

ERB Cyprus Insurance

Holdings Limited

Report and financial statements

31 December 2025

Office copy (signed)

ERB Cyprus Insurance Holdings Limited

Report and financial statements 31 December 2025

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ERB Cyprus Insurance Holdings Limited

Board of Directors and other officers

Board of Directors

Michalis Louis (appointed Chairman on 16/04/2025)

Demetris Shacallis (appointed on 23/12/2025)

Takis Phidia

Elena Y. Neophytou (appointed on 16/04/2025 and resigned on 23/12/2025)

Antonis Rouvas (appointed on 16/04/2025 and resigned on 23/12/2025)

Charalambos Hambakis (appointed on 16/04/2025 and resigned on 23/12/2025)

Maria Ioanna Politopoulou (appointed on 28/07/2025 and resigned on 23/12/2025)

Xavier Larnaudie-Eiffel (resigned on 16/04/2025)

David Miseray (resigned on 16/04/2025)

Thierry Desvignes (resigned on 16/04/2025)

Celine Byl (resigned on 16/04/2025)

Takis Klerides (resigned on 16/04/2025)

Stelios Stefanou (resigned on 16/04/2025)

Gabriel Ambizas (resigned on 16/04/2025)

Company Secretary

Nikianthi Teloulidou (appointed on 28/07/2025)

Dina Panayiotides (resigned on 28/07/2025)

Registered office

17 Akropoleos Avenue,
Strovolos,
2006, Nicosia,
Cyprus

ERB Cyprus Insurance Holdings Limited

Management report

1 The Board of Directors presents its report together with the audited financial statements of the Company for the year ended 31 December 2025.

Principal activities and nature of operations of the Company

2 The principal activity of the Company, which is unchanged from last year, is that of an investment holding company.

Changes in group structure

3 During the year Eurobank Ltd (previously Hellenic Bank Public Company Limited) acquired 100% of the share capital of the Company.

Review of developments, position and performance of the Company's business

4 The profit of the company for the year ended 31 December 2025 was €47.325.223 (2024: €746.191). On 31 December 2025 the Company's total assets amounted to €199.579.637 (2024: €136.826.848) and its net assets amounted to €199.334.297 (2024: €136.083.366). The financial position, development and performance of the Company as presented in these financial statements are considered satisfactory.

Principal risks and uncertainties

5 The principal risks and uncertainties faced by the Company are disclosed in Notes 6 and 7 of the financial statements.

Use of financial instruments by the Company

6 The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk.

Cash flow interest rate risk

7 The Company's interest rate risk arises from cash and cash equivalents which carry interest at floating rates.

Credit risk

8 Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to receivables which are due from a limited number of counterparties.

ERB Cyprus Insurance Holdings Limited

Management report (continued)

Liquidity risk

9 Management monitors the current liquidity position of the Company based on expected cash flows and expected revenue receipts. On a long-term basis, liquidity risk is defined based on the expected future cash flows at the time of entering into new credit facilities and based on budgeted forecasts.

Future developments of the Company

10 The Board of Directors does not expect any significant changes or developments in the operations, financial position and performance of the Company in the foreseeable future.

Results

11 The Company's results for the year are set out on page 9. The profit for the year is carried forward.

Share capital

12 During the year, the Company issued 36.964 shares with a nominal value of 1 each due to changes in the Group Structure and the merger of ERB Cyprialife with Hellenic Life Insurance Limited and ERB Asfalistiki with Pancyprian Insurance Limited.

Dividend

13 During 2025, the Company declared and paid dividends amounting to €48.000.000 (2024: nil)

Board of Directors

14 The members of the Board of Directors at 31 December 2025 and at the date of this report are shown on page 1. Mr. Michalis Louis was appointed Chairman of the Board of Directors on 16 April 2025 and Mrs. Xavier Larnaudie-Eiffel resigned from the Chairman of the Board of Directors and as a member of the Board of Directors on the same date. On 16 April 2025 Mr. David Miseray, Mr. Thierry Desvignes, Mrs. Celine Byl, Mr. Takis Klerides, Mr. Stelios Stefanou and Mr. Gabriel Ambizas resigned as members of the Board of Directors and on the same date Mrs. Elena Y. Neophytou, Mr. Antonis Rouvas and Mr. Charalambos Hambakis were appointed members of the Board of Directors. Mrs. Maria Ioanna Politopoulou was appointed member of the Board of Directors on 28 July 2025. On 23 December 2025, Mrs. Elena Y. Neophytou, Mr. Antonis Rouvas, Mr. Charalambos Hambakis and Mrs. Maria Ioanna Politopoulou resigned from members of the Board of Directors and on the same date, Mr. Demetris Shacallis was appointed member of the Board of Directors.

15 There were no significant changes in the assignment of responsibilities and remuneration of the Board of Directors.

ERB Cyprus Insurance Holdings Limited

Management report (continued)

Events after the balance sheet date

16 Further details regarding the geopolitical developments in the Middle East and their potential impact on the Group are disclosed in Note 18.

Branches

17 The Company did not operate through any branches during the year.

Independent Auditors

18 The independent auditors of the Company, KPMG Limited, have expressed their willingness to continue in office. A resolution giving authority to the Board of Directors to fix their remuneration will be submitted at the forthcoming Annual General Meeting.

