**10,020**	**-**	**228,939**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(68,412)	-	-	-	-	(68,412)
	(68,412)	**-**	**-**	**-**	**-**	**(68,412)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	54,710	1,053	-	55,763
Amortisation of insurance acquisition cash flows	15,484	-	-	-	-	15,484
Changes to liabilities for incurred claims	-	-	(29,365)	(2,987)	-	(32,352)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-
	15,484	**-**	**25,345**	**(1,934)**	**-**	**38,895**
Investment components	-	-	-	-	-	-
Insurance service result	**(52,928)**	**-**	**25,345**	**(1,934)**	**-**	**(29,517)**
Insurance finance expenses	-	-	(14,172)	-	-	(14,172)
Effect of movements in exchange rates	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(52,928)**	**-**	**11,173**	**(1,934)**	**-**	**(43,688)**
Cash flows						
Premiums received	66,152	-	-	-	-	66,152
Claims and other expenses paid	-	-	(51,642)	-	-	(51,642)
Insurance acquisition cash flows	(14,458)	-	-	-	-	(14,458)
Total cash flows	**51,694**	**-**	**(51,642)**	**-**	**-**	**52**
Other movements	-	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**19,072**	**-**	**158,144**	**8,086**	**-**	**185,302**
Insurance contract liabilities as at 31/12	19,073	-	158,145	8,086	-	185,303
Insurance contract assets as at 31/12	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**19,073**	**-**	**158,145**	**8,086**	**-**	**185,303**

The reconciliation of the net asset or liability for insurance contracts issued, analysing the liability for remaining coverage and the liability for incurred claims for Other non-Life portfolios, is disclosed in the table below:

GROUP	31/12/2023					
Other Non Life - Insurance contracts issued	**Liabilities for remaining coverage**		**Liabilities for incurred claims**		**Assets for insurance acquisition cash flows**	**Total**
(€ thousands)	**Excluding loss component**	**Loss component**	**Estimates of the present value of future cash flows**	**Risk adjustment**		
Insurance contract liabilities as at 01/01	18,418	-	70,714	4,816	-	93,947
Insurance contract assets as at 01/01	(2,242)	-	1,516	40	-	(687)
Net insurance contract (assets)/liabilities as at 01/01	**16,176**	**-**	**72,229**	**4,856**	**-**	**93,261**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(131,310)	-	-	-	-	(131,310)
	(131,310)	**-**	**-**	**-**	**-**	**(131,310)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	98,117	3,027	-	101,144
Amortisation of insurance acquisition cash flows	23,428	-	-	-	-	23,428
Changes to liabilities for incurred claims	-	-	65,290	3,719	-	69,009
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-
	23,428	**-**	**163,408**	**6,746**	**-**	**193,581**
Investment components	-	-	-	-	-	-
Insurance service result	**(107,882)**	**-**	**163,408**	**6,746**	**-**	**62,272**
Insurance finance expenses	**-**	**-**	**4,012**	**-**	**-**	**4,012**
Effect of movements in exchange rates	**-**	**-**	**-**	**-**	**-**	**-**
Total changes in the statement of profit or loss and OCI	**(107,882)**	**-**	**167,419**	**6,746**	**-**	**66,283**
Cash flows						
Premiums received	137,412	-	-	-	-	137,412
Claims and other expenses paid	-	-	(27,693)	-	-	(27,693)
Insurance acquisition cash flows	(23,174)	-	-	-	-	(23,174)
Total cash flows	**114,237**	**-**	**(27,693)**	**-**	**-**	**86,544**
Other movements						
Transfer to other items in the statement of financial position	-	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**22,531**	**-**	**211,956**	**11,602**	**-**	**246,088**
Insurance contract liabilities as at 31/12	22,724	-	211,926	11,585	-	246,235
Insurance contract assets as at 31/12	(193)	-	30	17	-	(146)
Net insurance contract (assets)/liabilities as at 31/12	**22,531**	**-**	**211,956**	**11,602**	**-**	**246,088**

GROUP

Other Non Life - Insurance contracts issued (*€ thousands*)	**31/12/2022** Liabilities for remaining coverage: Excluding loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims: Estimates of the present value of future cash flows	Liabilities for incurred claims: Risk adjustment	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities as at 01/01	14,448	-	87,224	5,735	-	107,406
Insurance contract assets as at 01/01	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 01/01	**14,448**	**-**	**87,224**	**5,735**	**-**	**107,406**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(110,358)	-	-	-	-	(110,358)
	(110,358)	**-**	**-**	**-**	**-**	**(110,358)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	26,381	377	-	26,758
Amortisation of insurance acquisition cash flows	23,077	-	-	-	-	23,077
Changes to liabilities for incurred claims	-	-	(4,961)	(1,257)	-	(6,218)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-
	23,077	**-**	**21,420**	**(879)**	**-**	**43,617**
Investment components	-	-	-	-	-	-
Insurance service result	**(87,282)**	**-**	**21,420**	**(879)**	**-**	**(66,741)**
Insurance finance expenses	**-**	**-**	**(8,232)**	**-**	**-**	**(8,231)**
Effect of movements in exchange rates	**-**	**-**	**-**	**-**	**-**	**-**
Total changes in the statement of profit or loss and OCI	**(87,282)**	**-**	**13,188**	**(879)**	**-**	**(74,973)**
Cash flows						
Premiums received	108,826	-	-	-	-	108,826
Claims and other expenses paid	-	-	(28,183)	-	-	(28,183)
Insurance acquisition cash flows	(19,816)	-	-	-	-	(19,816)
Total cash flows	**89,010**	**-**	**(28,183)**	**-**	**-**	**60,827**
Other movements	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**16,176**	**-**	**72,229**	**4,856**	**-**	**93,260**
Insurance contract liabilities as at 31/12	18,418	-	70,714	4,816	-	93,947
Insurance contract assets as at 31/12	(2,242)	-	1,516	40	-	(687)
Net insurance contract (assets)/liabilities as at 31/12	**16,176**	**-**	**72,230**	**4,856**	**-**	**93,261**

COMPANY

Other Non Life - Insurance contracts issued (€ thousands)	31/12/2023 Liabilities for remaining coverage: Excluding loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims: Estimates of the present value of future cash flows	Liabilities for incurred claims: Risk adjustment	Assets for insurance acquisition cash flows	Total
Insurance contract liabilities as at 01/01	16,724	-	70,315	4,732	-	91,771
Insurance contract assets as at 01/01	(2,242)	-	1,516	40	-	(687)
Net insurance contract (assets)/liabilities as at 01/01	**14,482**	**-**	**71,830**	**4,772**	**-**	**91,084**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(127,176)	-	-	-	-	(127,176)
	(127,176)	**-**	**-**	**-**	**-**	**(127,176)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	97,359	3,027	-	100,386
Amortisation of insurance acquisition cash flows	22,009	-	-	-	-	22,009
Changes to liabilities for incurred claims	-	-	65,461	3,736	-	69,197
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-
	22,009	**-**	**162,820**	**6,763**	**-**	**191,592**
Investment components	-	-	-	-	-	-
Insurance service result	**(105,167)**	**-**	**162,820**	**6,763**	**-**	**64,416**
Insurance finance expenses	**-**	**-**	**3,948**	**-**	**-**	**3,948**
Effect of movements in exchange rates	**-**	**-**	**-**	**-**	**-**	**-**
Total changes in the statement of profit or loss and OCI	**(105,167)**	**-**	**166,768**	**6,763**	**-**	**68,364**
Cash flows						
Premiums received	133,127	-	-	-	-	133,127
Claims and other expenses paid	-	-	(26,638)	-	-	(26,638)
Insurance acquisition cash flows	(21,978)	-	-	-	-	(21,978)
Total cash flows	**111,149**	**-**	**(26,638)**	**-**	**-**	**84,511**
Other movements	**-**	**-**	**-**	**-**	**-**	**-**
Transfer to other items in the statement of financial position	-	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**20,464**	**-**	**211,960**	**11,535**	**-**	**243,959**
Insurance contract liabilities as at 31/12	20,657	-	211,930	11,518	-	244,105
Insurance contract assets as at 31/12	(193)	-	30	17	-	(146)
Net insurance contract (assets)/liabilities as at 31/12	**20,464**	**-**	**211,960**	**11,535**	**-**	**243,959**

The significant increase of €169.6m in the liability for incurred claims in 2023 compared to prior year (2022: €20.3m) is mainly driven by the Daniel storm. A significant part of these losses is recovered by reinsurance contracts held. Please refer to the reconciliation of the net asset or liability for reinsurance contracts held.

COMPANY

Other Non Life - Insurance contracts issued *(€ thousands)*	**31/12/2022** Liabilities for remaining coverage: **Excluding loss component**	**Loss component**	Liabilities for incurred claims: **Estimates of the present value of future cash flows**	**Risk adjustment**	**Assets for insurance acquisition cash flows**	**Total**
Insurance contract liabilities as at 01/01	13,851	-	85,641	5,645	-	105,138
Insurance contract assets as at 01/01	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 01/01	**13,851**	**-**	**85,641**	**5,645**	**-**	**105,138**
Insurance revenue						
Contracts under modified retrospective approach	-	-	-	-	-	-
Contracts under fair value approach	-	-	-	-	-	-
Other contracts	(106,505)	-	-	-	-	(106,505)
	(106,505)	**-**	**-**	**-**	**-**	**(106,505)**
Insurance service expenses						
Incurred claims and other directly attributable expenses	-	-	26,366	377	-	26,743
Amortisation of insurance acquisition cash flows	20,966	-	-	-	-	20,966
Changes to liabilities for incurred claims	-	-	(5,148)	(1,251)	-	(6,399)
Losses on onerous contracts and reversals of those losses	-	-	-	-	-	-
	20,966	**-**	**21,218**	**(874)**	**-**	**41,310**
Investment components	-	-	-	-	-	-
Insurance service result	**(85,539)**	**-**	**21,218**	**(874)**	**-**	**(65,195)**
Insurance finance expenses	**-**	**-**	**(8,148)**	**-**	**-**	**(8,148)**
Effect of movements in exchange rates	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(85,539)**	**-**	**13,070**	**(874)**	**-**	**(73,343)**
Cash flows						
Premiums received	104,921	-	-	-	-	104,921
Claims and other expenses paid	-	-	(26,880)	-	-	(26,880)
Insurance acquisition cash flows	(18,751)	-	-	-	-	(18,751)
Total cash flows	**86,170**	**-**	**(26,880)**	**-**	**-**	**59,290**
Other movements	-	-	-	-	-	-
Transfer to other items in the statement of financial position	-	-	-	-	-	-
Release from asset for insurance acquisition cash flows	-	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**14,482**	**-**	**71,831**	**4,771**	**-**	**91,085**
Insurance contract liabilities as at 31/12	16,724	-	70,315	4,732	-	91,771
Insurance contract assets as at 31/12	(2,242)	-	1,516	40	-	(687)
Net insurance contract (assets)/liabilities as at 31/12	**14,482**	**-**	**71,830**	**4,772**	**-**	**91,084**

iii. Movement analysis of the net assets or liability for reinsurance contracts held

The reconciliation of the net asset or liability for reinsurance contracts held analysing assets for remaining coverage and amounts recoverable on incurred claims arising on Life Risk & Savings portfolio is disclosed in the table below:

