



PRIVATE LIFE INSURANCE GUARANTEE FUND

**Private Life Insurance Guarantee Fund
Legal Entity in Private Law
Law 3867/2010 (Government Gazette A 128/3.8.2010)**

**Annual Report
2019**

May 2020



MANAGEMENT COMMITTEE

Karagiannis Vaios.....	Chairman
Apostolou Ilias.....	Vice - Chairman
Kougioumoutzis Konstantinos.....	Member
Mamoulakis Georgios.....	Member
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List of the Register of Member–Insurance Undertakings participating in the Private Life Insurance Guarantee Fund as at 31.12.2019

I.	INSURANCE COMPANIES REGISTERED IN GREECE
1	ALLIANZ HELLAS SA
2	ALPHALIFE SA
3	ATLANTIC UNION SA
4	AXA INSURANCE SA
5	ETHNIKI HELLENIC GENERAL INSURANCE CO. SA
6	EUROLIFE FFH LIFE INS. CO. SA
7	CREDIT AGRICOLE SA
8	EVROPAIKI ENOSIS (MINETTA LIFE)
9	EUROPEAN RELIANCE GENERAL INSURANCE COMPANY SA
10	GENERALI HELLAS INSURANCE COMPANY SA
11	GROUPAMA PHOENIX SA
12	NN HELLAS SA
13	INTERAMERICAN HELLENIC LIFE INSURANCE COMPANY S.A
14	INTERSALONICA SA
15	CNP ZOIS S.M.S.A
16	HORIZON INSURANCE COMPANY LTD
17	SYNETERISTIKI INSURANCE COMPANY INC
18	ERGO INSURANCE COMPANY SINGLE MEMBER SA
19	METLIFE LIFE INSURANCE SA
II.	INSURANCE COMPANIES ACTIVE IN GREECE UNDER THE FREEDOM OF SERVICES
20	METLIFE EUROPE LTD
21	THE ONE LIFE COMPANY S.A.
22	PRUDENTIAL INTERNATIONAL ASSURANCE PLC
23	EUROLIFE L.T.D. CYPRUS LIFE
24	CNP CYPRIALIFE LTD
25	UNIQA OSTERREICH VERSICHERUNGEN AG
26	SWISS LIFE LUXEMBURG SA
27	CARDIF LUX VIE SA (former ABN AMRO LIFE S.A.)
28	RED SANDS LIFE ASSURANCE COMPANY Ltd
29	GENERALI PANEUROPE DESIGNATED ACTIVITY COMPANY
III.	BRANCHES OF INSURANCE COMPANIES OF EU AND EEA COUNTRIES IN GREECE
30	ALLIANZ GLOBAL LIFE DESIGNATED ACTIVITY COMPANY



A. ANNUAL REPORT 2019

Introduction

The period from 01.01.2019 to 31.12.2019 constitutes the tenth financial year of Private Life Insurance Guarantee Fund (Life Guarantee Fund).

The year 2019 coincides with the fourth year of the insurance market operation and supervision under the Solvency II legislative framework. It has been ascertained that the insurance companies have adapted their structure and governance to this legislative framework provisions and pursue their efforts for further improvement of the risk level and the management of their capital. The aim is to establish a robust and properly working governance system which shall compliment and reinforce the capital basis of each insurance undertaking.

Nevertheless, significant challenges still persist in the Greek insurance market, referring indicatively to creating a suitable environment, inside the enterprises, enabling them to effectively offer top level services, to expedite the technological upgrading of their systems in order to respond to the intensified and broadened competition and to apply innovative technologies that would penetrate the insurance industry and would have the momentum to gain influence across all insurance operations.

The insurance companies expend coordinated efforts to cope with the above challenges investing in technology, in utilizing the available data and in specialized human resources. The Bank of Greece, as the competent Supervisory Authority, encourages those actions offering the appropriate contribution and support and showcasing risk management issues related to climate change. Under this new perspective, the insurance undertakings are called upon to co-estimate the environmental factors upon risk assessment prior to undertaking one.

Developments and facts regarding the Guarantee Fund

a) Institutional Framework

The Guarantee Fund operation is governed by L.3867/2010 (Law) as in - force, as well as by the Bank of Greece decisions issued based on the enabling provisions of the abovementioned law. In 2019, there were no changes in the legislative framework, nor decisions by the supervising authority affecting the Legal Entity's operation.

b) Information on the existing insurance undertakings under winding-up proceedings

b1) VDV LEBEN INTERNATIONAL AEAZ under insurance winding-up proceedings

The insurance winding-up proceedings of VDV Leben International AEAZ (VDV) goes through its ninth year¹; to date, compensation has been paid for the largest part of beneficiaries of life insurance claims, as resulted from the company's files and calculated pursuant to the Law and the relevant delegation decisions. The evolution of compensation payment procedure, within 2019, is limited to acknowledging the life insurance claim deriving from a final court-judgment against VDV prior to the company's license revocation. The Guarantee Fund was notified of the decision and upon recognition of the claim, the compensation amount was determined.

By 31.12.2019, a total amount of €30.2 million was paid by the Guarantee Fund as compensation versus total recognized claims from VDV life insurance; this amount corresponds to a total of 5,806 life insurance policies.

¹ The decisions by the Credit and Insurance Committee of the Bank of Greece, at the meeting held on 2/05.01.2011 decided the final operation license revocation of the insurance company trading as 'VDV LEBEN INTERNATIONAL AEAZ.' and its being placed under liquidation proceedings, pursuant to the provisions of the Legislative Decree 400/1970 (the revocation is effective as of 10.01.2011).