By Order of the Board

Nikianthi Teoulidou
Company Secretary

Nicosia,
07 April 2026

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ERB CYPRUS INSURANCE HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of parent company ERB Cyprus Insurance Holdings Ltd (the "Company"), which are presented on pages 9 to 33 and comprise the statement of financial position as at 31 December 2025, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113 (the "Companies Law, Cap.113").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the International Code of Ethics (including International Independence Standards) for Professional Accountants of the International Ethics Standards Board for Accountants' ("IESBA Code") together with the ethical requirements in Cyprus that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as required by the Companies Law, Cap.113.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

With regards to the Management Report, our report is presented in the "Report on Other Legal Requirements" section.

Responsibilities of the Board of Directors for the Financial Statements

The Board of Directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and the requirements of the Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements (cont.)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Board of Directors 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.

Report on Other Legal Requirements

Pursuant to the additional requirements of the Auditors Law of 2017 ("Law L.53(I)/2017"), and based on the work undertaken in the course of our audit, we report the following:

- In our opinion, the Management Report, the preparation of which is the responsibility of the Board of Directors, has been prepared in accordance with the requirements of the Companies Law, Cap. 113, and the information given is consistent with the financial statements.7, 7(a)
- In light of the knowledge and understanding of the business and the Company's environment obtained in the course of the audit, we have not identified material misstatements in the Management Report.

Other Matters

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 69 of Law L.53(I)/2017 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.

Constantinos N. Kallis, FCA
Certified Public Accountant and Registered Auditor
for and on behalf of

KPMG Limited
Certified Public Accountants and Registered Auditors
14 Esperidon Street
1087 Nicosia, Cyprus

07 April 2026

ERB Cyprus Insurance Holdings Limited

Statement of comprehensive income for the year ended 31 December 2025

	Note	2025 €	2024 €
Dividend income	8	48.000.000	2.400.000
Gain from the liquidation of investment in subsidiary	13	157.939	-
Interest income		2.754	3.244
Other income		70.825	-
Administrative expenses	9	(191.210)	(625.684)
Impairment loss on investments in subsidiaries	13	<u>(715.085)</u>	<u>(1.031.369)</u>
Profit before income tax		47.325.223	746.191
Income tax expense	11	-	-
Profit for the year		<u>47.325.223</u>	<u>746.191</u>
Other comprehensive income:		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive Income for the year		<u>47.325.223</u>	<u>746.191</u>

ERB Cyprus Insurance Holdings Limited

Statement of financial position at 31 December 2025

	Note	2025 €	2024 €
Assets			
Non-current assets			
Investment in subsidiaries	13	<u>199.358.858</u>	<u>136.148.235</u>
Current assets			
Cash at bank	14	<u>220.779</u>	<u>678.613</u>
		<u>220.779</u>	<u>678.613</u>
Total assets		<u>199.579.637</u>	<u>136.826.848</u>
Equity and liabilities			
Capital and reserves			
Share capital	15	126.964	90.000
Share premium	15	103.295.100	103.295.100
Retained earnings		<u>95.912.233</u>	<u>32.698.266</u>
Total equity		<u>199.334.297</u>	<u>136.083.366</u>
Current liabilities			
Other payables	16	<u>245.340</u>	<u>743.482</u>
Total Liabilities		<u>245.340</u>	<u>743.482</u>
Total equity and liabilities		<u>199.579.637</u>	<u>136.826.848</u>

On 07 April 2026 the Board of Directors of ERB Cyprus Insurance Holdings Limited authorised these financial statements for issue.

Michalis Louis, Director

Takis Phidia, Director

The notes on pages 13 to 33 are an integral part of these financial statements.

ERB Cyprus Insurance Holdings Limited

Statement of changes in equity for the year ended 31 December 2025

	Share Capital €	Share Premium €	Retained Earnings ⁽¹⁾ €	Total €
Balance at 31 December 2024	90.000	103.295.100	31.925.075	135.337.175
Comprehensive Income				
Profit for the year			746.191	746.191
Balance at 31 December 2024/1 January 2025	90.000	103.295.100	32.698.266	136.083.366
Other movements				
Issue of share capital	36.964			32.964
Balance arising at legal merge of subsidiaries			63.888.744	63.888.744
Transactions with owners				
Dividends	-	-	(48.000.000)	(48.000.000)
Comprehensive Income				
Profit for the year	-	-	47.325.223	47.325.223
Balance at 31 December 2025	126.964	103.295.100	95.912.233	199.334.297

(1) Companies, which do not distribute 70% of their profits after tax, as defined by the Special Contribution for the Defence of the Republic Law, within two years after the end of the relevant tax year, will be deemed to have distributed this amount as dividend on the 31st of December of the second year. The amount of the deemed dividend distribution is reduced by any actual dividend already distributed by 31 December of the second year for the year the profits refer. The Company pays special defence contribution on behalf of the shareholders over the amount of the deemed dividend distribution at a rate of 17% (applicable since 2014) when the entitled shareholders are natural persons tax residents of Cyprus and have their domicile in Cyprus. In addition, the Company pays a General Health System (GHS) contribution on behalf of the shareholders at a rate of 2.65%, when the entitled shareholders are natural tax residents of Cyprus, regardless of their domicile.

The notes on pages 13 to 33 are an integral part of these financial statements.