GROUP	31/12/2023					
Life Risk & Savings - Reinsurance contracts held	Assets for remaining coverage		Amounts recoverable on incurred claims			
				Contracts under PAA		
(€ thousands)	Excluding loss recovery component	Loss recovery component	Contracts not under PAA	Estimates of the present value of future cash flows	Risk adjustment	Total
Reinsurance contract assets as at 01/01	5,358	949	(289)	107	4	6,129
Reinsurance contract liabilities as at 01/01	(3,946)	-	-	1,872	58	(2,016)
Net reinsurance contract assets/(liabilities) as at 01/01	**1,412**	**949**	**(289)**	**1,979**	**62**	**4,114**
Allocation of reinsurance premiums						
Amounts relating to the changes in the assets for remaining coverage	**(1,508)**	-	-	-	-	**(1,508)**
Amounts recoverable from reinsurers	-	-	-	-	-	-
Recognition of loss-recovery from onerous underlying contracts	-	223	-	-	-	223
Reversal of loss-recovery from onerous underlying contracts	-	**(60)**	-	-	-	**(60)**
Amounts recoverable for claims and other expenses incurred in the period	-	-	**558**	**236**	-	**794**
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	**(134)**	**(191)**	**(12)**	**(336)**
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	**(8)**	-	-	-	**(8)**
	-	**155**	**424**	**46**	**(12)**	**613**
Reinsurance Investment components	-	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(1,508)**	**155**	**424**	**46**	**(12)**	**(895)**
Reinsurance finance income	**3**	**11**	-	**(12)**	-	**2**
Effect of movements in exchange rates	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(1,505)**	**166**	**424**	**34**	**(12)**	**(893)**
Cash flows						
Premiums paid	**1,895**	-	-	-	-	**1,895**
Amount received	-	-	**(1,054)**	**(372)**	-	**(1,427)**
Total cash flows	1,895	-	(1,054)	(372)	-	468
Other movements	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**1,802**	**1,115**	**(919)**	**1,640**	**51**	**3,689**
Reinsurance contract assets as at 31/12	6,125	1,115	(919)	-	-	6,321
Reinsurance contract liabilities as at 31/12	(4,323)	-	-	1,640	51	(2,632)
Net insurance contract assets/(liabilities) as at 31/12	**1,802**	**1,115**	**(919)**	**1,640**	**51**	**3,689**

GROUP	**31/12/2023**					
Life Risk & Savings - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**			
				Contracts under PAA		
(€ thousands)	**Excluding loss recovery component**	**Loss recovery component**	**Contracts not under PAA**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	5,437	780	148	-	-	6,365
Reinsurance contract liabilities as at 01/01	(4,068)	-	-	3,090	80	(897)
Net reinsurance contract assets/(liabilities) as at 01/01	**1,369**	**780**	**148**	**3,090**	**80**	**5,468**
Allocation of reinsurance premiums						
Amounts relating to the changes in the assets for remaining coverage	(1,455)	-	-	-	-	**(1,455)**
Amounts recoverable from reinsurers						
Recognition of loss-recovery from onerous underlying contracts	-	239	-	-	-	239
Reversal of loss-recovery from onerous underlying contracts	-	(52)	-	-	-	**(52)**
Amounts recoverable for claims and other expenses incurred in the period	-	-	574	263	4	**841**
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(26)	(273)	(22)	**(321)**
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	(21)	-	-	-	**(21)**
	-	**165**	**548**	**(9)**	**(18)**	**685**
Reinsurance Investment components	-	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-	-
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(1,455)**	**165**	**548**	**(9)**	**(18)**	**(770)**
Reinsurance finance income	(362)	4	-	(73)	-	**(431)**
Effect of movements in exchange rates	-	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(1,817)**	**169**	**548**	**(82)**	**(18)**	**(1,200)**
Cash flows						
Premiums paid	1,860	-	-	-	-	**1,860**
Amount received	-	-	(985)	(1,029)	-	**(2,014)**
Total cash flows	**1,860**	**-**	**(985)**	**(1,029)**	**-**	**(154)**
Other movements	-	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**1,412**	**949**	**(289)**	**1,979**	**62**	**4,114**
Reinsurance contract assets as at 31/12	5,358	949	(289)	107	4	6,129
Reinsurance contract liabilities as at 31/12	(3,946)	-	-	1,872	58	(2,016)
Net insurance contract assets/(liabilities) as at 31/12	**1,412**	**949**	**(289)**	**1,979**	**62**	**4,114**

COMPANY	31/12/2023				
Life Risk & Savings - Reinsurance contracts held	Assets for remaining coverage		Amounts recoverable on incurred claims		
(€ thousands)	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
Reinsurance contract assets as at 01/01	(95)	-	107	4	16
Reinsurance contract liabilities as at 01/01	(3,946)	-	1,872	58	(2,016)
Net reinsurance contract assets/(liabilities) as at 01/01	**(4,041)**	**-**	**1,979**	**62**	**(2,000)**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(501)	-	-	-	(501)
Amounts recoverable from reinsurers	**-**	**-**	**-**	**-**	**-**
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	236	-	236
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(191)	(12)	(202)
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	-	-	-
	-	**-**	**46**	**(12)**	**34**
Reinsurance Investment components	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(501)**	**-**	**46**	**(12)**	**(466)**
Reinsurance finance income	**(4)**	**-**	**(12)**	**-**	**(16)**
Effect of movements in exchange rates	-	**-**	-	-	**-**
Total changes in the statement of profit or loss and OCI	**(505)**	**-**	**33**	**(12)**	**(483)**
Cash flows					
Premiums paid	222	**-**	-	-	222
Amount received	-	-	(372)	-	(372)
Total cash flows	**222**	**-**	**(372)**	**-**	**(150)**
Other movements	**-**	**-**	-	-	**-**
Net reinsurance contract assets/(liabilities) as at 31/12	**(4,323)**	**-**	**1,640**	**51**	**(2,633)**
Reinsurance contract assets as at 31/12	-	-	-	-	-
Reinsurance contract liabilities as at 31/12	(4,323)	-	1,640	51	(2,632)
Net insurance contract assets/(liabilities) as at 31/12	**(4,323)**	**-**	**1,640**	**51**	**(2,632)**

COMPANY	31/12/2022				
Life Risk & Savings - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
(€ thousands)	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	-	-	-	-	-
Reinsurance contract liabilities as at 01/01	(4,005)	-	3,090	80	(835)
Net reinsurance contract assets/(liabilities) as at 01/01	**(4,005)**	**-**	**3,090**	**80**	**(835)**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(476)	-	-	-	(476)
Amounts recoverable from reinsurers	-	-	-	-	-
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	263	-	263
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(273)	(18)	(291)
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	-	-	-
	-	-	**(9)**	**(18)**	**(28)**
Reinsurance Investment components	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(476)**	**-**	**(9)**	**(18)**	**(504)**
Reinsurance finance income	(4)	-	(73)	-	**(77)**
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(481)**	**-**	**(82)**	**(18)**	**(581)**
Cash flows					
Premiums paid	445	-	-	-	445
Amount received	-	-	(1,029)	-	(1,029)
Total cash flows	**445**	**-**	**(1,029)**	**-**	**(584)**
Other movements	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**(4,041)**	**-**	**1,979**	**62**	**(2,000)**
Reinsurance contract assets as at 31/12	(95)	-	107	4	16
Reinsurance contract liabilities as at 31/12	(3,946)	-	1,872	58	(2,016)
Net insurance contract assets/(liabilities) as at 31/12	**(4,041)**	**-**	**1,979**	**62**	**(2,000)**

The reconciliation of the net asset or liability for reinsurance contracts held analysing assets for remaining coverage and amounts recoverable on incurred claims arising on Life & Health portfolio is disclosed in the table below:

GROUP	**31/12/2023**				
Life & Health - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
(€ thousands)	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	361	-	804	49	1,213
Reinsurance contract liabilities as at 01/01	(2,591)	-	889	1	(1,701)
Net reinsurance contract assets/(liabilities) as at 01/01	**(2,231)**	**-**	**1,694**	**49**	**(488)**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(5,096)	-	-	-	(5,096)
Amounts recoverable from reinsurers					
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	887	5	892
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(3)	3	-
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	-	-	-
	-	**-**	**884**	**8**	**892**
Reinsurance Investment components	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(5,096)**	**-**	**883**	**8**	**(4,205)**
Reinsurance finance income	(39)	-	10	-	**(30)**
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(5,136)**	**-**	**893**	**8**	**(4,234)**
Cash flows					
Premiums paid	6,188	-	-	-	6,188
Amount received	-	-	(612)	-	(612)
Total cash flows	**6,188**	**-**	**(612)**	**-**	**5,577**
Other movements	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**(1,178)**	**-**	**1,975**	**58**	**855**
Reinsurance contract assets as at 31/12	614	-	998	52	1,664
Reinsurance contract liabilities as at 31/12	(1,792)	-	977	5	(810)
Net insurance contract assets/(liabilities) as at 31/12	**(1,178)**	**-**	**1,975**	**58**	**855**

GROUP	31/12/2022				
Life & Health - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
(€ thousands)	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	(737)	-	1,789	51	1,103
Reinsurance contract liabilities as at 01/01	(123)	-	-	-	(123)
Net reinsurance contract assets/(liabilities) as at 01/01	**(861)**	**-**	**1,789**	**51**	**979**
	-				
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(4,051)	-	-	-	(4,051)
Amounts recoverable from reinsurers					
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	736	-	736
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(2)	(1)	(3)
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	-	-	-
	-	**-**	**734**	**(1)**	**732**
Reinsurance Investment components	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(4,051)**	**-**	**734**	**(1)**	**(3,318)**
Reinsurance finance income	(3)	-	(55)	-	**(58)**
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(4,054)**	**-**	**679**	**(1)**	**(3,376)**
Cash flows					
Premiums paid	2,684	-	-	-	2,684
Amount received	-	-	(774)	-	(774)
Total cash flows	**2,684**	**-**	**(774)**	**-**	**1,909**
Other movements	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**(2,231)**	**-**	**1,694**	**49**	**(488)**
Reinsurance contract assets as at 31/12	361	-	804	48	1,213
Reinsurance contract liabilities as at 31/12	(2,591)	-	889	1	(1,701)
Net insurance contract assets/(liabilities) as at 31/12	**(2,231)**	**-**	**1,694**	**49**	**(488)**

COMPANY	31/12/2023				
Life & Health - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
(€ thousands)	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	308	-	724	49	1,080
Reinsurance contract liabilities as at 01/01	(2,591)	-	889	1	(1,701)
Net reinsurance contract assets/(liabilities) as at 01/01	**(2,283)**	**-**	**1,613**	**49**	**(621)**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(4,682)	-	-	-	(4,682)
Amounts recoverable from reinsurers					
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	635	-	635
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(12)	8	(4)
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	-	-	-
	-	**-**	**623**	**8**	**631**
Reinsurance Investment components	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(4,682)**	**-**	**623**	**8**	**(4,051)**
Reinsurance finance income	**(39)**	**-**	**10**	**-**	**(29)**
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(4,722)**	**-**	**633**	**8**	**(4,080)**
Cash flows					
Premiums paid	5,890	-	-	-	5,890
Amount received	-	-	(537)	-	(537)
Total cash flows	**5,890**	**-**	**(537)**	**-**	**5,353**
Other movements	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**(1,115)**	**-**	**1,710**	**58**	**652**
Reinsurance contract assets as at 31/12	677	-	732	52	1,461
Reinsurance contract liabilities as at 31/12	(1,792)	-	977	5	(810)
Net insurance contract assets/(liabilities) as at 31/12	**(1,115)**	**-**	**1,709**	**58**	**651**