Moreover, in the context of the decision on the prescription of non-acknowledged insurance claims within 2019, a claim by a VDV policyholder versus the Guarantee Fund was prescribed; this claim had been initially recognized but subsequently was not certified, pursuant to the Bank of Greece decision no.12/3/13.7.2011 and the relevant decisions by the Management Committee. Overall, the amount of life insurance beneficiaries claims that were prescribed after 2017 until 31.12.2019 stands at €5.252 million corresponding to 2,508 claims. Finally, on 31.12.2019, the Guarantee Fund liability versus claims from VDV life insurance amounts to €0.26 million. and the payment of the amount is subject to acknowledgment of claims. The claims mentioned above are checked every year as to their prescription or not.

It is underscored that the amounts paid so far for VDV policyholders claims derive exclusively from the Guarantee Fund resources given that the available company assets on its license revocation date, were at zero level. As to the winding-up proceedings, significant delays are observed due to scarcity of financial resources pertaining mainly to the completion of the scrutiny on the lodgment of claims and the compilation of a Table of Beneficiaries of insurance liquidations. Upon completion of this procedure, new liabilities may arise for the Guarantee Fund. The VDV assets in Germany related to deposits and shares, amounting to €2 million are under seizure and it is probable that they will be unblocked, once the proceedings that are in progress before the German authorities are finalized. The Guarantee Fund anticipates from this estimated unblocking of seized assets, in priority, the refund of €117,1 thousand, paid at liquidation during previous years as an advance payment for the liquidation expenses to fulfill its purpose.

In detail, the picture of VDV evolution under insurance liquidation is depicted in Note 12.

b2) INTERNATIONAL LIFE SA under insurance winding-up proceedings

The insurance liquidation of International Life SA in 2019 goes through its second year. In the beginning of the year and in particular on 28.01.2019, expired the deadline for lodging appeals on behalf of claims beneficiaries of life insurance against the Table of Beneficiaries of insurance liquidations, drawn up in accordance with article 242, L. 4364/2016 and published on 30.11.2018. In application of decision no. 262/3/23.2.2018 by the Credit and Insurance Committee of the Bank of Greece that abrogated and replaced the decision no.12/3/13.7.2011 by the Credit and Insurance Committee of the Bank of Greece, within 2019, the Guarantee Fund was notified by the insurance liquidator of detailed statements with the certified claims from life insurance as well as the list of persons falling under article 8, L. 3867/2010. Subsequently, based on articles 7, para. 1 and 8, L.3867/2010 as in force, the Guarantee Fund determined the claims from life insurances. The above procedure included the compilation of documents, reports and data, both from the liquidator as well as from an external associate of recognized validity who offered assistance to the Guarantee Fund. Based on the Delivery-Acceptance Protocol, signed on 16.07.2019, the Guarantee Fund was delivered 4,966 single certified claims life insurance for compensation that amounted, at the time of liquidation, to €24.3 million (Amount verified by liquidation) Said amount, pursuant to article 3 of the decision no. 262/3/23.2.2018 by the Credit and Insurance Committee of the Bank of Greece stood at € 23.8 million, that the Guarantee Fund owed to pay against claims from life insurance. Within a short period of time, in particular on 01.8.2019, the Guarantee Fund launched the procedure for delivery and verification of the supporting documents for the certification of beneficiaries and the subsequent payment of compensation to certified persons, based on approved procedures. By 31.12.2019, the Guarantee Fund had paid the aggregated amount of €12.974 million corresponding to 2,446 claims against life insurance claims by beneficiaries of International Life SA under insurance liquidation. The compensation payment procedure is still in progress, while within the first quarter of 2020 it fully repaid the largest part of the overall acknowledged liability.

It should be underscored though that according to the decision no.262/3/23.2.2018 by the Credit and Insurance Committee of the Bank of Greece, the Delivery-Acceptance Protocol is regularly updated by the liquidator, mainly with the addition of claims due to the issuing of final court judgments on appeals against the Table of Beneficiaries of insurance liquidations. The appeals pertain to cases of claims by beneficiaries that either had not been included in the Table of Beneficiaries of insurance liquidations, or had been included in said Table but under a different amount which was the point of contestation and had not been delivered to the Guarantee Fund with the Delivery-Acceptance Protocol dated 16.7.2019. For such claims, the Guarantee Fund has formed a



relevant provision based on liquidation-derived information. Any claims being added, according to the above, are recognized by the Guarantee Fund and follow the certification procedure to pay the corresponding compensation.

In detail, the picture of International Life SA evolution under insurance liquidation is depicted in Note 12.

Claims from insurance undertakings under insurance liquidation.

The Guarantee Fund has claims against the above companies (b1 and b2) under insurance liquidation for the amounts paid to their policyholders, because pursuant to para. 1, article 7, L.3867/2010, it has become subrogated into the beneficiaries' rights versus the existing assets of liquidations. The claim is notified to the liquidation proceedings so that the Guarantee Fund be included in the symmetrical distribution of their existing assets, whenever such occurs. The privileged ranking applying for policyholders, according to article 240, L.4364/2016 applies for the Guarantee Fund. To this day, no liquidation product distribution has occurred by the abovementioned companies under insurance liquidation.

b3) Developments regarding the companies Aspis Pronia General Insurance S.A and Commercial Value SA under insurance liquidation

By virtue of decisions no. 156/21.9.2009 and no. 176/25.2.2010 by the Private Insurance Supervision Committee (PISC), the incorporation and operation license of the companies Aspis Pronia General Insurance S.A and Commercial Value SA respectively were withdrawn and were placed under winding-up proceedings status, as it was foreseen in the erstwhile applicable Legislative Decree 400/1970, characterizing all their assets as insurance reserves placement resulting in freezing those assets.