ERB Cyprus Insurance Holdings Limited

Statement of cash flows for the year ended 31 December 2025

	Note	2025 €	2024 €
Cash flows from operating activities			
Profit before Income tax		47.325.223	746.191
Adjustments for:			
Impairment loss on investment in subsidiaries	13	715.085	1.031.369
Dividend income	8	(48.000.000)	<u>(2.400.000)</u>
		40.308	(622.440)
Changes in working capital:			
Other payables		(498.142)	(86.156)
Financial assets at amortised costs		<u>-</u>	<u>22.305</u>
Net cash used in operating activities		498.142	<u>108.461</u>
Cash flows from investing activities			
Investment in subsidiaries – additions	13	-	(2.000.000)
Dividends received	8	48.000.000	<u>2.400.000</u>
Net cash from investing activities		48.000.000	<u>400.000</u>
Cash flows from financing activities			
Dividends paid to Company's shareholder		(48.000.000)	<u>-</u>
Net cash from financing activities		(48.000.000)	<u>-</u>
Net decrease in cash and cash equivalents		(457.834)	(113.979)
Cash and cash equivalents at beginning of year		678.613	<u>792.592</u>
Cash and cash equivalents at end of year	14	220.779	<u>678.613</u>

The notes on pages 13 to 33 are an integral part of these financial statements.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

1 General information

Country of incorporation

The Company is incorporated and domiciled in Cyprus as a private limited liability company in accordance with the provisions of the Cyprus Companies Law, Cap. 113. Its registered office is at 17 Akropoleos Avenue, Strovolos, 2006 Nicosia, Cyprus.

Principal activities

The principal activity of the Company, which is unchanged from last year, is that of an investment holding company.

Operating environment of the Company

The current economic environment remains significantly shaped by external geopolitical shocks and shifting global policy dynamics. The ongoing Russia-Ukraine conflict, which began in February 2022, continues to weigh on confidence and energy markets, while renewed tensions in the Middle East are adding to uncertainty at the start of 2026. Against this backdrop, the disinflation process since mid-2024 has allowed the European Central Bank (ECB) to begin easing monetary policy: Looking ahead, risks to the global outlook remain elevated, including the renewed rise of trade protectionism and the possibility of commodity-price shocks, both of which could transmit to Cyprus through trade, tourism and energy prices.

Cyprus' growth performance remained robust in 2025, confirming the economy as one of the stronger performers in the Eurozone. National accounts indicate that real GDP expanded by 3,8% year on year in 2025, while CySTAT's seasonally and working day adjusted data show growth of 4,5% in Q4 2025. The expansion was supported by resilient activity in trade, tourism and transport, alongside steady contributions from ICT, real estate and professional services. Tourism continued to be a key driver: tourist arrivals reached 4,5 mn in 2025 (from 4,0 mn in 2024), while tourism revenue in January-December 2025 is estimated at €3,7 bn (vs €3,2 bn in the corresponding period of 2024).

The outlook remains positive, albeit with growth expected to moderate from the strong pace of 2025. In its December 2025 forecast, the Central Bank of Cyprus (CBC) projects real GDP growth of 3,5% in 2025 and 3,0% in both 2026 and 2027, while the European Commission's Autumn 2025 forecast places growth at 3,4% in 2025, easing to 2,6% in 2026 and 2,4% in 2027. In the medium term, real activity is expected to be supported by EU funds under the Resilience and Recovery Facility (RRF), with Cyprus set to receive €1,2 billion during 2021-2026 to advance the green transition and digital transformation. Nonetheless, downside risks persist from geopolitical developments, potential trade restrictions and a less supportive external environment.

Labor market conditions strengthened further through 2025, consistent with near full-employment dynamics. According to CySTAT, the unemployment rate fell to 4,1% in Q3 2025 (the lowest level since 2008), while vacancy indicators remained elevated: the job vacancy rate averaged 3,1% in the first nine months of 2025, broadly in line with the 3,2% recorded in the first nine months of 2024, pointing to sustained labour demand. In its latest projections, the CBC expects unemployment to decline from 4,9% in 2024 to 4,5% in 2025 and remain around that level thereafter, while the European Commission forecasts 4,7% in 2025, easing to 4,5% in 2026 and 4,3% in 2027.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

1 General information (continued)

Inflation normalized further in 2025, supported mainly by lower energy prices and, to a lesser extent, moderating food prices. Headline inflation is estimated to have closed at 0,8% in 2025 (down from 2,3% in 2024). Looking ahead, the CBC expects inflation to rise to 1,7% in 2026 and 2,2% in 2027, while the European Commission forecasts 1,5% in 2026 and 1,7% in 2027, noting that underlying inflation excluding energy and food may remain slightly higher due to persistent services price pressures linked to strong tourism demand. Risks remain tilted to the upside if global trade disruptions, protectionist policies, or renewed commodity shocks intensify. Inflation in Cyprus averaged 1,1% in January-February 2026 (down from 2,6% in the same period of 2025), with monthly readings moderating to 1,2% in January and 0,9% in February. These readings, however, reflect conditions prior to the recent escalation in the MENA region, which may exert upward pressure on energy prices and alter the inflation outlook over the course of the year.

In the banking sector, the improvement in asset quality has continued, supporting financial stability alongside strong macro fundamentals. Total non-performing exposures (NPEs) declined significantly, reaching €1,6 billion or 6,5% of gross loans by the end of September 2024 (from 17,7% at end-2020), while the coverage ratio increased to 55,7% in September 2024 (from 46,2% at end-2020).

Cyprus' fiscal performance remained among the strongest in the Eurozone, supported by robust activity and prudent public-finance management. CySTAT's preliminary fiscal results show that the General Government balance for January-December 2025 recorded a surplus of €939,2 mn (2,6% of GDP), compared with a surplus of €1.439,3 mn (4,1% of GDP) in the same period of 2024. Public debt continued to ease: central government debt declined to €21,1 bn in Q3 2025 and remained broadly stable versus end-2024 (€21,2 bn). After falling steadily from the 2020 peak, the debt-to-GDP ratio reached 65,3% in 2024 and is expected by institutions to continue declining towards around 44% of GDP by 2028.