COMPANY	31/12/2022				
Life & Health - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
(€ thousands)	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	(782)	-	1,700	51	968
Reinsurance contract liabilities as at 01/01	(123)	-		-	(123)
Net reinsurance contract assets/(liabilities) as at 01/01	**(905)**	**-**	**1,700**	**51**	**845**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(3,721)	-	-	-	(3,721)
Amounts recoverable from reinsurers					
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	655	-	655
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(2)	(1)	(3)
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	-	-	-
	-	**-**	**653**	**(1)**	**652**
Reinsurance Investment components	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(3,721)**	**-**	**653**	**(1)**	**(3,069)**
Reinsurance finance income	(3)	-	(55)	-	**(58)**
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(3,724)**	**-**	**598**	**(1)**	**(3,127)**
Cash flows					
Premiums paid	2,346	-	-	-	2,346
Amount received	-	-	(684)	-	(684)
Total cash flows	**2,346**	**-**	**(684)**	**-**	**1,662**
Other movements	**-**	**-**	-	-	**-**
Net reinsurance contract assets/(liabilities) as at 31/12	**(2,283)**	**-**	**1,613**	**49**	**(621)**
Reinsurance contract assets as at 31/12	308	-	724	49	1,080
Reinsurance contract liabilities as at 31/12	(2,591)	-	889	1	(1,701)
Net insurance contract assets/(liabilities) as at 31/12	**(2,283)**	**-**	**1,613**	**49**	**(621)**

The reconciliation of the net asset or liability for reinsurance contracts held analysing assets for remaining coverage and amounts recoverable on incurred claims arising on Motor portfolio is disclosed in the table below:

GROUP	31/12/2023				
Motor - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
(€ thousands)	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	2,115	-	1,729	206	4,051
Reinsurance contract liabilities as at 01/01	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 01/01	**2,115**	**-**	**1,729**	**206**	**4,051**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(4,706)	-	-	-	(4,706)
Amounts recoverable from reinsurers	**-**	**-**	**-**	**-**	**-**
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	(94)	-	(94)
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(128)	(16)	(144)
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	606	47	653
	-	**-**	**384**	**31**	**415**
Reinsurance Investment components	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	(4)	-	**(4)**
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(4,706)**	**-**	**380**	**31**	**(4,295)**
Reinsurance finance income	-	-	124	-	**124**
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(4,706)**	**-**	**504**	**31**	**(4,171)**
Cash flows					
Premiums paid	4,219	-	-	-	4,219
Amount received	-	-	(122)	-	(122)
Total cash flows	**4,219**	**-**	**(122)**	**-**	**4,097**
Other movements	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**1,628**	**-**	**2,112**	**237**	**3,977**
Reinsurance contract assets as at 31/12	1,628	-	2,112	237	3,977
Reinsurance contract liabilities as at 31/12	-	-	-	-	-
Net insurance contract assets/(liabilities) as at 31/12	**1,628**	**-**	**2,112**	**237**	**3,977**

GROUP	31/12/2022				
Motor - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
(€ thousands)	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	(704)	-	5,759	392	5,447
Reinsurance contract liabilities as at 01/01	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 01/01	**(704)**	**-**	**5,759**	**392**	**5,447**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(3,471)	-	-	-	(3,471)
Amounts recoverable from reinsurers	**-**	**-**	**-**	**-**	**-**
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	(49)	-	(49)
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(1,278)	(78)	(1,356)
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	56	(108)	(52)
	-	**-**	**(1,271)**	**(186)**	**(1,457)**
Reinsurance Investment components	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	33	-	**33**
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(3,471)**	**-**	**(1,239)**	**(186)**	**(4,896)**
Reinsurance finance income	-	-	(436)	-	**(436)**
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(3,471)**	**-**	**(1,674)**	**(186)**	**(5,332)**
Cash flows					
Premiums paid	6,291	-	-	-	6,291
Amount received	-	-	(2,355)	-	(2,355)
Total cash flows	**6,291**	**-**	**(2,355)**	**-**	**3,936**
Other movements	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**2,115**	**-**	**1,729**	**206**	**4,051**
Reinsurance contract assets as at 31/12	2,115	-	1,729	206	4,051
Reinsurance contract liabilities as at 31/12	-	-	-	-	-
Net insurance contract assets/(liabilities) as at 31/12	**2,115**	**-**	**1,729**	**206**	**4,051**

COMPANY	31/12/2023				
Motor - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
(€ thousands)	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	1,408	-	620	119	2,147
Reinsurance contract liabilities as at 01/01	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 01/01	**1,408**	**-**	**620**	**119**	**2,147**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(3,910)	-	-	-	(3,910)
Amounts recoverable from reinsurers					
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	(94)	-	(94)
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(128)	(16)	(144)
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	-	-	-
	-	**-**	**(222)**	**(16)**	**(238)**
Reinsurance Investment components	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	(4)	-	(4)
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(3,910)**	**-**	**(226)**	**(16)**	**(4,152)**
Reinsurance finance income	-	-	47	-	47
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(3,910)**	**-**	**(179)**	**(16)**	**(4,105)**
Cash flows					
Premiums paid	3,956	-	-	-	3,956
Amount received	-	-	-	-	-
Total cash flows	**3,956**	**-**	**-**	**-**	**3,956**
Other movements	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**1,455**	**-**	**441**	**103**	**1,999**
Reinsurance contract assets as at 31/12	1,455	-	441	103	1,999
Reinsurance contract liabilities as at 31/12	-	-	-	-	-
Net insurance contract assets/(liabilities) as at 31/12	**1,455**	**-**	**441**	**103**	**1,999**

COMPANY	31/12/2022				
Motor - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
(€ thousands)	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	(406)	-	3,348	197	3,138
Reinsurance contract liabilities as at 01/01	-	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 01/01	**(406)**	**-**	**3,348**	**197**	**3,138**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(2,825)	-	-	-	(2,825)
Amounts recoverable from reinsurers	**-**	**-**	**-**	**-**	**-**
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	(49)	-	(49)
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(1,278)	(78)	(1,356)
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	-	-	-
	-	**-**	**(1,328)**	**(78)**	**(1,405)**
Reinsurance Investment components	-	-	-	-	**-**
Effect of changes in non-performance risk of reinsurers	-	-	33	-	**33**
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	**-**
Net income or expense from reinsurance contracts held	**(2,825)**	**-**	**(1,295)**	**(78)**	**(4,198)**
Reinsurance finance income	-	-	(344)	-	**(344)**
Effect of movements in exchange rates	-	-	-	-	**-**
Total changes in the statement of profit or loss and OCI	**(2,825)**	**-**	**(1,639)**	**(78)**	**(4,542)**
Cash flows					
Premiums paid	4,639	-	-	-	4,639
Amount received	-	-	(1,089)	-	(1,089)
Total cash flows	**4,639**	**-**	**(1,089)**	**-**	**3,551**
Other movements	**-**	**-**	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**1,408**	**-**	**620**	**119**	**2,147**
Reinsurance contract assets as at 31/12	1,408	-	620	119	2,147
Reinsurance contract liabilities as at 31/12	-	-	-	-	-
Net insurance contract assets/(liabilities) as at 31/12	**1,408**	**-**	**620**	**119**	**2,147**

The reconciliation of the net asset or liability for reinsurance contracts held analysing assets for remaining coverage and amounts recoverable on incurred claims arising on Other Non-Life portfolio is disclosed in the table below:

GROUP	**31/12/2023**				
Other non life - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
(€ thousands)	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	2,395	-	42,048	2,901	47,344
Reinsurance contract liabilities as at 01/01	(309)	-	(2,122)	58	(2,374)
Net reinsurance contract assets/(liabilities) as at 01/01	**2,086**	**-**	**39,926**	**2,959**	**44,970**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(66,729)	-	-	-	(66,729)
Amounts recoverable from reinsurers					
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	78,564	2,387	80,951
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	58,967	3,483	62,450
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	(47)	1	(46)
	-	**-**	**137,484**	**5,871**	**143,355**
Reinsurance Investment components	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	(114)	-	**(114)**
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(66,729)**	**-**	**137,370**	**5,871**	**76,512**
Reinsurance finance income	-	-	2,729	-	**2,729**
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(66,729)**	**-**	**140,099**	**5,871**	**79,241**
Cash flows					
Premiums paid	67,871	-	-	-	67,871
Amount received	-	-	(11,187)	-	(11,187)
Total cash flows	**67,871**	**-**	**(11,187)**	**-**	**56,685**
Other movements	-	-		-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**3,228**	**-**	**168,838**	**8,829**	**180,896**
Reinsurance contract assets as at 31/12	12,309	-	166,819	8,452	187,580
Reinsurance contract liabilities as at 31/12	(9,081)	-	2,020	378	(6,684)
Net insurance contract assets/(liabilities) as at 31/12	**3,228**	**-**	**168,838**	**8,829**	**180,896**

GROUP	31/12/2022				
Other non life - Reinsurance contracts held	Assets for remaining coverage		Amounts recoverable on incurred claims		
(€ thousands)	Excluding loss recovery component	Loss recovery component	Estimates of the present value of future cash flows	Risk adjustment	Total
Reinsurance contract assets as at 01/01	3,648	-	45,688	3,710	53,045
Reinsurance contract liabilities as at 01/01	(1,734)	-	(208)	59	(1,882)
Net reinsurance contract assets/(liabilities) as at 01/01	**1,914**	**-**	**45,480**	**3,769**	**51,163**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(53,052)	-	-	-	(53,052)
Amounts recoverable from reinsurers					
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	20,547	221	20,768
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(14,918)	(1,033)	(15,951)
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	208	2	211
	-	**-**	**5,838**	**(810)**	**5,028**
Reinsurance Investment components	-	-	-	-	**-**
Effect of changes in non-performance risk of reinsurers	-	-	93	-	**93**
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(53,052)**	**-**	**5,931**	**(810)**	**(47,931)**
Reinsurance finance income	-	-	(5,030)	-	**(5,030)**
Effect of movements in exchange rates	-	-	-	-	**-**
Total changes in the statement of profit or loss and OCI	**(53,052)**	**-**	**902**	**(810)**	**(52,961)**
Cash flows					
Premiums paid	52,989	**-**	-	-	52,989
Amount received	-	-	(6,222)	-	(6,222)
Total cash flows	**52,989**	**-**	**(6,222)**	**-**	**46,768**
Other movements	**-**	**-**	-	-	**-**
Net reinsurance contract assets/(liabilities) as at 31/12	**1,851**	**-**	**40,160**	**2,959**	**44,970**
Reinsurance contract assets as at 31/12	2,160	-	42,283	2,901	47,344
Reinsurance contract liabilities as at 31/12	(309)	-	(2,122)	58	(2,374)
Net insurance contract assets/(liabilities) as at 31/12	**1,851**	**-**	**40,160**	**2,959**	**44,970**

COMPANY	31/12/2023				
Other non life - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
Reinsurance contracts held	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	2,066	-	41,545	2,873	46,484
Reinsurance contract liabilities as at 01/01	(309)	-	(2,122)	58	(2,374)
Net reinsurance contract assets/(liabilities) as at 01/01	**1,757**	**-**	**39,422**	**2,931**	**44,110**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(64,676)	-	-	-	(64,676)
Amounts recoverable from reinsurers					
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	77,660	2,387	80,047
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	58,967	3,483	62,450
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	-	-	-
	-	**-**	**136,627**	**5,870**	**142,497**
Reinsurance Investment components	-	-	-	-	-
Effect of changes in non-performance risk of reinsurers	-	-	(114)	-	(114)
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	-
Net income or expense from reinsurance contracts held	**(64,676)**	**-**	**136,513**	**5,870**	**77,707**
Reinsurance finance income	**-**	**-**	**2,709**	**-**	**2,709**
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(64,676)**	**-**	**139,222**	**5,870**	**80,416**
Cash flows					
Premiums paid	65,660	-	-	-	65,660
Amount received	-	-	(10,269)	-	(10,269)
Total cash flows	**65,660**	**-**	**(10,269)**	**-**	**55,391**
Other movements	**-**	**-**	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**2,741**	**-**	**168,376**	**8,801**	**179,918**
Reinsurance contract assets as at 31/12	11,823	-	166,356	8,423	186,602
Reinsurance contract liabilities as at 31/12	(9,081)	-	2,020	378	(6,684)
Net insurance contract assets/(liabilities) as at 31/12	**2,741**	**-**	**168,376**	**8,801**	**179,918**

The significant increase of €142.3 m in the amounts recoverable on incurred claims in 2023 compared to prior year (2022: €3.8m) is mainly driven by the Daniel storm.