In order to determine the Guarantee Fund liability, for the payment of a 70% of the claim that will not be satisfied by the liquidation product, the liquidation agent of the companies under liquidation shall unwind their assets and symmetrically satisfy the beneficiaries from the liquidation product. As regards the progress of winding up proceedings, it should be mentioned that on 20.11.2015 the Statements of insurance Beneficiaries were published, recognizing the Companies' policyholders claims.

Moreover, in accordance with the insurance legislation, the interested parties contest the Statements of insurance Beneficiaries by lodgings appeals. Once the appeals are finalized, the Statements of insurance Beneficiaries will also be finalized and the final liability of Companies vis-a-vis the policyholders will arise. The Guarantee Fund has intervened in the hearing of the appeals whereto it was invited by the Companies.

Following an agreement by the competent Bank of Greece Department, the liquidation of Companies has proceeded to down payments (provisional distributions) against the amount recognized in the Statements of Life Insurance Claims Beneficiaries and for the beneficiaries incorporated in this final court judgment. The amount of ² the down payments arises in connection to the available assets of Companies and considering the outstanding cases before the courts. Notwithstanding the evolution of proceedings, as described above, upon preparation of the financial statements, there is no safe estimate as to when the Statements of insurance Beneficiaries will be finalized and therefore the claims as well as when the assets liquidation product will be distributed to the beneficiaries, in order to fix the date and the final liability amount for the Guarantee Fund. In any case, the height of those claims is expected to be important in relation to the Legal Entity's equity.

b4) Management of healthcare bodies claims repayment procedure resulting from the hospitalization of policyholders insured by the undertakings Aspis Pronia General Insurance S.A and Commercial Value SA (Companies).

² According to the Companies' liquidation announcement dated 27.11.2019, the amount of provisional distributions that have been paid for both companies until 18.06.2019 stands at €73 million.



The Guarantee Fund, in the context of implementing decision no. 2/38576/0026/10.08.2012 by the Ministry of Finance as in force (Decision), whereby was appointed administrator of the public revenue made available for the payment of claims by healthcare services providers for the hospitalization of the policyholders insured under the Companies under liquidation, continued during 2019 the relevant procedure submitting to the competent Ministry of Finance service a request for the issuing of a decision to earmark a budget appropriation amounting to €61.3 thousand for the fiscal year 2019. However, within 2019, no funding request was submitted and no claims repayment occurred because no certification documentations were submitted to the Guarantee Fund by any beneficiary (healthcare provider) and therefore no payment order was credited to the Guarantee Fund bank account.

It is underlined that in total the Guarantee Fund has paid to beneficiaries the amount of €3,847.7 thousand corresponding to 98% of total claims as such have been confirmed by liquidations.

Moreover, the funding amount and the payment of beneficiaries shall not be considered as a resource nor as an expense for the Guarantee Fund and therefore its financial figures are not affected.

Finally, on 11.02.2020, a request was submitted to the competent Directorate of the Finance Ministry to earmark and credit the amount of €61.3 thousand for the fiscal year 2020, which pertains to outstanding claims.

c) Internal procedures

The Guarantee Fund, as a guarantee scheme of life insurance and part of the financial security, continues to improve its procedures and infrastructure so that it can fully respond to the new conditions and requirements. Within 2019, by way of decision no.113/4/20.12.2019 by the Management Committee, the personal data protection policy was approved; this policy was drawn up in compliance of the Guarantee Fund with the Regulation (EU) 2016/679 of the European Parliament.

Furthermore, to effectively fulfill its mission, the Guarantee Fund reorganized its departments strengthening them with temporary personnel in order to ensure swifter and effective payment compensation to beneficiaries of life insurance claims of the International Life SA company under insurance liquidation. Similarly, in order to be supported in its operation by the Bank of Greece services, the Life Guarantee Fund capitalized on the executive infrastructure of the Bank of Greece, related mainly to the protocol and information technology management services ((handling correspondence

d) Investment policy

To manage its funds available for investment, after using and holding parts of those funds to repay compensation to life insurance beneficiaries, the Guarantee Fund proceeded to a regular revision of its investment policy. In cooperation with the Bank of Greece, acting as the administrator, the Guarantee Fund reviewed the reference framework for the placement of cash balances, namely the percentages and categories of securities issuers, in order to achieve a sound and safe management. In addition, in 2019, in an environment of negative interest rates, drawing on its cooperation with domestic credit institutions, placed a part of its available funds to deposit accounts (e.g. short-term deposits) to offset part of the negative performance.

f) Members

The number of insurance companies-Members of the Guarantee Fund remained unchanged at thirty members; of those members, twenty insurance companies have their registered office in Greece; nine companies run a business activity in Greece under the regime of Free Provision of Services and one company is a branch in Greece of an insurance company headquartered in an EU country.

g) International cooperation

Since 2015, the Guarantee Fund has been member of the International Forum of Insurance Guarantee Schemes (IFIGS), which numbers representatives from guarantee schemes across 21 countries around the world. The aim



of IFIGS is to exchange experiences on issues pertaining to protection offered to policyholders in case the insurance company becomes bankrupt.

The primary goal of the body's participation in the IFIGS operations is to become an active interlocutor between the institutional bodies at European level, drawing on the experience of its executives, to ensure access to know-how and participate in researches for the establishment of the institutional framework, thus enhancing its effectiveness and improving its operation.