Cyprus' sovereign credit profile strengthened further in 2025, reflecting continued fiscal outperformance, declining public debt and resilient growth. Rating agencies maintained Cyprus firmly in the "A" category while improving their outlooks: Fitch Ratings (21/11/2025) revised the Outlook on Cyprus' Long-Term Foreign-Currency Issuer Default Rating (IDR) to Positive from Stable and affirmed the rating at "A-", while S&P (14/11/2025) revised the outlook on its long-term sovereign ratings on Cyprus to Positive from Stable, affirming the "A/A-2" ratings.

The recent escalation of regional conflict involving Iran has heightened economic uncertainty in Cyprus, adding to inflationary pressures and increasing downside risks for domestic activity. The magnitude of the impact will depend largely on the duration of the conflict: a swift resolution would likely limit the effects, whereas a prolonged escalation could exert more pronounced pressures on economic activity.

Geopolitical situation in Middle East

The geopolitical situation in Middle East escalated on 28 February 2026, with the actions taken by the United States and Israel against targets in Iran. Cyprus has experienced geopolitical sensitivity due to its proximity to the Middle East and the presence of the United Kingdom Sovereign Base Areas at Akrotiri and Dhekelia. As of the date of authorisation of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

1 General information (continued)

The conflict has caused volatility in global energy markets and disruptions to the supply of oil and gas, contributing to increased uncertainty in commodity prices and potential inflationary pressures.

Broader consequences have also been observed in financial markets and global supply chains, particularly affecting energy and transportation sectors, as heightened geopolitical tensions around key shipping routes add to market uncertainty.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

There are events that are indicative of conditions that arose after the reporting period. Therefore, these are considered as a non-adjusting event and thus, are not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2025.

Although ERB Cyprus Insurance Holdings Ltd has very limited direct exposure, the conflict may still create negative effects on the Cypriot economy. Rising energy prices, fluctuations in foreign exchange rates, increased financial market volatility, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations of ERB Cyprus Insurance Holdings Ltd. In addition, any potential adverse effects on the hospitality sector, may further influence economic activity and business conditions. The indirect implications remain uncertain and will invariably depend on the extent and duration of the conflict.

Management has considered the unique circumstances and the risk exposures of ERB Cyprus Insurance Holdings Ltd.

2 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union (EU), and the requirements of the Cyprus Companies Law, Cap. 113.

The financial statements have been prepared on a going concern basis.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

2 Basis of preparation (continued)

As of the date of the authorization of the financial statements, all International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) that are effective as of 1 January 2025 and are relevant to the Company's operations have been adopted by the EU through the endorsement procedure established by the European Commission.

The material accounting policies applied in the preparation of these financial statements are set out below in Note 4. These policies have been consistently applied to all the years resented, unless otherwise stated (refer to Notes 3 and 4).

These separate financial statements contain information about ERB Cyprus Insurance Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption under IFRS 10 "Consolidated Financial Statements" from the requirement to prepare consolidated financial statements as the Company and its subsidiaries are included in the consolidated financial statements of its parent, Eurobank S.A. which prepares consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU that are available for public use. These consolidated financial statements can be obtained from the registered office of Eurobank S.A. at 8 Othonos Street, 105 57, Athens, Greece and are also available at the website www.eurobank.gr.

The European Commission has concluded that since parent companies are required by the EU Accounting(2013/34/EU) Directive to prepare separate financial statements and since the Cyprus Companies Law, Cap.113, requires the preparation of such financial statements in accordance with IFRS as adopted by the EU, the provisions in IFRS 10 "Consolidated Financial Statements" requiring the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 7.

3 Adoption of new or revised standards and interpretations

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning 1 January 2025. This adoption did not have a material effect on the accounting policies of the Company.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

4 Summary of material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Business combinations under common control transactions

Group restructuring transactions involving the transfer of businesses, assets and liabilities between entities under common control are accounted for using predecessor (book value) accounting, as the transactions do not constitute a business combination within the scope of IFRS 3 Business Combinations.

The assets and liabilities transferred are recognised by the transferee at the carrying amounts reported in the financial statements of the transferring entity immediately prior to the transaction. No goodwill or gain is recognised as a result of the transfer. The difference between the consideration paid (if any) and the net carrying amount of the assets and liabilities acquired is recognised directly in equity within retained earnings reserve.

During the year ended 31 December 2025, as part of an internal group restructuring, the business and net assets of Hellenic Life Insurance Company Limited and Pancyprian Insurance Limited (“transferring entities”) were transferred to ERB Asfalistiki and ERB Cyprialife respectively, through a legal merger transaction by virtue of a Court Order issued on 8 October 2025 and published in the Official Gazette of the Republic of Cyprus on 10 October 2025. All entities were being ultimately controlled by Eurobank Ltd, before and after the transaction, and accordingly, the transfer constitutes a transaction under common control.

The transaction was effected at book values, and the assets and liabilities transferred were recognised by the Companies at the carrying amounts reflected in the financial statements of the transferring entities immediately prior to the transfer date. As part of the legal merger transaction and group restructuring, the Company issued 36.964 ordinary shares at nominal value of €1. No gain arose as a result of the transaction in the Company’s financial statements. The difference of €63.925.708 between (i) the consideration of the issuance of new share capital and (ii) the net carrying amount of the assets and liabilities transferred of €63.888.744, has been recognised directly in equity, through Retained Earnings reserve.