COMPANY	31/12/2022				
Other non life - Reinsurance contracts held	**Assets for remaining coverage**		**Amounts recoverable on incurred claims**		
Reinsurance contracts held	**Excluding loss recovery component**	**Loss recovery component**	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Total**
Reinsurance contract assets as at 01/01	3,232	-	45,151	3,684	52,068
Reinsurance contract liabilities as at 01/01	(1,734)	-	(208)	59	(1,882)
Net reinsurance contract assets/(liabilities) as at 01/01	**1,499**	**-**	**44,944**	**3,743**	**50,185**
Allocation of reinsurance premiums					
Amounts relating to the changes in the assets for remaining coverage	(51,181)	-	-	-	(51,181)
Amounts recoverable from reinsurers	**-**	**-**	**-**	**-**	**-**
Recognition of loss-recovery from onerous underlying contracts	-	-	-	-	-
Reversal of loss-recovery from onerous underlying contracts	-	-	-	-	-
Amounts recoverable for claims and other expenses incurred in the period	-	-	19,443	-	19,443
Changes in amounts recoverable arising from changes in liability for incurred claims	-	-	(14,918)	(812)	(15,730)
Changes in fulfilment cash flows which relate to onerous underlying contracts	-	-	-	-	-
	-	**-**	**4,525**	**(812)**	**3,712**
Reinsurance Investment components	-	-	-	-	**-**
Effect of changes in non-performance risk of reinsurers	-	-	93	-	**93**
Cost of retroactive cover on reinsurance contracts held	-	-	-	-	**-**
Net income or expense from reinsurance contracts held	**(51,181)**	**-**	**4,618**	**(812)**	**(47,375)**
Reinsurance finance income	-	-	(5,011)	-	**(5,011)**
Effect of movements in exchange rates	-	-	-	-	**-**
Total changes in the statement of profit or loss and OCI	**(51,181)**	**-**	**(392)**	**(812)**	**(52,386)**
Cash flows					
Premiums paid	51,439	-	-	-	51,439
Amount received	-	-	(5,129)	-	(5,129)
Total cash flows	**51,439**	**-**	**(5,129)**	**-**	**46,311**
Other movements	**-**	**-**	-	-	**-**
Net reinsurance contract assets/(liabilities) as at 31/12	**1,757**	**-**	**39,422**	**2,931**	**44,110**
Reinsurance contract assets as at 31/12	2,066	-	41,545	2,873	46,484
Reinsurance contract liabilities as at 31/12	(309)	-	(2,122)	58	(2,374)
Net insurance contract assets/(liabilities) as at 31/12	**1,757**	**-**	**39,422**	**2,931**	**44,110**

iv. Reconciliation of the measurement component of insurance contract balances

The table below presents a reconciliation of the net asset or liability for insurance contracts issued split by measurement component of estimates of the present value of future cash flows, risk adjustment and CSM for Life Risk & Savings portfolios:

GROUP	31/12/2023				
Life Risk & Savings - Insurance contracts issued	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Contractual service margin**	**Asset for insurance acquisition cash flows**	**Total**
Insurance contract liabilities as at 01/01	835,689	55,907	431,498	-	1,323,093
Insurance contract assets as at 01/01	(228,854)	24,324	174,492	-	(30,038)
Net insurance contract (assets)/liabilities as at 01/01	**606,835**	**80,230**	**605,989**	**-**	**1,293,055**
Changes that relate to current service					
Contractual service margin recognised for services provided	-	-	(25,269)	-	(25,269)
Risk adjustment recognised for the risk expired	-	(3,003)	-	-	(3,003)
Experience adjustments	2,490	-	-	-	2,490
Changes that relate to future service					
Contracts initially recognised in the period	(22,382)	3,955	18,738	-	311
Changes in estimates that adjust the contractual service margin	17,447	10,155	(27,602)	-	-
Changes in estimates that do not adjust the contractual service margin	83,579	2,448	-	-	86,027
Changes that relate to past service					
Adjustments to liabilities for incurred claims	22,929	344	-	-	23,273
Insurance service result	**104,063**	**13,899**	**(34,134)**	**-**	**83,828**
Insurance finance expenses	9,430	-	2,313	-	11,743
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**113,493**	**13,899**	**(31,821)**	**-**	**95,571**
Cash flows					
Premiums received	206,216	-	-	-	206,216
Claims and other expenses paid	(209,071)	-	-	-	(209,071)
Insurance acquisition cash flows	(31,094)	-	-	-	(31,094)
Total cash flows	**(33,949)**	**-**	**-**	**-**	**(33,949)**
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**686,380**	**94,129**	**574,169**	**-**	**1,354,677**
Insurance contract liabilities as at 31/12	938,422	68,966	390,562	-	1,397,950
Insurance contract assets as at 31/12	(252,043)	25,163	183,607	-	(43,272)
Net insurance contract (assets)/liabilities as at 31/12	**686,380**	**94,129**	**574,169**	**-**	**1,354,677**

Life Risk & Savings - Insurance contracts issued	31/12/2022 Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Asset for insurance acquisition cash flows	Total
Insurance contract liabilities as at 01/01	1,256,698	52,418	322,928	-	1,632,044
Insurance contract assets as at 01/01	(337,992)	36,620	175,955	-	(125,416)
Net insurance contract (assets)/liabilities as at 01/01	**918,706**	**89,038**	**498,883**	**-**	**1,506,628**
Changes that relate to current service					
Contractual service margin recognised for services provided	-	-	(26,786)	-	(26,786)
Risk adjustment recognised for the risk expired	-	(3,352)	-	-	(3,352)
Experience adjustments	4,854	-	-	-	4,854
Changes that relate to future service					
Contracts initially recognised in the period	(20,998)	3,906	18,530	-	1,439
Changes in estimates that adjust the contractual service margin	(107,639)	(8,152)	115,791	-	-
Changes in estimates that do not adjust the contractual service margin	(892)	(781)	-	-	(1,674)
Changes that relate to past service					
Adjustments to liabilities for incurred claims	8,755	(431)	-	-	8,324
Insurance service result	**(115,921)**	**(8,809)**	**107,535**	**-**	**(17,195)**
Insurance finance expenses	(170,508)	1	(429)	-	(170,935)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(286,428)**	**(8,808)**	**107,106**	**-**	**(188,130)**
Cash flows					
Premiums received	211,637	-	-	-	211,637
Claims and other expenses paid	(204,866)	-	-	-	(204,866)
Insurance acquisition cash flows	(32,214)	-	-	-	(32,214)
Total cash flows	**(25,443)**	**-**	**-**	**-**	**(25,443)**
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**606,835**	**80,230**	**605,990**	**-**	**1,293,055**
Insurance contract liabilities as at 31/12	835,689	55,907	431,498	-	1,323,093
Insurance contract assets as at 31/12	(228,854)	24,324	174,492	-	(30,038)
Net insurance contract (assets)/liabilities as at 31/12	**606,835**	**80,230**	**605,989**	**-**	**1,293,055**

Key changes that impact the income statement include the release of CSM for services provided, the release of risk adjustment for expired risks and the recognition of new onerous contracts (including any experience variances or assumption changes on onerous contracts).

CSM release is performed after the following changes that relate to future services:

- New contracts initially recognized in the year which give rise to a CSM liability representing unearned future profit on service yet to be provided;
- Experience variances and assumption changes on profitable contracts that impact the expected fulfilment cash flows and adjust the CSM liability

COMPANY

Life Risk & Savings - Insurance contracts issued	31/12/2023 Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Asset for insurance acquisition cash flows	Total
Insurance contract liabilities as at 01/01	818,245	54,734	422,772	-	1,295,751
Insurance contract assets as at 01/01	(228,302)	24,324	174,492	-	(29,487)
Net insurance contract (assets)/liabilities as at 01/01	**589,943**	**79,058**	**597,264**	**-**	**1,266,265**
Changes that relate to current service					
Contractual service margin recognised for services provided	-	-	(24,693)	-	(24,693)
Risk adjustment recognised for the risk expired	-	(2,933)	-	-	(2,933)
Experience adjustments	3,368	-	-	-	3,368
Changes that relate to future service					
Contracts initially recognised in the period	(22,020)	3,820	18,353	-	154
Changes in estimates that adjust the contractual service margin	19,414	10,153	(29,567)	-	-
Changes in estimates that do not adjust the contractual service margin	83,183	2,426	-	-	85,610
Changes that relate to past service					
Adjustments to liabilities for incurred claims	23,162	344	-	-	23,506
Insurance service result	**107,107**	**13,811**	**(35,907)**	**-**	**85,011**
Insurance finance expenses	6,387	-	2,257	-	8,644
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**113,495**	**13,811**	**(33,650)**	**-**	**93,655**
Cash flows					
Premiums received	197,906	-	-	-	197,906
Claims and other expenses paid	(206,580)	-	-	-	(206,580)
Insurance acquisition cash flows	(29,645)	-	-	-	(29,645)
Total cash flows	**(38,319)**	**-**	**-**	**-**	**(38,319)**
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**665,119**	**92,868**	**563,613**	**-**	**1,321,601**
Insurance contract liabilities as at 31/12	916,397	67,705	380,007	-	1,364,108
Insurance contract assets as at 31/12	(251,278)	25,163	183,607	-	(42,508)
Net insurance contract (assets)/liabilities as at 31/12	**665,119**	**92,868**	**563,614**	**-**	**1,321,601**

COMPANY

Life Risk & Savings - Insurance contracts issued	31/12/2022 Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Asset for insurance acquisition cash flows	Total
Insurance contract liabilities as at 01/01	1,237,449	51,257	315,730	-	1,604,436
Insurance contract assets as at 01/01	(337,273)	36,620	175,955	-	(124,697)
Net insurance contract (assets)/liabilities as at 01/01	**900,176**	**87,878**	**491,685**	**-**	**1,479,739**
Changes that relate to current service					
Contractual service margin recognised for services provided	-	-	(26,257)	-	(26,257)
Risk adjustment recognised for the risk expired	-	(3,286)	-	-	(3,286)
Experience adjustments	5,229	-	-	-	5,229
Changes that relate to future service					
Contracts initially recognised in the period	(20,730)	3,783	18,169	-	1,222
Changes in estimates that adjust the contractual service margin	(105,984)	(8,143)	114,127	-	-
Changes in estimates that do not adjust the contractual service margin	(1,007)	(743)	-	-	(1,750)
Changes that relate to past service					
Adjustments to liabilities for incurred claims	8,793	(431)	-	-	8,363
Insurance service result	**(113,698)**	**(8,820)**	**106,039**	**-**	**(16,479)**
Insurance finance expenses	(166,341)	-	(460)	-	(166,801)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(280,039)**	**(8,820)**	**105,579**	**-**	**(183,280)**
Cash flows					
Premiums received	203,538	-	-	-	203,538
Claims and other expenses paid	(202,892)	-	-	-	(202,892)
Insurance acquisition cash flows	(30,840)	-	-	-	(30,840)
Total cash flows	**(30,194)**	**-**	**-**	**-**	**(30,194)**
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**589,943**	**79,058**	**597,264**	**-**	**1,266,265**
Insurance contract liabilities as at 31/12	818,245	54,734	422,772	-	1,295,751
Insurance contract assets as at 31/12	(228,302)	24,324	174,492	-	(29,487)
Net insurance contract (assets)/liabilities as at 31/12	**589,943**	**79,058**	**597,264**	**-**	**1,266,265**

The significant movement in CSM and recognition of loss component during 2023 is mainly driven by changes in non-economic assumptions in health long-term portfolios, amounting to €85,4 m.