The developments that occurred during the year were the following:

The representative of the USA State Guaranty Fund was elected as President, replacing the Guarantee Fund representative who performed Chairmanship duties in 2018 in the Chair and Executive Committee of IFIGS, and as vice-president was elected the representative of the Romanian Insurance Guarantee Fund. During the first live meeting of the new IFIGS Executive Committee in January 2019, it was decided to set up three Working Groups in order to provide guidance and support IFIGS operations. The Guarantee Fund participates in the Working Group "Reputation Enhancement Working Group", geared towards boosting the reputation of IFIGS and overall of the Insurance Guarantee Schemes before the supervisory authorities and bodies likely to be involved in the development of new Insurance Guarantee Schemes.

In December 2019, the Guarantee Fund participated in the Annual Meeting of IFIGS held in Washington, USA; the works of this Meeting focused on the role of Insurance Guarantee Scheme Systems in the reorganization and restructuring procedure of insurance undertakings. Moreover, administrative, and operational matters were discussed, such as carrying out elections for the nomination of the new Executive Committee for 2020, while the revision of the articles of association of IFIGS and its Executive Committee was voted.

Revenues, Expenses and Financial Results

The Guarantee Fund financial data are mainly determined by the evolution of certain factors, such as the following:

- The amount of gross written premiums, constituting the basis of calculation of insurance undertakings annual contribution in favor of the Life Guarantee Fund,
- The return on investments whereto the Guarantee Fund's cash balances are placed and the negative interest rate applying in its current account at the Bank of Greece,
- The conservative investment policy to minimize risks and ensure liquidity serving to invest the cash balances,
- The operating expenses of the Life Guarantee Fund,
- The review of provisions as to the prescription amount, a fact that changes the Life Guarantee Fund liabilities,
- The recognition of a new provision for compensation expenses to beneficiaries policyholders of the companies under insurance liquidation,
- The liquidation distribution and the estimates regarding the anticipated liquidation product of the undertakings under insurance liquidation for which compensations have been paid.

In particular, during the year 2019, the following were observed compared to the respective accounts of the previous year 2018:

1. A 21% increase of gross written premiums was ascertained versus the corresponding amount in 2018; such a fact is mainly attributed to the Class I and Class VII impact (Table 7b). The revenue from insurance undertakings' contributions stood at €14,088.4 thousand posting an increase by 19% versus an amount of €11,812.1 thousand in 2018, a fact which is due to the rise of the written premiums amount of Class I policies by 21%, of Class III by 12% and Class VII by 32%.
2. The rising production of gross premiums led to the significant increase of the annual total revenues in 2019, amounting to €14,044.4 thousand versus €11,868.3 in 2018 posting a 18% rise (Tables 1, 4 & 8).



3. The capital revenue pertaining mainly to interest on the placement of capital available for investment stood at the negative amount of €44 thousand versus a positive amount at €56.1 thousand in 2018. It is underscored that within 2019, the return on European sovereign securities foreseen in the reference Framework (barring the Greek securities) were negative, standing at a lower notch compared to the previous year, while the change in the reference Framework structure, based on which a part of the Guarantee Fund cash balance is invested in Treasury Bills and in deposit account on a positive interest rate, offset a part thereof. It is noted that the requisite funds to repay the compensations to life insurance beneficiaries (approximately €25 million were retained in the current account at the Bank of Greece. These funds though are encumbered with a deposit facility rate set by the European Central Bank (ECB) and is kept negative. On 18.09.2019, the ECB reduced the deposit facility rate by 10 basis points to -0.50%.
4. The total expenses of the financial year amount to €349 thousand versus an amount of €25,789.9 thousand in 2018 (Tables 1 & 5).

The separate categories of expenses are the following:

- The operating expenses (personnel and third-party remuneration, benefits to third parties, other operating expenses, banking charges, depreciations and provisions) stood at €248.8 thousand and posted an increase by 4% versus an amount of €238.2 thousand in 2018.
- The coverage offered (compensation to beneficiaries under article 7, L.3867/2010), related expenses and provisions for compensation to beneficiaries amounted to €101.2 thousand in 2019, versus an amount of €25,551.7 thousand in 2018³ and regard the coverage of increased needs for service provision (legal and actuarial studies).
- The extraordinary income/expenses accounts amount to €0.9 and €0.1 thousand respectively and regard unused provisions formed in previous financial years, representing a burden on the Guarantee Fund results, for claims by life insurance beneficiaries regarding a company now under insurance liquidation, being prescribed within the year.

The fiscal year's financial result, considering the above, posted a **surplus of €13,695.3 thousand** versus a deficit of €13,924.3 thousand in 2018.

The capital available to investment at the end of 2019 stood at €68,337.8 thousand and represent 74% of placements in short-term European sovereign securities and by 26% deposit accounts (term deposits, sight deposits and a current account at the Bank of Greece). The available capital in 2019 increased by just 1% compared to 2018 (Table 2) because during the last quarter of 2019, sums were paid for compensation to life insurance beneficiaries of companies under insurance liquidation.

The difference between the surplus and the available capital for investment is mainly due to the temporal mismatch between the accounting depiction and the collection of contribution-derived revenue. In addition, it is also due to the accounting recognition of the total liability for compensation at the time of its occurrence, which happens to differ from their certification and payment time.

³ The expense account "Offered coverage (compensation to beneficiaries under article 7 L.3867/2010), related expenses and provisions for beneficiaries compensations" is increased in 2018 because it includes the total amount recognized by the Guarantee Fund for compensation to the beneficiaries of International Life SA under insurance liquidation, standing at €25.5 million.