The carrying amount of the assets and liabilities transferred at the transfer date were as follows:

	Net carrying amount on transfer date
Company	€
ERB Cyprialife	34.382.529
ERB Asfalistiki	29.543.179
Net assets transferred	63.888.744

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

4 Summary of material accounting policies (continued)

Foreign currency translation

(i) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Euro (€), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country in which the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. If applicable tax regulation is subject to interpretation, it establishes provision where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

4 Summary of material accounting policies (continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on the Company where there is an intention to settle the balances on a net basis.

Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in company's financial statements in the year in which the dividends are appropriately authorised and are no longer at the discretion of the Company. More specifically, interim dividends are recognised as a liability in the period in which these are authorised by the Board of Directors and in the case of final dividends, these are recognised in the period in which these are approved by the Company's shareholders.

Financial assets

Financial assets - Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

4 Summary of material accounting policies (continued)

Financial assets - Recognition and derecognition

All purchases and sales of financial assets that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recorded at trade date, which is the date when the Company commits to deliver a financial instrument. All other purchases and sales are recognized when the entity becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

Financial assets - Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss. Fair value at initial recognition is best evidenced by the transaction price. A gain or loss on initial recognition is only recorded

if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by a valuation technique whose inputs include only data from observable markets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment, any related balance within the FVOCI reserve is reclassified to retained earnings. The Company's policy is to designate equity investments as FVOCI when those investments are held for strategic purposes other than solely to generate investment returns. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/losses in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

4 Summary of material accounting policies (continued)

Equity instruments (continued)

Financial assets – impairment – credit loss allowance for ECL

The Company assesses on a forward-looking basis the ECL for debt instruments (including loans) measured at AC and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Company measures ECL and recognises credit loss allowance at each reporting date. The measurement of ECL reflects: (i) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (ii) time value of money and (iii) all reasonable and supportable information that is available without undue cost and effort at the end of each reporting period about past events, current conditions and forecasts of future conditions.

The carrying amount of the financial assets is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'net impairment losses on financial and contract assets'.

Debt instruments measured at AC are presented in the balance sheet net of the allowance for ECL. For loan commitments and financial guarantee contracts, a separate provision for ECL is recognised as a liability in the balance sheet.

For debt instruments at FVOCI, an allowance for ECL is recognised in profit or loss and it affects fair value gains or losses recognised in OCI rather than the carrying amount of those instruments.

For financial assets that are subject to impairment under IFRS 9, the Company applies general approach- three stage model for impairment. The Company applies a three stage

model for impairment, based on changes in credit quality since initial recognition. A financial instrument that is not credit- impaired on initial recognition is classified in Stage 1. Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months or until contractual maturity, if shorter ("12 Months ECL"). If the Company identifies a significant increase in credit risk ("SICR") since initial recognition, the asset is transferred to Stage 2 and its ECL is measured based on ECL on a lifetime basis, that is, up until contractual maturity but considering expected prepayments, if any ("Lifetime ECL") . Refer to Note 6, Credit risk section for a description of how the Company determines when a SICR has occurred. If the Company determines that a financial asset is credit- impaired, the asset is transferred to Stage 3 and its ECL is measured as a Lifetime ECL. The Company definition of credit impaired assets and definition of default is explained in Note 6, Credit risk section.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

4 Summary of material accounting policies (continued)

Equity instruments (continued)

Financial assets – impairment – credit loss allowance for ECL (continued)

The key inputs into the measurement of ECL are the term structures of the probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”). ECL for financial assets for which credit risk has not significantly increased are calculated by multiplying the 12-month PD by the respective LGD and EAD. Lifetime ECL are calculated by multiplying the lifetime PD by the respective LGD and EAD.

- PD: an estimate of the likelihood of default over a given time horizon. It is estimated with consideration of economic scenarios and forward-looking information.
- LGD: the magnitude of the likely loss if there is a default. The Company will estimate LGD parameters based on the history of recovery rates of claims against defaulted counterparties.
- EAD: represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount at the time of default.

SICR

When determining whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company will consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis based on the Company’s experience, expert credit assessment and forward-looking information. As a backstop, the Company considers that a significant increase in credit risk occurs no later than when an asset is more than 30 days past due.

Credit-impaired

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or past-due event;
- the restructuring of an amount due to the Company on terms that the Company would not otherwise consider;
- the debtor entering bankruptcy or other financial reorganization becoming probable; or
- the disappearance of an active market for security because of financial difficulties.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

4 Summary of material accounting policies (continued)

Financial assets - Reclassification

Financial instruments are reclassified only when the business model for managing those assets changes. The reclassification has a prospective effect and takes place from the start of the first reporting period following the change.

Financial assets – write-off

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

Financial assets – modification

The Company sometimes renegotiates or otherwise modifies the contractual terms of the financial assets. The Company assesses whether the modification of contractual cash flows is substantial considering, among other, the following factors: any new contractual terms that substantially affect the risk profile of the asset, significant change in interest rate, change in the currency denomination, new collateral or credit enhancement that significantly affects the credit risk associated with the asset or a significant extension of a loan when the borrower is not in financial difficulties.