The table below presents a reconciliation of the net asset or liability for insurance contracts issued split by measurement component of estimates of the present value of future cash flows, risk adjustment and CSM for Participating portfolios:

GROUP	31/12/2023				
Direct participating - Insurance contracts issued	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Contractual service margin**	**Asset for insurance acquisition cash flows**	**Total**
Insurance contract liabilities as at 01/01	416,924	1,374	18,258	-	436,557
Insurance contract assets as at 01/01	(1,416)		1	-	(1,415)
Net insurance contract (assets)/liabilities as at 01/01	**415,508**	**1,374**	**18,259**	**-**	**435,141**
Changes that relate to current service					
Contractual service margin recognised for services provided	-	-	(1,219)	-	(1,219)
Risk adjustment recognised for the risk expired	-	(71)	-	-	(71)
Experience adjustments	(1,747)	-	-	-	(1,747)
Changes that relate to future service					
Contracts initially recognised in the period	(7,195)	556	6,639	-	-
Changes in estimates that adjust the contractual service margin	(3,001)	(122)	3,122	-	(1)
Changes in estimates that do not adjust the contractual service margin	3	-	-	-	3
Changes that relate to past service					
Adjustments to liabilities for incurred claims	1,039	-	-	-	1,039
Insurance service result	**(10,900)**	**363**	**8,542**	**-**	**(1,995)**
Insurance finance expenses	21,027	-	-	-	21,027
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**10,127**	**363**	**8,542**	**-**	**19,032**
Cash flows					
Premiums received	72,519	-	-	-	72,519
Claims and other expenses paid	(71,527)	-	-	-	(71,527)
Insurance acquisition cash flows	(7,986)	-	-	-	(7,986)
Total cash flows	**(6,993)**	**-**	**-**	**-**	**(6,993)**
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**415,508**	**1,374**	**18,259**	**-**	**435,141**
Insurance contract liabilities as at 31/12	420,420	1,738	26,801	-	448,959
Insurance contract assets as at 31/12	(1,778)	-	-	-	(1,778)
Net insurance contract (assets)/liabilities as at 31/12	**418,642**	**1,738**	**26,801**	**-**	**447,181**

GROUP	31/12/2022				
Direct participating - Insurance contracts issued	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Contractual service margin**	**Asset for insurance acquisition cash flows**	**Total**
Insurance contract liabilities as at 01/01	384,895	1,339	16,240	-	402,474
Insurance contract assets as at 01/01	(1,383)	-	-	-	(1,383)
Net insurance contract (assets)/liabilities as at 01/01	**383,512**	**1,339**	**16,240**	**-**	**401,091**
	-	-	-	-	-
Changes that relate to current service					
Contractual service margin recognised for services provided	-	-	(951)	-	(951)
Risk adjustment recognised for the risk expired	-	(73)	-	-	(73)
Experience adjustments	(1,879)	-	-	-	(1,879)
Changes that relate to future service					
Contracts initially recognised in the period	(11,198)	636	10,562	-	-
Changes in estimates that adjust the contractual service margin	8,131	(539)	(7,592)	-	-
Changes in estimates that do not adjust the contractual service margin	9	-	-	-	9
Changes that relate to past service					
Adjustments to liabilities for incurred claims	1,180	-	-	-	1,180
Insurance service result	**(3,758)**	**24**	**2,019**	**-**	**(1,715)**
Insurance finance expenses	(8,835)	11	-	-	(8,824)
Effect of movements in exchange rates	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(12,592)**	**35**	**2,019**	**-**	**(10,539)**
Cash flows					
Premiums received	66,524	-	-	-	66,524
Claims and other expenses paid	(15,634)	-	-	-	(15,634)
Insurance acquisition cash flows	(6,301)	-	-	-	(6,301)
Total cash flows	**44,589**	**-**	**-**	**-**	**44,589**
Other movements	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**415,508**	**1,374**	**18,259**	**-**	**435,141**
Insurance contract liabilities as at 31/12	416,924	1,374	18,258	-	436,557
Insurance contract assets as at 31/12	(1,416)	-	1	-	(1,415)
Net insurance contract (assets)/liabilities as at 31/12	**415,508**	**1,374**	**18,259**	**-**	**435,142**

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Direct participating - Insurance contracts issued	31/12/2023 Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Asset for insurance acquisition cash flows	Total
Insurance contract liabilities as at 01/01	405,581	290	9,573	-	415,445
Insurance contract assets as at 01/01	(1)	-	1	-	-
Net insurance contract (assets)/liabilities as at 01/01	**405,580**	**290**	**9,574**	**-**	**415,445**
	-	-	-	-	-
Changes that relate to current service					
Contractual service margin recognised for services provided	-	-	(707)	-	(707)
Risk adjustment recognised for the risk expired	-	(14)	-	-	(14)
Experience adjustments	(1,787)	-	-	-	(1,787)
Changes that relate to future service					
Contracts initially recognised in the period	(5,759)	321	5,438	-	-
Changes in estimates that adjust the contractual service margin	(2,245)	(159)	2,404	-	-
Changes in estimates that do not adjust the contractual service margin	3	-	-	-	3
Changes that relate to past service					
Adjustments to liabilities for incurred claims	1,334	-	-	-	1,334
Insurance service result	**(8,454)**	**148**	**7,135**	**-**	**(1,171)**
Insurance finance expenses	19,520	-	-	-	19,520
Effect of movements in exchange rates	-	-	-	-	-
	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**11,066**	**148**	**7,135**	**-**	**18,349**
Cash flows					
Premiums received	64,062	-	-	-	64,062
Claims and other expenses paid	(68,360)	-	-	-	(68,360)
Insurance acquisition cash flows	(5,955)	-	-	-	(5,955)
Total cash flows	**(10,254)**	**-**	**-**	**-**	**(10,254)**
Other movements	**-**	**-**	**-**	**-**	**-**
Net insurance contract (assets)/liabilities as at 31/12	**406,392**	**438**	**16,710**	**-**	**423,540**
Insurance contract liabilities as at 31/12	406,393	438	16,710	-	423,540
Insurance contract assets as at 31/12	-	-	-	-	-
Net insurance contract (assets)/liabilities as at 31/12	**406,393**	**438**	**16,710**	**-**	**423,540**

COMPANY

Direct participating - Insurance contracts issued	31/12/2022 Estimates of the present value of future cash flows	Risk adjustment	Contractual service margin	Asset for insurance acquisition cash flows	Total
Insurance contract liabilities as at 01/01	373,368	116	6,987	-	380,470
Insurance contract assets as at 01/01	(2)	-	-	-	(2)
Net insurance contract (assets)/liabilities as at 01/01	**373,366**	**116**	**6,987**	**-**	**380,468**
	-	-	-	-	-
Changes that relate to current service					
Contractual service margin recognised for services provided	-	-	(505)	-	(505)
Risk adjustment recognised for the risk expired	-	(10)	-	-	(10)
Experience adjustments	(1,591)	-	-	-	(1,591)
Changes that relate to future service					
Contracts initially recognised in the period	(9,198)	341	8,857	-	-
Changes in estimates that adjust the contractual service margin	5,923	(157)	(5,765)	-	1
Changes in estimates that do not adjust the contractual service margin	9	-	-	-	9
Changes that relate to past service					
Adjustments to liabilities for incurred claims	1,214	-	-	-	1,214
Insurance service result	**(3,643)**	**174**	**2,587**	**-**	**(881)**
Insurance finance expenses	(6,065)	-	-	-	(6,065)
Effect of movements in exchange rates	-	-	-	-	-
	-	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(9,708)**	**174**	**2,587**	**-**	**(6,947)**
Cash flows					
Premiums received	59,291	-	-	-	59,291
Claims and other expenses paid	(12,992)	-	-	-	(12,992)
Insurance acquisition cash flows	(4,375)	-	-	-	(4,375)
Total cash flows	**41,923**	**-**	**-**	**-**	**41,923**
Other movements	**-**	**-**	**-**	**-**	**-**
Net insurance contract (assets)/liabilities as at 31/12	**405,581**	**290**	**9,574**	**-**	**415,445**
Insurance contract liabilities as at 31/12	405,581	290	9,573	-	415,445
Insurance contract assets as at 31/12	(1)	-	1	-	-
Net insurance contract (assets)/liabilities as at 31/12	**405,580**	**290**	**9,574**	**-**	**415,445**

The table below presents a reconciliation of the net asset or liability for reinsurance contracts held split by measurement component of estimates of the present value of future cash flows, risk adjustment and CSM for reinsurance held portfolios (Life Risk & Savings portfolio):

GROUP	31/12/2023			
Life Risk & Savings - Reinsurance contracts held	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Contractual service margin**	**Total**
Reinsurance contract assets as at 01/01	1,202	784	4,128	6,114
Reinsurance contract liabilities as at 01/01	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 01/01	**1,202**	**784**	**4,128**	**6,114**
Changes that relate to current service				
Contractual service margin recognised for services received	-	-	(276)	(276)
Risk adjustment recognised for the risk expired	-	(60)	-	(60)
Experience adjustments	(804)	-	-	(804)
Changes that relate to future service				
Contracts initially recognised in the period	(91)	71	19	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	204	204
Changes in estimates that adjust the contractual service margin	44	19	(63)	-
Changes in estimates that do not adjust the contractual service margin	390	-	-	390
Changes that relate to past service				
Changes in amounts recoverable arising from changes in liability for incurred claims	117	-	-	117
Effect of changes in non-performance risk of reinsurers	-	-	-	-
Net income or expense from reinsurance contracts held	**(343)**	**30**	**(115)**	**(429)**
Reinsurance finance income	8	-	10	**18**
Effect of movements in exchange rates	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(350)**	**(86)**	**(183)**	**(411)**
Cash flows				
Premiums paid	1,673	-	-	1,673
Amount received	(1,054)	-	-	(1,054)
Total cash flows	**618**	**-**	**-**	**618**
Other movements	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**1,471**	**697**	**3,944**	**6,321**
Reinsurance contract assets as at 31/12	1,485	813	4,023	6,321
Reinsurance contract liabilities as at 31/12	-	-	-	-
Net insurance contract assets/(liabilities) as at 31/12	**1,485**	**813**	**4,023**	**6,321**

GROUP	31/12/2022			
Life Risk & Savings - Reinsurance contracts held	**Estimates of the present value of future cash flows**	**Risk adjustment**	**Contractual service margin**	**Total**
Reinsurance contract assets as at 01/01	1,184	870	4,311	6,365
Reinsurance contract liabilities as at 01/01	(63)	-	-	(63)
Net reinsurance contract assets/(liabilities) as at 01/01	**1,122**	**870**	**4,311**	**6,302**
Changes that relate to current service				
Contractual service margin recognised for services received	-	-	(215)	(215)
Risk adjustment recognised for the risk expired	-	(60)	-	(60)
Experience adjustments	(583)	-	-	(583)
Changes that relate to future service				
Contracts initially recognised in the period	(44)	81	(37)	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	217	217
Changes in estimates that adjust the contractual service margin	274	(108)	(165)	-
Changes in estimates that do not adjust the contractual service margin	193	-	-	193
Changes that relate to past service				
Changes in amounts recoverable arising from changes in liability for incurred claims	181	-	-	181
Effect of changes in non-performance risk of reinsurers	**-**	**-**	**-**	**-**
Net income or expense from reinsurance contracts held	**21**	**(87)**	**(200)**	**(266)**
Reinsurance finance income	(371)	1	16	**(354)**
Effect of movements in exchange rates	-	-	-	-
Total changes in the statement of profit or loss and OCI	**(350)**	**(86)**	**(183)**	**(619)**
Cash flows				
Premiums paid	1,415	-	-	1,415
Amount received	(985)	-	-	(985)
Total cash flows	**430**	**-**	**-**	**430**
Other movements	-	-	-	-
Net reinsurance contract assets/(liabilities) as at 31/12	**1,202**	**784**	**4,128**	**6,114**
Reinsurance contract assets as at 31/12	1,202	784	4,128	6,114
Reinsurance contract liabilities as at 31/12	-	-	-	-
Net insurance contract assets/(liabilities) as at 31/12	**1,202**	**784**	**4,128**	**6,114**

v. Expected recognition of the contractual service margin (CSM)