PRIVATE LIFE INSURANCE GUARANTEE FUND

The accumulated capital (accounting depiction of Equity), which includes the surplus of the current financial year and the accumulated one of previous years corresponds to a surplus of €57,826.7 thousand (Table 3) versus €44,131.4 thousand in 2018.



TABLES OF ANNUAL REPORT 2019

(Compared to 2018 figures)

Amounts in
EUR

TABLE 1: FINANCIAL RESULT			
	2018	2019	
	Actual figures		Deviation 2019/2018 (%)
i. Revenue	11,868,301	14,044,419	18
ii. Expenses	(25,789,976)	(349,936)	(99)
Operating costs	238,242	248,779	4
Coverage provided and related costs & provisions	25,551,734	101,157	(100)
iii. Income tax	(7,062)	-	-
iv. Extraordinary income/expenses	4,387	878	(80)
Financial result (i+ii+iii+iv)	(13,924,349)	13,695,361	-
	Deficit	Surplus	

Notes* The expense account "Offered coverage (indemnities to beneficiaries under article 7 I.3867/2010), related expenses and provisions for beneficiaries indemnities" is increased in 2018 because it includes the total amount recognized by the Life Guarantee Fund for indemnities to the beneficiaries of International Life SA under insurance liquidation, standing at €25.5 million.

TABLE 2: BREAKDOWN OF AVAILABLE FUNDS AND INVESTMENT (end of year)			
	2018	2019	
	Actual figures		Deviation 2019/2018 (%)
Portfolio securities	50,414,213	50,291,361	-
Deposit accounts (time/sight)	17,275,758	18,046,524	4
Total	67,689,971	68,337,885	1

TABLE 3: ACCUMULATED FUNDS CAPITAL			
	2018	2019	
	Actual figures		Deviation 2019/2018 (%)
i. Previous balance	58,055,755	44,131,406	(18)
ii. Resources	(11,868,301)	14,044,419	-
iii. Expenses & Tax Income	(25,797,038)	(349,936)	-
iv. Extraordinary income/expenses	4,387	878	
New balance (i+ii+iii+iv)	44,131,406	(57,826,767)	(31)

Annual Report 2019 has been written in Greek and translated in English, with the Greek text prevailing over the English in case of any doubt.



TABLE 4: BREAKDOWN OF RESOURCES

	2018	2019	
	Actual figures		Deviation 2019/2018 (%)
REVENUE	11,868,301	14,044,419	18
Members' contributions	11,812,106	14,088,479	19
Capital income	56,195	(44,060)	178
Security management income	(117,212)	47,626	59
Interest on deposit accounts (time/sight)	(61,017)	(91,686)	(50)

TABLE 5: BREAKDOWN OF EXPENSES

	2018	2019	
	Actual figures		Deviation 2019/2018 (%)
EXPENSES	25,789,976	349,936	(99)
<i>Operating costs</i>	238,242	248,779	4
Staff salary and expenses	156,729	156,458	0
Third-party remuneration and expenses	33,108	46,106	(39)
Third-party benefits	30,242	30,409	1
Other operating costs	11,255	9,463	16
Bank operations/charges	5,067	6,044	19
Fixed asset depreciation	-	299	-
Provisions (except compensations)	1,841	-	-
<i>Coverage provided-related costs and provisions</i>	25,551,734	101,157	(100)

**TABLE 6: MANAGEMENT OF CREDIT UNDER MINISTRY OF FINANCE
DECISION 2/38576/0026/10.08.2012**

	2018	2019
	Actual figures	
Financing from the Ministry of Finance	-	-
Payments to beneficiary healthcare providers	-	-
Balance	-	-

*Any deviations from the financial statements figures are due to rounding up.



Table 7a:

Percentage per life insurance class based on the Bank of Greece
Governor's Act
2636/24.11.2010

Life Insurance Class	Insurance Business	Contribution Rate Percentage % () periodical & lum sum payments
I1.	Survival, Death, Mixed	1.50
I2.	Annuities	1.00
I3.*	Supplementary insurance in addition to I1,I2,II,III	1.50
II.	Marriage & Birth Assurance	1.50
III.	Life insurance linked to investments fund	0.80
IV.	Permanent health insurance	1.50
V.	Tontines	1.50
VI.	Capital Redemption Operations	1.50
VII.	Management of Group Pension Funds	0.30
VIII.	Of the French «Code des Assurances»	1.50
IX.	Social security	1.50

*It regards non-additional hospital care coverage.

It is noted that, in accordance with article 5 of Law 4364/2016, the insurance business being included in the life insurance class IV.2 is by now classed in the non-life insurance activity (article 4 L.4364/2016) and not in life business. Therefore, the Guarantee Fund does no longer cover the insurance business of the until recently class IV.2 that is hereinafter classified in non-life insurance activity and therefore does not collect contributions for said business.