If the modified terms are substantially different, the rights to cash flows from the original asset expire and the Company derecognises the original financial asset and recognises a new asset at its fair value. The date of renegotiation is considered to be the date of initial recognition for subsequent impairment calculation purposes, including determining whether a SICR has occurred. The Company also assesses whether the new loan or debt instrument meets the SPPI criterion. Any difference between the carrying amount of the original asset derecognised and fair value of the new substantially modified asset is recognised in profit or loss, unless the substance of the difference is attributed to a capital transaction with owners. In a situation where the renegotiation was driven by financial difficulties of the counterparty and inability to make the originally agreed payments, the Company compares the original and revised expected cash flows to assets whether the risks and rewards of the asset are substantially different as a result of the contractual modification. If the risks and rewards do not change, the modified asset is not substantially different from the original asset and the modification does not result in derecognition. The Company recalculates the gross carrying amount by discounting the modified contractual cash flows by the original effective interest rate, and recognises a modification gain or loss in profit or loss.

Classification as cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes deposits held at call with banks with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

4 Summary of material accounting policies (continued)

Classification as financial assets at amortised cost

These amounts generally arise from transactions outside the usual operating activities of the Company. These are held with the objective to collect their contractual cash flows and their cash flows represent solely payments of principal and interest. Accordingly, these are measured at amortised cost using the effective interest method, less provision for impairment. Financial assets at amortised cost are classified as current assets if they are due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current assets.

Interest income

Interest income from financial assets at FVTPL is included in the other gains/(losses) - net on these assets. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the income statement as "Interest income". Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit - impaired financial assets – Stage 3 the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance), for Stage 1 and Stage 2- gross amount of financial assets.

Financial liabilities – measurement categories

Financial liabilities are initially recognised at fair value and classified as subsequently measured at amortised cost, except for (i) financial liabilities at FVTPL: this classification is applied to derivatives, financial liabilities held for trading (e.g. short positions in securities), contingent consideration recognised by an acquirer in a business combination and other financial liabilities designated as such at initial recognition and (ii) financial guarantee contracts and loan commitments. The Company's financial liabilities comprise solely of other payables at the reporting date measured at amortised cost.

Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

4 Summary of material accounting policies (continued)

Investments in subsidiaries (continued)

Investments in subsidiaries are measured at cost less impairment. Investments in subsidiaries are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised through profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. An impairment loss recognised in prior years is reversed where appropriate if there has been a change in the estimates used to determine the recoverable amount.

Dividend income from subsidiaries

Dividend income is recognised when the right to receive payment is established and is presented on the face of the statement of profit or loss.

Transactions with equity owners/subsidiaries

The Company enters into transactions with shareholders and subsidiaries. When consistent with the nature of the transaction, the Company's accounting policy is to recognise (a) any gains or losses with equity holders and other entities which are under the control of the ultimate shareholder, directly through equity and consider these transactions as the receipt of additional capital contributions or the payment of dividends; and (b) any losses with subsidiaries as cost of investment in subsidiaries. Similar transactions with non-equity holders or subsidiaries, are recognised through the profit or loss in accordance with IFRS 9, 'Financial Instruments'.

Share capital and share premium

Ordinary shares are classified as equity.

Share premium is the difference between the fair value of the consideration receivable for the issue of shares and the nominal value of the shares. Share premium account can only be resorted to for limited purposes, which do not include the distribution of dividends, and is otherwise subject to the provisions of the Cyprus Companies Law on reduction of share capital.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

5 New accounting pronouncements

At the date of approval of these financial statements a number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2025 and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Company.

6 Financial risk management

I. Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk), credit risk and liquidity risk.

Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to cash flow interest rate risk in relation to its call deposits with banks within cash and cash equivalents which carry fixed interest rates, with a carrying amount of €152.000 (2024: €504.000) as at the reporting date.

- **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted. No maturity table disclosing the undiscounted cashflows of the underlying financial liabilities has been presented as all outstanding balances are due within 12 months and consequently their carrying amounts are representative of their contractual cash flows as the impact of discounting is not significant.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

6 Financial risk management

(ii) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(iii) Credit risk

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

	2025 €	2024 €
Cash at bank and short-term bank deposits (Moody's)		
Aa2	153.077	504.960
Baa1	67.701	-
Baa2	-	173.653
	<u>220.779</u>	<u>678.613</u>

The Company's primary financial assets subject to impairment assessment under IFRS 9 as at 31 December 2025 comprise solely of cash and cash equivalents of a carrying amount of €220.779 (2024: cash and cash equivalents of €678.613 (note 14)).

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

No impairment loss was recognized during the year in respect to financial assets (2024: none).

7 Critical accounting estimates and assumptions

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the company's accounting policies. 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.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

7 Critical accounting estimates and judgements (continued)

i. Impairment assessment for investments in subsidiary undertakings

The Company has investments in subsidiaries, which are recorded at cost and are subject to impairment. Investments in subsidiaries with a net carrying amount of €199.358.858 (2024: €136.148.235) as at the reporting date were assessed for impairment, with a resulting impairment loss of €715.085 recognised as an expense in profit or loss (note 13) for 2025 (2024: €1.031.369).

At each reporting date, or wherever impairment indicators are identified, the Board of Directors performs a formal impairment assessment to estimate the recoverable amount of each investment, based on either their fair value less costs to sell and/or their value in use under IAS 36. The Board of Directors compares the net carrying amount of each investment with its recoverable amount, and in case the recoverable amount is lower than its net carrying amount, the difference is recorded as an impairment loss in profit or loss.

Further, the Board of Directors assesses at each reporting date whether there is an indication that a previously recognized impairment loss has reversed because of a change in the estimates used to determine the impairment loss. If there is such an indication, and the recoverable amount of the impaired investment subsequently increases, then the accumulated impairment loss is assessed whether it should be reversed in profit or loss.