The following tables illustrate when the Group and the Company expect to recognize the remaining CSM in total comprehensive income

GROUP 31/12/2023								
Number of years until expected to be recognised	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**5-10 years**	**More than 10 years**	**Total**
	(€ thousands)							
Insurance contracts issued								
Life Risk & Savings	24,760	24,984	24,576	23,627	22,735	98,690	354,797	**574,169**
Participating	1,858	1,897	1,915	1,926	1,940	6,628	10,637	**26,801**
Total	**26,618**	**26,881**	**26,491**	**25,553**	**24,675**	**105,318**	**365,434**	**600,970**
Reinsurance contracts held								
Life Risk & Savings	387	359	332	308	282	-	2,356	**4,023**

GROUP 31/12/2022								
Number of years until expected to be recognised	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**5-10 years**	**More than 10 years**	**Total**
	(€ thousands)							
Insurance contracts issued								
Life Risk & Savings	27,261	26,437	25,756	24,545	23,436	107,019	371,535	**605,989**
Participating	1,343	1,333	1,318	1,302	1,288	9,749	1,925	**18,259**
Total	**28,605**	**27,770**	**27,074**	**25,847**	**24,724**	**116,767**	**373,461**	**624,248**
Reinsurance contracts held								
Life Risk & Savings	386	357	330	305	283	2,466	-	**4,128**

COMPANY 31/12/2023								
Number of years until expected to be recognised	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**5-10 years**	**More than 10 years**	**Total**
	(€ thousands)							
Insurance contracts issued								
Life Risk & Savings	24,023	24,285	23,916	23,005	22,147	98,690	347,548	**563,614**
Participating	1,153	1,229	1,283	1,331	1,378	6,628	3,707	**16,710**
Total	**25,176**	**25,514**	**25,200**	**24,336**	**23,525**	**105,318**	**351,255**	**580,324**

COMPANY 31/12/2022								
Number of years until expected to be recognised	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**5-10 years**	**More than 10 years**	**Total**
	(€ thousands)							
Insurance contracts issued								
Life Risk & Savings	26,629	25,841	25,195	24,018	22,940	101,106	371,535	**597,264**
Participating	714	740	760	776	795	3,864	1,925	**9,574**
Total	**27,343**	**26,582**	**25,954**	**24,794**	**23,735**	**104,970**	**373,461**	**606,838**

vi. **Impacts on current period**

The current period impact stemming from the transition approaches adopted in establishing CSM for Life Risk & Savings insurance contracts issued and reinsurance contracts held portfolios is disclosed in the table below:

GROUP	31/12/2023		
Life Risk & Savings	**Contracts using the fair value approach**	**All other contracts**	**Total**
Contractual Service Margin as at 01/01	**430,380**	**175,610**	**605,989**
Changes that relate to current service			
- Contractual service margin recognised for services provided	(17,324)	(7,946)	**(25,269)**
Changes that relate to future service			
- Contracts initially recognised in the period	-	18,738	**18,738**
- Changes in estimates that adjust the contractual service margin	(54,560)	26,958	**(27,602)**
Insurance service result	**(71,883)**	**37,750**	**(34,133)**
Insurance finance expenses	99	2,214	**2,313**
Effect of movements in exchange rates	-	-	-
Total changes in the statement of profit or loss and OCI	**(71,784)**	**39,964**	**(31,821)**
Other movements	-	-	-
Contractual Service Margin as at 31/12	**358,595**	**215,574**	**574,169**

GROUP	31/12/2022		
Life Risk & Savings	**Contracts using the fair value approach**	**All other contracts**	**Total**
Contractual Service Margin as at 01/01	**379,454**	**119,429**	**498,883**
Changes that relate to current service			
- Contractual service margin recognised for services provided	(20,085)	(6,701)	**(26,786)**
Changes that relate to future service			
- Contracts initially recognised in the period	-	18,530	**18,530**
- Changes in estimates that adjust the contractual service margin	72,347	43,444	**115,791**
Insurance service result	**52,261**	**55,273**	**107,534**
Insurance finance expenses	(1,336)	908	**(429)**
Effect of movements in exchange rates	-	-	-
Total changes in the statement of profit or loss and OCI	**50,925**	**56,181**	**107,106**
Other movements	-	-	-
Contractual Service Margin as at 31/12	**430,380**	**175,610**	**605,989**

GROUP	31/12/2023		
Life Risk & Savings - reinsurance contracts	**Contracts using the fair value approach**	**All other contracts**	**Total**
Contractual Service Margin as at 01/01	**4,092**	**35**	**4,127**
Changes that relate to current service			
- Contractual service margin recognised for services received	(300)	24	**(276)**
Changes that relate to future service			
- Contracts initially recognised in the period	-	19	**19**
- Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	204	**204**
- Changes in estimates that adjust the contractual service margin	91	(154)	**(63)**
Net income or expense from reinsurance contracts held	**(209)**	**94**	**(115)**
Reinsurance finance income	12	(2)	**10**
Effect of movements in exchange rates	-	-	**-**
Total changes in the statement of profit or loss and OCI	**(197)**	**92**	**(105)**
Other movements	-	-	**-**
Contractual Service Margin as at 31/12	**3,895**	**127**	**4,022**

GROUP	31/12/2022		
Life Risk & Savings - reinsurance contracts	**Contracts using the fair value approach**	**All other contracts**	**Total**
Contractual Service Margin as at 01/01	**4,245**	**65**	**4,311**
Changes that relate to current service			
- Contractual service margin recognised for services received	(189)	(26)	**(215)**
Changes that relate to future service			
- Contracts initially recognised in the period	-	(37)	**(37)**
- Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	217	**217**
- Changes in estimates that adjust the contractual service margin	18	(183)	**(165)**
Net income or expense from reinsurance contracts held	**(171)**	**(28)**	**(200)**
Reinsurance finance income	18	(2)	**16**
Effect of movements in exchange rates	-	-	**-**
Total changes in the statement of profit or loss and OCI	**(153)**	**(30)**	**(183)**
Other movements	-	-	**-**
Contractual Service Margin as at 31/12	**4,092**	**35**	**4,127**

COMPANY	31/12/2023		
Life Risk & Savings	**Contracts using the fair value approach**	**All other contracts**	**Total**
Contractual Service Margin as at 01/01	**422,365**	**174,899**	**597,264**
Changes that relate to current service			
- Contractual service margin recognised for services provided	(16,978)	(7,715)	**(24,693)**
Changes that relate to future service			
- Contracts initially recognised in the period	-	18,353	**18,353**
- Changes in estimates that adjust the contractual service margin	(55,738)	26,172	**(29,567)**
Insurance service result	**(72,717)**	**36,810**	**(35,907)**
Insurance finance expenses	65	2,191	**2,257**
Effect of movements in exchange rates	-	-	-
Total changes in the statement of profit or loss and OCI	**(72,651)**	**39,001**	**(33,650)**
Other movements	-	-	-
Contractual Service Margin as at 31/12	**349,714**	**213,900**	**563,614**

COMPANY	31/12/2022		
Life Risk & Savings	**Contracts using the fair value approach**	**All other contracts**	**Total**
Contractual Service Margin as at 01/01	**372,256**	**119,429**	**491,685**
Changes that relate to current service			
- Contractual service margin recognised for services provided	(19,715)	(6,542)	**(26,257)**
Changes that relate to future service			
- Contracts initially recognised in the period	-	18,169	**18,169**
- Changes in estimates that adjust the contractual service margin	71,182	42,945	**114,127**
Insurance service result	**51,467**	**54,571**	**106,039**
Insurance finance expenses	(1,358)	898	**(460)**
Effect of movements in exchange rates	-	-	-
Total changes in the statement of profit or loss and OCI	**50,109**	**55,470**	**105,579**
Other movements	-	-	-
Contractual Service Margin as at 31/12	**422,365**	**174,899**	**597,264**

The impact on the current period of the transition approaches adopted to establishing CSMs for Participating insurance contracts portfolios is disclosed in the table below:

GROUP	31/12/2023		
Participating	**Contracts using the fair value approach**	**All other contracts**	**Total**
Contractual Service Margin as at 01/01	**7,662**	**10,597**	**18,259**
Changes that relate to current service			
- Contractual service margin recognised for services provided	(308)	(912)	**(1,219)**
Changes that relate to future service			
- Contracts initially recognised in the period	-	6,639	**6,639**
- Changes in estimates that adjust the contractual service margin	431	2,692	**3,122**
Insurance service result	**123**	**8,419**	**8,542**
Insurance finance expenses	-	-	-
Effect of movements in exchange rates	-	-	-
Total changes in the statement of profit or loss and OCI	**123**	**8,419**	**8,542**
Other movements	-	-	-
Contractual Service Margin as at 31/12	**7,785**	**19,016**	**26,801**

GROUP	31/12/2022		
Participating	**Contracts using the fair value approach**	**All other contracts**	**Total**
Contractual Service Margin as at 01/01	**9,253**	**6,987**	**16,240**
Changes that relate to current service			
- Contractual service margin recognised for services provided	(312)	(639)	**(951)**
Changes that relate to future service			
- Contracts initially recognised in the period	-	10,562	**10,562**
- Changes in estimates that adjust the contractual service margin	(1,279)	(6,313)	**(7,592)**
Insurance service result	**(1,591)**	**3,610**	**2,018**
Insurance finance expenses	-	-	-
Effect of movements in exchange rates	-	-	-
Total changes in the statement of profit or loss and OCI	**(1,591)**	**3,610**	**2,018**
Other movements	-	-	-
Contractual Service Margin as at 31/12	**7,662**	**10,597**	**18,259**

COMPANY	31/12/2023		
Participating	Contracts using the fair value approach	All other contracts	Total
Contractual Service Margin as at 01/01	-	**9,574**	**9,574**
Changes that relate to current service			
- Contractual service margin recognised for services provided	-	(707)	(707)
Changes that relate to future service			
- Contracts initially recognised in the period	-	5,438	5,438
- Changes in estimates that adjust the contractual service margin	-	2,405	2,405
Insurance service result	-	**7,136**	**7,136**
Insurance finance expenses	-	-	-
Effect of movements in exchange rates	-	-	-
Total changes in the statement of profit or loss and OCI	-	**7,136**	**7,136**
Other movements	-	-	-
Contractual Service Margin as at 31/12	-	**16,710**	**16,710**