Table 7b: Evolution of gross written premiums per life class (last 5 year-period)

(Amounts in euro thousands)

Year s	Class I1	Class I2	Class I3	Class III	Class IV	Class VI	Class VII	Total
2015	487,761	123,878	89,279	428,850	17,061	30	150,563	1,297,421
2016	763,549	106,104	81,864	300,144	116	21	209,729	1,461,531
2017	668,779	148,780	72,726	313,239	155	13	208,307	1,411,999
2018	503,422	223,924	72,187	338,497	-	11	265,228	1,403,269
2019	808,440	88,018	70,889	380,262	-	8	349,097	1,696,714
Change (%)	61	-61	-2	12	-	-25	32	21

Change of Class I + 21%

Table 8: Evolution of Guarantee Fund annual contributions per life class (last 5 years)

(Amounts in EUR thous)

Year s	Class I1	Class I2	Class I3	Class III	Class IV	Class VI	Class VII	Total
2015	6,523	1,057	1,351	1,876	260	0.449	451	11,519
2016	8,970	944	1,222	1,809	1	0.326	630	13,576
2017	8,035	1,234	1,080	1,691	2	0.215	626	12,668
2018	6,283	1,736	1,090	1,922	-	0.160	781	11,812
2019	8,966	760	1,063	2,251	-	0.120	1,048	14,088
Change (%)	43	-56	-2	17	-	-25	34	19

Change of Class I + 18%

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PRIVATE LIFE INSURANCE GUARANTEE FUND

Athens, 18 May, 2020

THE CHAIRMAN OF THE
MANAGEMENT COMMITTEE

THE VICE CHAIRMAN OF
MANAGEMENT COMMITTEE

THE HEAD OF
ACCOUNTING DEPARTEMENT

VAIOS K. KARAGIANNIS
ID AI 597741

ILIAS N. APOSTOLOU
ID AB 511644

DIMITRIOS I. THOMAS
ID 147757
LICENSE NO. 14176
A' CLASS

CERTIFICATION

It is hereby certified that this Annual Report of the Management Committee consisting of 39 pages is the same one mentioned in my Audit Report dated May 19, 2020.

Athens, May 19, 2020
The Certified Auditor Accountant

Andreas G. Diamantopoulos
SOEL Reg. No 25021
SOL SA



Ο Π Ρ Ο Τ Ο Ι Λ Ο Γ Ι Σ Τ Ε Σ

Associated certified auditors SA
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SOEL Reg. No 125



PRIVATE LIFE INSURANCE GUARANTEE FUND
Private Law Entity L.3867/2010
Tax registration no : 997866734

B. FINANCIAL STATEMENTS

OF THE 10TH FINANCIAL YEAR 01.01.2019 -31.12.2019
in accordance with the Greek Accounting Standards
(L.4308/2014 Government Gazette 251/24.11.2014)



1) INDEPENDENT AUDITOR'S REPORT

To the members of the Private Life Insurance Guarantee Fund

Audit Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Private Law Entity 'Private Life Insurance Guarantee Fund', which comprise the statement of financial position as of 31 December, 2019, the statement of income and the statement of changes in equity and the statement of cash flows for the year ended on that date, as well as the Notes section annexed thereto.

In our opinion, the accompanying financial statements give, in all material aspects, a true and fair, the financial position of the Private Law Entity 'Private Life Insurance Guarantee Fund' as at December 31st, 2019 and of its financial performance and cash flows for the year then ended, in compliance with the applicable provisions of Law 4308/2014

Basis for Opinion

We conducted our audit, pursuant to the International Audit Standards (IAS), as transposed in Greek legislation. Our responsibilities, according to such standards are further described in the paragraph hereof entitled of our report "Auditor's responsibilities for the Audit of Financial Statements". We are independent of the Company, pursuant to the Code of Ethics for Professional Auditors of the International Ethics Standards Board for Accountants, as transposed in Greek legislation, and the ethics requirements relating to the audit of financial statements in Greece, and we have fulfilled our ethical obligations according to the requirements of applicable laws and the said Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters We draw attention to the following issues: **1)** In Note 30 of the annex 'Possible liabilities', paragraph 1, which refers to the obligation of Private Life Insurance Guarantee Fund to pay compensations to the policyholders of two (2) insurance companies whose license has been revoked, before the publication of Law-3867/2010. Due to the outstanding parameters that need to be assessed for the calculation of the liability as well as the uncertainty that exists both in terms of their exact balance and the time they will become receivable, this liability cannot be measured with sufficient reliability on 31.12.2019, however, its amount is expected to be significant in relation to the equity of the legal entity's equity. **2)** In note 31 of the appendix "Other legal issues", which describes the existence of pending court cases against the PLIGF, for claims of approximately €9 million, by insured persons mainly in a liquidated insurance company, for the outcome of which can not to have a safe forecast. According to the legal service and its external partners, third party lawsuits are unlikely to succeed. It is noted that claims of an amount of approximately €3,3 million, from the above, have been rejected at first instance. Our opinion is not qualified in respect of these matters.

Other information

The management is responsible for other information. Other information is comprised in the Annual Report of the Management Committee, of which a relevant reference is made in the "Report on other Legal and Regulatory Requirements".

Our opinion on the financial statements does not cover other information and we do not hereby express any assurance conclusion thereon.



Concerning our audit of financial statements, our responsibility is to read other information and thereby examine whether such other information is substantially inconsistent with the financial statements or the knowledge we acquired during the audit or appear otherwise substantially wrong. If, on the basis of our work, we conclude that there is a substantial error in such other information, we are obliged to report such fact. We have nothing to report on this matter.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable provisions of Law 4308/2014, as well as for those internal controls that the Management deems necessary to enable the preparation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In the preparation of the financial statements, management is responsible for evaluating the ability of the NPID to continue its activity, disclosing when necessary matters relating to going concern and the use of the accounting principle of going concern.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is to obtain fair assurance as to whether the financial statements, in their entirety, are free from material misstatement due to fraud or error and issue an auditor's report comprising our opinion. Fair assurance is high level assurance, but does not amount to a guarantee that the audit conducted according to the International Accounting Standards, as transposed in Greek legislation, will always identify material misstatements, if any. Misstatements may be due to fraud or error and are considered material when, individually or cumulatively, could be reasonably expected to affect the financial decisions of the users, made on the basis of such financial statements.