During the year 2025, and on the basis of the impairment assessment performed, the Board of Directors has recognized an impairment charge of €715.085 on the face of the statement of profit or loss relating to subsidiary company Cyprialife Greece S.M.S.A which was written down to its estimated recoverable amount. The subsidiary has reported losses in the current and previous reporting periods, with declining premiums income from its insurance operations and unrealized fair values losses on its investment portfolio impacting adversely its financial position and performance. The recoverable amount of the investment in the subsidiary was determined by reference to its estimated fair value less costs of disposal, which was based on the adjusted net assets of the investee and is classified within Level 3 of the fair value hierarchy. As regards the other subsidiaries, no impairment indicators were identified at the reporting date.

8 Dividend income from subsidiaries

	2025	2024
	€	€
Dividend income from ERB Cyprialife Limited	<u>48.000.000</u>	<u>2.400.000</u>
Total dividend income from subsidiaries	<u>48.000.000</u>	<u>2.400.000</u>

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

9 Expenses by nature

	2025	2024
	€	€
Auditors' remuneration - statutory audit fees	3.570	3.570
Staff costs (Note 10)	160.489	453.383
Non-recoverable VAT expense	14.444	65.446
Directors' remuneration	8.897	30.500
Professional and miscellaneous expenses	2.625	71.587
Bank charges	<u>1.185</u>	<u>1.198</u>
Total administrative expenses	<u>191.210</u>	<u>652.684</u>

10 Staff costs

	2025	2024
	€	€
Salaries and other short-term employee benefits	119.457	318.088
Social insurance and other contributions	34.983	129.615
Provident Fund contributions	<u>6.049</u>	<u>5.680</u>
	<u>160.489</u>	<u>453.383</u>

Average number of staff employed during the year	<u>1</u>	<u>2</u>
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11 Income tax expense

	2025	2024
	€	€
Current tax:		
Income tax expense	<u>-</u>	<u>-</u>

The tax on the Company's profit before income tax differs from the theoretical amount that would arise using the applicable tax rate as follows:

	2025	2024
	€	€
Profit before income tax	<u>47.325.223</u>	<u>746.191</u>
Tax calculated at the applicable corporation tax rate of 12.5%	5.915.653	93.274
Tax effect of expenses not deductible for tax purposes	80.210	85.435
Tax effect of allowances and income not subject to tax	(6.019.742)	(300.000)
Recharged expenses from CNP Assurance SA without the respective income	9.175	43.486
Tax effect of tax losses for which no deferred tax asset was recognised	<u>14.704</u>	<u>77.805</u>
Income tax charge	<u>-</u>	<u>-</u>

The Company is subject to corporation tax on taxable profits at the rate of 12,5% (2024: 12,5%). For the current financial year, the Group has performed an initial assessment of the Company's potential exposure to top-up tax. Based on this assessment no top up tax has been recognised in the financial statements.

Tax losses may be carried forward for five years. Group companies may deduct losses against profits arising during the same tax year.

Under certain conditions interest may be exempt from income tax and be subject only to special contribution for defence at the rate of 30% (2024: 30%).

In certain cases, dividends received from abroad may be subject to special contribution for defence at the rate of 17% (2024: 17%). In certain cases dividends received from other

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

11 Income tax expense (continued)

Cyprus tax resident companies may also be subject to special contribution for defence. Gains on disposal of qualifying titles (including shares, bonds, debentures, rights thereon, etc) are exempt from Cyprus income tax.

The Company's tax affairs are subject to examination by the Cyprus Tax Authorities. The tax years from 2019 onwards remain open and have not yet been audited.

12 Dividends

In December 2025, the Board of Directors declared a total of 48 million dividends to the Company's sole shareholder (2024: nil). The dividend payment was settled before the year end.

13 Investments in subsidiaries

	2025 €	2024 €
At beginning of year	136.148.235	135.179.604
Additions	-	2.000.000
Subsidiaries merge (1)	63.925.708	-
Impairment charge (2)	(715.085)	(1.031.369)
At end of year	<u>199.358.858</u>	<u>136.148.235</u>

The Company's investments in subsidiaries, all of which are unlisted, were as follows:

Name	Principal activities	Country of incorporation	2025 % holding	2024 % holding
Cyprialife Greece S.M.S.A.	Life Insurance	Greece	100	100
CNP Asfalistikies Praktoriakes Ergasies S.A. (3)	Insurance agent	Greece	-	100
ERB Asfalistiki Limited	General Insurance	Cyprus	100	100
ERB Cyprialife Limited	Life Insurance	Cyprus	100	100
ERB Cyprus Properties Limited	Investment Holding	Cyprus	100	100

- (1) During the year 2025, the transfer of the entire portfolios of insurance policies, assets and liabilities of Hellenic Life Insurance Company Limited and Pancyprrian Insurance Limited to ERB Cyprialife and ERB Asfalistiki respectively was completed. As a result of the merger, the company's investment in subsidiaries increased by €63.925.708.
- (2) During the year 2025, and on the basis of the impairment assessment performed, the Board of Directors has recognized an impairment charge of €715.058 on the face of the statement of profit or loss relating to Cyprialife Greece S.M.S.A. which was written down to its estimated recoverable amount (2024: €1.031.369). More information on the impairment assessment and loss recognized is included in note 7.
- (3) During the year 2025, the company liquidated its wholly owned subsidiary CNP Asfalistikies Praktoriakes Ergasies S.A. The investment in this subsidiary has been fully impaired in previous years and had a carrying amount of nil at the date of liquidation. The Company received an amount of €157.939 which was recognized as a gain in the Income Statement for the year.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

14 Cash at bank

	2025 €	2024 €
Cash at bank	<u>220.779</u>	<u>678.613</u>

Cash at bank are denominated in the following currency:

	2025 €	2024 €
Euro - functional and presentation currency	<u>220.779</u>	<u>678.613</u>

15 Share capital and share premium

	Number of ordinary shares	Share capital €	Share premium €	Total €
At 1 January 2025	90.000	90.000	103.295.100	103.385.100
Issue of share capital	<u>36.964</u>	<u>36.964</u>	<u>-</u>	<u>36.964</u>
	126.964	126.964	103.295.100	103.422.064

The holders of ordinary shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

The total authorized number of ordinary shares is 136 964 shares (2024: 100 000 shares) with a par value of €1 each share. All issued shares are fully paid.