COMPANY	31/12/2022		
Participating	Contracts using the fair value approach	All other contracts	Total
Contractual Service Margin as at 01/01	-	**6,987**	**6,987**
Changes that relate to current service			
- Contractual service margin recognised for services provided	-	(505)	(505)
Changes that relate to future service			
- Contracts initially recognised in the period	-	8,857	8,857
- Changes in estimates that adjust the contractual service margin	-	(5,765)	(5,765)
Insurance service result	-	**2,587**	**2,587**
Insurance finance expenses	-	-	-
Effect of movements in exchange rates	-	-	-
Total changes in the statement of profit or loss and OCI	-	**2,587**	**2,587**
Other movements	-	-	-
Contractual Service Margin as at 31/12	-	**9,574**	**9,574**

vii. <u>The components of new business - Insurance contracts issued</u>

The components of new business for insurance contracts issued and reinsurance contracts held included in the Life Risk & Savings and Participating portfolios is disclosed in the table below:

GROUP	31/12/2023		
	Contracts issued		
Life Risk & Savings	Non-Onerous	Onerous	Total
	(€ thousands)		
Insurance contract liabilities			
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	36,322	4,566	**40,888**
Estimates of insurance acquisition cash flows	8,108	787	**8,895**
Estimate of present value of future cash outflows	**44,430**	**5,353**	**49,783**
Estimates of present value of future cash inflows	(67,075)	(5,090)	**(72,165)**
Risk adjustment	3,907	48	**3,955**
CSM	18,738	-	**18,738**
Amount included in insurance contract liabilities for the period	**-**	**311**	**311**

GROUP	31/12/2022		
	Contracts issued		
Life Risk & Savings	Non-Onerous	Onerous	Total
	(€ thousands)		
Insurance contract liabilities			
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	42,289	9,161	**51,450**
Estimates of insurance acquisition cash flows	9,243	1,066	**10,309**
Estimate of present value of future cash outflows	**51,532**	**10,227**	**61,759**
Estimates of present value of future cash inflows	(73,826)	(8,931)	**(82,757)**
Risk adjustment	3,764	142	**3,906**
CSM	18,530	-	**18,530**
Amount included in insurance contract liabilities for the period	**-**	**1,438**	**1,438**

GROUP	31/12/2023		
Life Risk & Savings	Contracts purchased	Contracts acquired	Total
	(€ thousands)		
Reinsurance contract assets			
Estimate of present value of future cash outflows	(1,973)	-	**(1,973)**
Estimates of present value of future cash inflows	1,883	-	**1,883**
Risk adjustment	71	-	**71**
CSM	19	-	**19**
Amount included in reinsurance contract assets for the period	**-**	**-**	**-**

GROUP	31/12/2022		
Life Risk & Savings	Contracts purchased	Contracts acquired	Total
	(€ thousands)		
Reinsurance contract assets			
Estimate of present value of future cash outflows	(2,067)	-	**(2,067)**
Estimates of present value of future cash inflows	2,023	-	**2,023**
Risk adjustment	81	-	**81**
CSM	(37)	-	**(37)**
Amount included in reinsurance contract assets for the period	**-**	**-**	**-**

GROUP	31/12/2023		
	Contracts issued		
Participating	Non-Onerous	Onerous	Total
	(€ thousands)		
Insurance contract liabilities			
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	156,299	-	**156,299**
Estimates of insurance acquisition cash flows	7,555	-	**7,555**
Estimate of present value of future cash outflows	**163,854**	**-**	**163,854**
Estimates of present value of future cash inflows	(171,049)	-	(171,049)
Risk adjustment	556	-	**556**
CSM	6,639	-	**6,639**
Amount included in insurance contract liabilities for the period	-	-	-

GROUP	31/12/2022		
	Contracts issued		
Participating	Non-Onerous	Onerous	Total
	(€ thousands)		
Insurance contract liabilities			
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	172,244	-	172,244
Estimates of insurance acquisition cash flows	7,355	-	7,355
Estimate of present value of future cash outflows	**179,599**	**-**	**179,599**
Estimates of present value of future cash inflows	(190,797)	-	(190,797)
Risk adjustment	636	-	636
CSM	10,562	-	10,562
Amount included in insurance contract liabilities for the period	-	-	-

COMPANY	31/12/2023		
	Contracts issued		
Life Risk & Savings	Non-Onerous	Onerous	Total
	(€ thousands)		
Insurance contract liabilities			
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	30,839	3,379	**34,218**
Estimates of insurance acquisition cash flows	7,295	611	**7,906**
Estimate of present value of future cash outflows	**38,134**	**3,990**	**42,124**
Estimates of present value of future cash inflows	(60,297)	(3,847)	**(64,144)**
Risk adjustment	3,810	10	**3,820**
CSM	18,353	-	**18,353**
Amount included in insurance contract liabilities for the period	-	**154**	**154**

COMPANY Life Risk & Savings	31/12/2022 Contracts issued Non-Onerous	Onerous	Total
	(€ thousands)		
Insurance contract liabilities			
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	36,028	7,844	**43,872**
Estimates of insurance acquisition cash flows	8,549	920	**9,469**
Estimate of present value of future cash outflows	**44,577**	**8,764**	**53,341**
Estimates of present value of future cash inflows	(66,424)	(7,647)	**(74,071)**
Risk adjustment	3,678	105	**3,783**
CSM	18,169	-	**18,169**
Amount included in insurance contract liabilities for the period	-	**1,222**	**1,222**

COMPANY Participating	31/12/2023 Contracts issued Non-Onerous	Onerous	Total
	(€ thousands)		
Insurance contract liabilities			
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	142,499	-	142,499
Estimates of insurance acquisition cash flows	5,508	-	5,508
Estimate of present value of future cash outflows	**148,007**	**-**	**148,007**
Estimates of present value of future cash inflows	(153,766)	-	(153,766)
Risk adjustment	321	-	321
CSM	5,438	-	5,438
Amount included in insurance contract liabilities for the period	-	-	-

COMPANY Participating	31/12/2022 Contracts issued Non-Onerous	Onerous	Total
	(€ thousands)		
Insurance contract liabilities			
Estimate of present value of future cash outflows, excluding insurance acquisition cash flows	156,820	-	156,820
Estimates of insurance acquisition cash flows	5,647	-	5,647
Estimate of present value of future cash outflows	**162,467**	**-**	**162,467**
Estimates of present value of future cash inflows	(171,665)	-	(171,665)
Risk adjustment	341	-	341
CSM	8,857	-	8,857
Amount included in insurance contract liabilities for the period	-	-	-

NOTE 33: EMPLOYEE BENEFIT OBLIGATIONS

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)			
Defined benefit plans of the COMPANY	80,075	79,237	80,075	79,237
Retirement Indemnities	3,875	4,000	3,875	4,000
Subtotal	**83,950**	**83,237**	**83,950**	**83,237**
Defined contribution plans of the COMPANY	18,711	18,298	18,711	18,298
Total employee benefits	**102,661**	**101,535**	**102,661**	**101,535**

According to the terms of DAF contract 2361 issued by the Company, each employee is entitled to receive upon retirement a lump sum benefit and a pension dependent on their salary and years of service; instead of a pension the employee may receive a second lump sum benefit. According to the terms of DAF contracts 3002, each employee is entitled to receive a lump sum benefit. Such benefits are not paid if 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 Company.
The staff of the Group companies in Greece receive a retirement indemnity in accordance with the prevailing legislation.

An amount of €48.9 million in 2023 (2022: €52.4 million) relating to obligations to pensioners of contract 2361 has been reclassified to employee benefit obligations from insurance contract liabilities.

	GROUP & COMPANY	
	31/12/2023	31/12/2022
	(€ thousands)	
Reconciliation of present value of obligation		
Present value of obligations at beginning of period	83,237	129,987
Service cost	1,230	1,159
Interest cost	2,872	873
Employee contributions	314	390
DAF benefits	(7,180)	(17,876)
Indemnities paid by the Company	(13,066)	(16,425)
Increase due to termination of contracts with consensual processes and other	12,479	4,535
(Gain)/ Loss due to financial assumptions	525	(16,971)
(Gain)/ Loss due to demographic assumptions	-	-
(Gain)/ Loss due to experience adjustments	3,539	(2,435)
Present value of funded obligations at end of period	**83,950**	**83,237**
Reconciliation of amount recognized in other comprehensive income		
Amount recognized in comprehensive income at beginning of period	**7,031**	**(12,375)**
Gain/ (Loss) due to changes in assumptions	(525)	16,971
Gain/ (Loss) due to experience adjustments	(3,539)	2,435
Total amount recognized in other comprehensive income during the period	**(4,064)**	**19,406**
Amount recognized in other comprehensive income at end of period	**2,967**	**7,031**

Key assumptions		
Discount rate	3,08%	3,63%
Price inflation	2,10%	2,20%
Plan duration (years)	8,33	8,03

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

COMPANY Sensitivity analysis of actuarial assumptions			
		Law 4093	DAF
Discount rate	Increase by 50 bps	-2%	-5%
	Decrease by 50 bps	2%	6%
Rate of compensation increase	Increase by 50 bps	2%	3%
	Decrease by 50 bps	-2%	-3%

Employer contributions to the defined benefit contracts 2361 and 2740 for 2024 are estimated at €650 thousands.

NOTE 34: SHARE OPTION PLAN

The Extraordinary General Meeting (EGM) of the shareholders of Ethniki General Insurance Company S.A. (the ‘Company’) held on 9 February 2023 approved the establishment of a Management Incentive Plan (the ‘Plan’), commencing on 31 March 2022 and ending on 31 March 2032, in the form of options over the Company’s shares in accordance with the provisions of article 113 of Greek law 4548/2018. The options were awarded to directors, senior managers and eligible employees of the Company. In addition, on the same date, the EGM designated the initial participants in the Plan and further authorized the Company’s Board of Directors, on the recommendation of the Company’s Nomination and Remuneration Committee, to (a) subsequently determine any additional eligible beneficiaries and (b) implement the approved terms and conditions of the Plan.

Description of the Plan

The purpose of the Plan is to encourage the long-term and general prosperity of the Company by achieving its strategic, financial and operating activities, as well as helping align the interests of the Participants with those of shareholders. The incentives that may be received by the participants pursuant to this plan shall be considered in any event as extraordinary and one-off, thus their participation will not entail an acquired right to participate in future plans that may be established by the Company.

The Employee stock option scheme reserve concerns an incentive plan in the form of grants of options over shares in the Company, for the distribution of stock options to the Company's employees, which constitutes variable remuneration under Law 4364/2016 and the Commission Delegated Regulation 2016/35. meaning of Article 32 of Law 4308/2014.

The total number of outstanding shares to be awarded under the Stock Option Plan is up to and including 10% of the Company’s total share capital as at the date of the resolution of the general meeting of the Company’s shareholder approving the Plan

The shares will be awarded to eligible participants in accordance with article 49 of law 4548/2018. The shares of the Company to be awarded will be acquired by the Company. The option certificates will state a specific number of shares that can be acquired under the option per participant to the Stock option Plan. If the professional relationship between the Company and a participant ends for other than a ‘good’ reason, all of the shares awarded will be forfeited.

The Plan represents an equity-settled share-based arrangement under IFRS 2 *Share-based Payment*, with a grant date 14 February 2023, being the date the beneficiaries became formally aware of the terms and conditions of the Plan.

The Plan represents an equity-settled share-based arrangement under IFRS 2 *Share-based Payment*, with a grant date 14 February 2023, since on that date the beneficiaries became formally aware of the Plan through the adherence letter which required each employee’s explicit consent. The vesting period, however, commences on 1 August 2022, earlier than the date of the grant, owing to the fact that the beneficiaries became aware of their participation in the Plan on that date despite not being informed of the terms and conditions of the Plan.

Vesting conditions

The options vest daily on a straight-line basis at a rate of 20% per annum from each Participant's Effective Date, up to a maximum of 100% and become fully vested on a Liquidity Event Date. Liquidity event has the meaning of a sale of shares of the Company by the shareholders pursuant to private transaction, initial public offering or any other transaction, a merger or any other business combination, in each case which result in the majority shareholder at that time holding Company's shares representing less than 50% + 1 of the total share capital of the Company or the sale of all or substantially all of the Company's business, assets and undertaking.