In our audit, pursuant to the IAS, as transposed in Greek legislation, we apply professional judgment and maintain professional skepticism throughout the audit. Moreover:

- We identify and evaluate risks of material misstatement in the financial statements due to fraud or error, planning and conducting audit procedures in response to such risks and obtain audit evidence that are sufficient and suitable to provide a basis for our opinion. The risk of non-identification of a material misstatement due to fraud is higher than the risk due to error, since fraud can involve collusion, forgery, intentional omissions, false assurances or circumvention of the internal control.
- We comprehend the audit-relevant internal control with an aim to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of NPID's internal control.
- We evaluate the appropriateness of accounting principles and methods used and the reasonableness of accounting estimates and relevant disclosures made by the Management.
- We rule on the appropriateness of the management's use of the accounting principle of going concern and, on the basis of audit evidence obtained, on whether there is material uncertainty about facts or conditions that may indicate material uncertainty as to the ability of the NPID to continue its activities. If we conclude that there is material uncertainty, we are obliged in our auditor's report to draw attention to such disclosures in the financial statements or, if such disclosures are insufficient, to differentiate our opinion. Our conclusions are based on audit evidence obtained by the date of the auditor's report. However, future events or conditions may result in the NPID ceasing to operate as a going concern.



- We evaluate the overall presentation, structure and content of the financial statements, including disclosures, and whether the financial statements reflect the underlying transactions and facts in a manner achieving fair presentation. Among other matters, we notify the management of the planned extent and schedule of the audit, as well as significant audit findings, including any substantial deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

Taking into consideration that the Management is responsible for the preparation of PLIGF's Annual Report, in accordance with the provisions of paragraph 5 of Article 2 (Part B) of Law 4336/2015, we note the following:

- a) In our opinion, the Annual Report of PLIGF has been prepared in accordance with the applicable legal requirements under Codified Law 3867/2010, and its content corresponds to the accompanying financial statements for the year ended on 31 December 2019
- b) On the basis of the knowledge we have acquired during our audit on the Private Life Insurance Guarantee Fund (PLIGF) and its environment, we have not identified any material misstatements in the Annual Report of its Management Committee.

Athens, 19 May, 2020

The Certified Auditor

Andreas G. Diamantopoulos

SOEL (Institute of Certified Public Accountants of Greece) Registration No. 25021



Associated certified auditors SA
Member of Crowe Horwath International
3, Fok. Negri Str, GR-11 257 Athens
SOEL Reg. No 125



3) INCOME STATEMENT

INCOME STATEMENT dated DECEMBER 31st 2019 (01.01.2019 to 31.12.2019)

INCOME STATEMENT dated 31 DECEMBER 2019 (01.01.2019 to 31.12.2019)			
	Note	2019	2018
Turnover Contribution	17	14,088,478.67	11,812,105.80
Other income	18	980,43	4,387,40
Staff and third-party Benefits	19	(156,457,67)	(158,569,99)
Depreciations	4	(298,99)	0.00
Other expenses and losses	20	(178,416,02)	(126,337,03)
Provision for beneficiaries' claims coverage	12	8,822,00	(25,500,000.00)
Earnings Before Interest and Taxes (EBIT)		13,745,464.42	(13,968,413.82)
Credit interest & similar income	21	44,059,57	(56,195,47)
Debit interest & similar expenses	22	(6,043,85)	(5,067,04)
Results before tax		13,695,361.00	(13,917,285.39)
Income tax		0.00	7,061,86
Results of the period after tax		13,695,361.00	(13,924,347.25)

*The notes and tables on pages 23 up to 39 constitute an integral part of the y-o-y financial statements.

**4) STATEMENT OF CHANGES IN EQUITY**

	Start-up capital	Results carried forward	Fair value differences	Total
Balance on 01.01.2018	1,505,431.37	(56,550,323.57)	0.00	(58,055,754.94)
Changes of assets in the period	0.00	0.00	0.00	0.00
Results (Surplus/(Deficit)) of the period		(13,924,347.25)	0.00	(13,924,347.25)
Changes in accounting policies	0.00	0.00	0.00	0.00
Balance on 31.12.2018	1,505,431.37	(42,625,976.32)	0.00	(44,131,407.69)
Changes of assets in the period	0.00	0.00	0.00	0.00
Results (Surplus/(Deficit)) of the period		13,695,361.00	0.00	13,695,361.00
Balance on 31.12.2019	1,505,431.37	(56,321,337.32)	0.00	(57,826,768.69)

*The notes and tables on pages 23 up to 39 constitute an integral part of the y-o-y financial statements



5) APPENDIX (NOTES ON THE FINANCIAL STATEMENTS)

Note 1 General information

The Private Law Entity 'PRIVATE LIFE INSURANCE GUARANTEE FUND', briefly (distinctive title) 'Life Guarantee Fund' was incorporated in August 2010, pursuant to the provisions of L.3867/2010 as in force (Law); it is a non-profit, private law entity, under the supervision and monitoring of the Bank of Greece and not any Greek State body. The Life Guarantee Fund is headquartered in Athens (Bank of Greece building, 21 Eleftheriou Venizelou Str, GR-10250).