On 10 October 2025, the Company issued 36.964 shares with a nominal value of 1 each, due to changes in the Group Structure and the merger of ERB Cyprialife with Hellenic Life Insurance Limited and ERB Asfalistiki with Pancyprian Insurance Limited.

16 Other payables

	2025 €	2024 €
Accrued expenses	245.340	322.339
Payables to shareholders (Note 17(iii))	<u>-</u>	<u>421.143</u>
Total payables	<u>245.340</u>	<u>743.482</u>

The fair value of other payables and accrued expenses which are due within one year approximates their carrying amount at the reporting date.

The carrying amounts of the Company's other payables and accrued expenses are denominated in the following currency:

	2025 €	2024 €
Euro - functional and presentation currency	<u>245.340</u>	<u>743.482</u>

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

17 Related party transactions

From 16 April 2025, the Company is controlled by Eurobank Limited which owns 100% of the Company's shares. The ultimate parent entity of the group is Eurobank S.A, a public financial institution. Before that, the Company was controlled by Montparvie V SAS which owned 100% of the Company's shares and the ultimate parent company was Caisse des Depots et Consignations.

As at 31 December 2025 Eurobank S.A., a company which owns the 100% of the share capital of Eurobank Limited, prepares consolidated financial statements in which the Company forms part as a subsidiary undertaking. Eurobank S.A., is incorporated in Greece with registered office at at 8 Othonos Street, 105 57, Athens, Greece and its consolidated financial statements are available at the website www.eurobank.gr.

The following transactions were carried out with related parties:

(i) Key management personnel compensation

The compensation of key management personnel is as follows:

	2025	2024
	€	€
Salaries and other short-term employee benefits	119.457	318.088
Social insurance and other contributions	34.983	129.615
Provident Fund contributions	<u>6.049</u>	<u>5.680</u>
Total	<u>160.489</u>	<u>453.383</u>

Included in the staff cost, is an amount of €73.393 (2024: €341.607) charged by CNP Assurances to the Company as an expatriate staff cost for services provided by the DCEO.

(ii) Directors' remuneration

The total remuneration of the Directors was as follows:

	2025	2024
	€	€
Emoluments in their executive capacity	<u>8.897</u>	<u>30.500</u>

	Nature of transactions	2025	2024
		€	€
Payable to related parties:			
CNP Assurances SA (ex- shareholder)	Staff cost re-charge	<u>-</u>	<u>421.143</u>
		<u>-</u>	<u>421.143</u>
Receivables from related parties:			
Eurobank Limited (parent entity)	Placements of cash and cash equivalents	<u>67.702</u>	<u>-</u>
		<u>67.702</u>	<u>-</u>

The above balances are repayable on demand and carry no interest.

ERB Cyprus Insurance Holdings Limited

Notes to the financial statements

17 Related party transactions (continued)

(iii) Dividend income

	2025 €	2024 €
Dividend income from ERB Cyprialife Limited	<u>48.000.000</u>	<u>2.400.000</u>
Total dividend income from subsidiaries	<u>48.000.000</u>	<u>2.400.000</u>

18 Events after the reporting date

The geopolitical situation in Middle East escalated on 28 February 2026, with the actions taken by the United States and Israel against targets in Iran. Cyprus has experienced geopolitical sensitivity due to its proximity to the Middle East and the presence of the United Kingdom Sovereign Base Areas at Akrotiri and Dhekelia. As of the date of authorization of the financial statements, the conflict continues to evolve in Middle East as military activity persists.

The conflict has caused volatility in global energy markets and disruptions to the supply of oil and gas, contributing to increased uncertainty in commodity prices and potential inflationary pressures. Broader consequences have also been observed in financial markets and global supply chains, particularly affecting energy and transportation sectors, as heightened geopolitical tensions around key shipping routes add to market uncertainty.

The financial effect of the current crisis on the global economy and overall business activities cannot be estimated with reasonable certainty at this stage, due to the pace at which the conflict is evolving and the high level of uncertainties arising from the inability to reliably predict the outcome.

There are events that are indicative of conditions that arose after the reporting period. Therefore, these are considered as a non-adjusting event and thus, are not reflected in the recognition and measurement of the assets and liabilities in the financial statements as at 31 December 2025.

Although the Group has very limited direct exposure, the conflict may still create negative effects on the Cypriot economy. Rising energy prices, fluctuations in foreign exchange rates, increased financial market volatility, supply chain disruptions and intensified inflationary pressures may indirectly impact the operations and financial results of the Group. In addition, any potential adverse effects on the hospitality sector, may further influence economic activity and business conditions. The indirect implications remain uncertain and will invariably depend on the extent and duration of the conflict.

Management has considered the unique circumstances and the risk exposures of ERB Cyprus Insurance Holdings Ltd.

Independent auditor's report on pages 5 to 8.