Vesting is conditional upon the participant being employed by the Company on the vesting date and subject to a non-market vesting condition. In particular, participants are required to remain in service up to the earlier of the termination date and the liquidity event date. What is more, vesting of awards is subject to a non-market vesting condition, according to which the beneficiaries will be entitled to exercise their option in full if a Liquidity event occurs at least three (3) years once the employee has begun to adhere to the terms of the Plan, by paying an exercise price of the higher of (i) 1.5x multiplied by the initial value of the Company's shares, and (ii) the initial value multiplied by an internal rate of return of 8%.

Fair value of options

The total option pool, being 10% of the Company's share capital, amounted to 19,601,748 shares. In February 2023, the Company granted 8,232,734 options to eligible employees representing 42% of the total option pool. The weighted average fair value of the share options on the date of the grant calculated by using the Black Scholes model was €1.33. The fair value amounts estimated on the date of the grant were determined by using the following assumptions:

Weighted average assumption	2023
Grant date	14 February
Share price (€)	2.72
Exercise price (€)	1.52
Expected volatility	30%
Expected option life (years)	4.1
Risk-free interest rate	3.5%
Expected dividend yield	0.0%

The exercise price, based on the terms of the Plan, was estimated as the higher of (i) 1.5x the initial value of the company and (ii) the initial value multiplied by an internal rate of return of 8%. The expected volatility was estimated by assessing the historical volatility of a number of quoted comparator companies over the expected period in line with the different expected term inputs. As the timing of a liquidity event is unknown, the expected option life assumption was based on a range of expected terms of a usual private equity investment cycle of four to six years. The risk-free rate of return is the yield on coupon on 10-year Greek Government bonds, which is not in line with the assumed option life, but it is consistent with the risk-free rate used in the valuation of the Company. The market value of the Company's share capital was estimated by applying the Dividend Discount model.

Expense charged to income statement

The Plan is accounted for as equity-settled compensation plan. In accordance with the Group's accounting policy, the compensation costs for the options granted are recognized in net income over the plan's vesting period with a corresponding credit entry in equity reserves. The total expense recognized in 2023 in the consolidated financial statements relating to share-based compensation is €4.1 million.

NOTE 35: RELATED PARTY DISCLOSURES

	GROUP							
	31/12/2023				31/12/2022			
	Assets	Liabilities	Income	Expenses	Assets	Liabilities	Income	Expenses
	(€ thousands)				(€ thousands)			
Transactions with related parties until 01.04.2022								
- Insurance services	183	12	1,936	17	3	-	767	7
- Other transactions					-	-	-	-
Total	**183**	**12**	**1,936**	**21**	**3**	**-**	**767**	**7**

	COMPANY							
	31/12/2023				31/12/2022			
	Assets	Liabilities	Income	Expenses	Assets	Liabilities	Income	Expenses
	(€ thousands)				(€ thousands)			
Ethniki Insurance Group Companies	1	171	124	26	2	198	25	17
Transactions with related parties								
- Insurance services	183	12	1,936	17	3	-	767	7
- Other transactions	-	-	-	4	-	-	-	-
Total	**184**	**183**	**2,060**	**47**	**5**	**198**	**792**	**24**

a. Transactions with related parties:

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

b. Transactions with Key Management Personnel (KMP):

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 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 people. The list of the members of the Board of Directors of the Company is presented under Note 1 “General Information”.

Specifically, as at 31st December 2023, receivables and liabilities amounted to €- thousands and €265 thousands respectively (2022: €2 thousands and €559 thousands), while in 2023 premiums and claims amounted to €22 thousands and €17 thousands respectively (2022: €36 thousands and €130 thousands).

Total compensation in 2023 amounted to €3,231 thousands (2022: €4,499 thousands), including short-term benefits of €2,719 thousands (2022: €3,183 thousands), post-retirement benefits of €37 thousands (2022: €47 thousands) and termination indemnity €447 thousands (2022: €1,240 thousands).

Provision for compensation in case of retirement amounted to €28 thousands (2022: €29 thousands).

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

As at 31 December 2023 and 31 December 2022, neither the 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 36: 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 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 2023, the Company had issued guarantees of good performance amounting to €6,850 thousands (2022: €2,458 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 2022 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, 22 October 2021, 26 October 2022 and 9 November 2023 respectively.

Fiscal year 2023 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 2023, the right of the tax authorities to issue a deed for re-calculation of income tax for the years up to and including year 2017, expired. 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 company and its subsidiaries can be found in Note 12.

NOTE 37: POST BALANCE SHEET EVENTS

On 12 May 2024, the Group announced that after the completion of the first phase of the Group's transformational plan and new corporate strategy, Mr Robert Gauci will step down as CEO of the Company at the beginning of July this year. As part of the Group's selection process and subject to regulatory approvals, Mr Dimitris Mazarakis will be appointed as the new CEO of the Company with an effective date 8 July 2024.

On 30 April 2024, the Company completed the sale of the property in 4 Korai & 30 Stadiou street in Athens that was held for sale at the end of the current reporting period, as described in note 14. The consideration received amounted to €48 million.

NOTE 38: AUDIT FEES

Price Waterhouse Coopers S.A. ("PwC") was appointed as the principal independent statutory auditor for the years ended 31 December 2023 and 31 December 2022. The following table presents the aggregate fees for audit services and other professional services rendered by the Group's principal independent auditor PwC, which is a member firm of PwC Network, other member firms of the Network and their respective affiliates.

	GROUP		COMPANY	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	(€ thousands)		*(€ thousands)*	
Audit of statutory financial statements	431	313	275	195
Audit-related services	674	373	633	331
Total independent auditor's fees	**1,105**	**686**	**908**	**526**

NOTE 39: RESTATEMENTS AND RECLASSIFICATIONS

Changes to comparative amounts impact the 1 January 2022 opening statement of financial position, total comprehensive income and statement of changes in equity for the year ended 31 December 2022.

The Group has adopted IFRS 17 "*Insurance Contracts"* from 1 January 2023 and comparatives have been retrospectively restated from the transition date of 1 January 2022. A restated opening statement of financial position is shown in the table below, which summarizes the financial impact on transition to IFRS 17.

	GROUP				COMPANY			
	31.12.2021 As previously reported	Reclassifications	IFRS 17 transition restatement	**01.01.2022** Reclassified amounts	**31.12.2021** As previously reported	Reclassifications	IFRS 17 transition restatement	**01.01.2022** Reclassified amounts
	(€ thousands)				*(€ thousands)*			
ASSETS								
Property and equipment	117,420	(2,492)	-	114,928	111,373	-	-	111,373
Investment property	78,408	(449)	-	77,959	77,959	-	-	77,959
Intangible assets	11,266	(498)	-	10,768	10,221	-	-	10,221
Assets held for sale	7,827	27,512	-	35,339	7,827	-	-	7,827
Deferred acquisition costs (DAC)	44,975	-	(44,975)	-	41,790	-	(41,790)	-
Investment in subsidiaries	-	-	-	-	12,232	-	-	12,232
Financial assets	-	3,875,698	-	3,875,698	-	3,812,818	-	3,812,818
Available for sale securities	3,204,467	(3,204,467)	-	-	3,194,643	(3,194,643)	-	-
Securities at fair value through profit or loss	640,043	(640,043)	-	-	577,157	(577,157)	-	-
Securities classified as loans and receivables	41,018	(41,018)	-	-	41,018	(41,018)	-	-
Insurance contract assets	111,079	(12,482)	28,230	126,827	99,848	-	24,879	124,727
Reinsurance contract assets	91,978	-	(26,080)	65,898	73,839	-	(17,664)	56,175
Other receivables	-	(864)	56,103	55,239	-	-	54,954	54,954
Deferred tax assets	15,403	(573)	126,842	141,672	14,830	-	126,842	141,672
Current income tax receivables	-	-	-	-	-	-	-	-
Cash and cash equivalents	88,717	(898)	(1,438)	86,381	75,394	-	(1,443)	73,951
Total Assets	**4,452,601**	**(574)**	**138,682**	**4,590,709**	**4,338,131**	**-**	**145,778**	**4,483,909**
EQUITY AND LIABILITIES								
Shareholders' Equity								
Share capital - paid in	235,221	-	-	235,221	235,221	-	-	235,221
Share premium account	547,429	-	-	547,429	547,429	-	-	547,429
Reserves	261,160	-	(11,637)	249,523	264,641	-	(11,637)	253,004
Retained earnings	167,384	-	(432,647)	(265,263)	143,863	-	(438,073)	(294,210)
	1,211,194	**-**	**(444,284)**	**766,910**	**1,191,154**	**-**	**(449,710)**	**741,444**
Non-controlling interests	569	-	-	569	-	-	-	-
Total equity	**1,211,763**	**-**	**(444,284)**	**767,479**	**1,191,154**	**-**	**(449,710)**	**741,444**
Liabilities								
Insurance contract liabilities	1,502,268	(70,080)	998,061	2,430,249	1,416,942	(57,280)	1,008,317	2,367,979
Reinsurance contract liabilities	-	-	2,840	2,840	-	-	2,840	2,840
Investment contracts liabilities	1,355,662	-	(367,708)	987,954	1,355,662	-	(367,708)	987,954
Other liabilities	77,737	(139)	(29,258)	48,340	69,962	-	(23,520)	46,442
Financial liabilities	177,153	(3,899)	3,899	177,153	177,153	-	-	177,153
Income tax liabilities	4,954	-	(8)	4,946	4,613	-	-	4,613
Reinsurance liabilities	24,860	-	(24,860)	-	24,441	-	(24,441)	-
Retirement benefit obligations	98,204	57,280	-	155,484	98,204	57,280	-	155,484
Deferred tax liabilities	-	-	-	-	-	-	-	-
Liabilities directly associated with assets held for sale	-	16,264	-	16,264	-	-	-	-
Total liabilities	**3,240,838**	**(574)**	**582,966**	**3,823,230**	**3,146,977**	**-**	**595,488**	**3,742,465**
Total Equity and Liabilities	**4,452,601**	**(574)**	**138,682**	**4,590,709**	**4,338,131**	**-**	**145,778**	**4,483,909**

In particular, the Group's consolidated equity has been restated by €444.284 thousands (Company: €449.710 thousands), as a result of the IFRS 17 transition. Reclassification of amount €57.280 thousands, identified in note lines "Retirement benefit obligations" and "Insurance contract liabilities", relates to DAF contracts of the Company's former employees, which are no longer included in the measurement of insurance contract liabilities, but instead are accounted for under IAS 39 Employee Benefits. Reclassifications on remaining note lines, relate to the Company's subsidiary "Societate Comerciala Garanta Asigurari S.A.", which is scoped out of IFRS 17 and presented as held for sale.

The Group has also adopted IFRS 9 "*Financial Instruments*" from 1 January 2023, but comparatives have not been retrospectively restated. This is due to the fact that the Group, as permitted by the transitional requirements of the standard, has elected not to restate the comparatives nor to apply the classification overlay as permitted by the amendments to IFRS 17, 'Initial Application of IFRS 17 and IFRS 9 - Comparative Information'. As a result, the Group adoption of IFRS 9 has no financial impact on the January 2022 restated statement of financial position. Line items under IAS 39, previously reported "Available for sale securities", "Securities at fair value through profit and loss", "Securities classified as loans and other receivables", are now presented in note line "Financial Assets".

Further information in respect of the transition to IFRS 17 and IFRS 9 is set out in note 2.3.1.1.

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