The dissolution of the legal entity, pursuant to article 13 of the Law may take place by law which shall specify the procedure of liquidation and distribution of its property

The members of the Life Guarantee Fund shall be, mandatorily and automatically as of the law effective date, the following:

- a) all insurance companies having their registered office in Greece and operating on life insurance business according to article 13, para. 2 of the Legislative Decree 400/1970,
- b) the branches in Greece of third country insurance undertakings, operating on life insurance pursuant to article 13, para. 2 of the Legislative Decree 400/1970,
- c) the branches in Greece of EU and EEA insurance undertakings, operating on life insurance pursuant to article 13, para. 2 of the Legislative Decree 400/ 1970, provided that they are not already covered by similar guarantee funds in their country of establishment; ,
- d) the companies operating in Greece under the freedom to provide services, if they are not already covered by the respective guarantee funds in their country of establishment.

The Life Guarantee Fund, as laid down by Law, takes action in case of license revocation regarding an insurance undertaking in life insurance class. The Fund's mission is to offer coverage versus outstanding losses and payable benefits and to manage the effort of transferring the entire or part of the enterprise's portfolio, whose license has been revoked, to another or other insurance companies. If the transfer is not possible, the Life Guarantee Fund pays the pecuniary amounts against the claims of the non-transferred life portfolio. The compensation is equal to 100% of the claim from life insurance policies up to the amount of €30 thousand for benefits at maturity and acquisitions up to the amount of €60 thousand in the cases of death and total and permanent disability. The coverage is extended to all life classes, except for the claims regarding a) additional hospital care coverage and b) any persons explicitly stipulated in article 8 of the Law.

On the Annual Report 2019 publication date, the composition of the Management Committee of the Life Guarantee Fund, based on the elections results of the Extraordinary Members Meeting dated 16.10.2019, was the following:

Management Committee Composition:

Chairman ⁴	Karagiannis Vaios, Bank of Greece Adviser
Vice Chairman ⁵	Apostolou Ilias, EUROLIFE FFH INS.CO.SA
Members ⁵	Kougioumoutzis Konstantinos, NN HELLAS INS. CO. SA

⁴ The Management Committee Chairman is appointed by the Bank of Greece (article 12, para. 2, L.3867/2010).

⁵ The tenure of the Management Committee elected members is for three years.



Mamoulakis Georgios, THE ETHNIKI HELLENIC GEN.
INS. CO. SA
Alberto Berti, INTERAMERIKAN HELLENIC LIFE
INS.CO.SA

Note 2 Framework for the preparation of financial statements

The financial statements dated December 31st, 2019 referring to the period between January 1st, 2019 until December 31st 2019 have been prepared by the Guarantee Fund Management Committee, in full compliance with the Greek Accounting Standards (L.4308/2014, 'GAAP') adhering to the principle of historical cost and its classification in middle entities. Furthermore, the form, content and nomenclature of the financial statements accounts have been duly adjusted to reflect the special nature of the Life Guarantee Fund activity and purpose.

For the financial statements preparation dated December 31st 2019, the Life Guarantee Fund was based on the going concern principle. For the application of said principle, the institutional framework is taken into consideration that determines its purpose and functioning as well as current developments in the insurance market and overall economic environment in Greece.

In brief, the accounting policies followed by the Life Guarantee Fund for the preparation of the financial statements are the following:

Note 3 Summary of significant accounting principles

3.1. Tangible Intangible fixed assets

Those assets are initially valued at the acquisition cost and posteriorly measured at the amortized acquisition cost. The depreciation starts when the asset is available for the use it is intended for and is calculated on the basis of its estimated useful life. The land, pieces of art, antiques, jewelry, and other fixed assets not being subject to wear or uselessness, are not depreciated. However, improvements on land with a limited useful life are subject to depreciation.

The fixed assets are subject to an impairment test of their value, when the relevant indications are in place. Impairment losses arise when the asset's recoverable value becomes lower of its book value. The impairment loss is recognized when it is estimated that the impairment is of permanent character. Impairment losses are recognized in the profit and loss account as expenses and are reversed when the conditions having given rise to such losses cease to apply. Impairment losses relevant to goodwill are not reversed. There were no impairment losses.

A fixed asset ceases to be recognized in the balance sheet on disposal or when no future economic benefits are expected from its use or disposal.

Depreciations are calculated with the straight-line method on the basis of the applicable tax rates, which correspond, in the Management's judgment, to the asset's estimated useful economic life; such tax rates are the following:

Description	Depreciation rate (%)
-Main and peripheral computer hardware and software.	20
Equipment excluding PC and software	10
Other fixed assets	10



3.2. Advance payments-other non-financial assets

Advance payments are initially recognized at acquisition cost. Posteriorly they are measured at the initial acquisition cost, less the used amounts based on the accruals principle and minus impairment losses.

The other non-financial assets are initially recognized at the acquisition cost. Subsequently, they are measured at the lowest value between the acquisition cost and the recoverable value.

3.3. Financial Assets

Financial assets are classified in the balance sheet as non-current assets or as current assets, taking into account the Management's intentions and the contractual or estimated time for their settlement.

Those financial assets are initially recognized at cost. Subsequent to the initial recognition, the financial assets are measured at the acquisition cost less the impairment losses in cases the relevant indications are in place along with the estimate that impairment is permanent (if they are classified as non-current assets).

The impairment losses are recognized in the profit and loss account and are reversed as profits when the conditions having given rise to such losses cease to exist. The reversal is carried out up to the value the asset would have if an impairment loss had not been recognized.

The interest-bearing financial assets are measured at the amortized cost using the effective rate or the straight-line method, if the application of such method has a significant impact on the financial statements amounts.

A financial asset ceases to be recognized when and only when: a) Contractual rights on the asset's cash flows expire, or b) practically all risks and benefits arising from ownership of such asset are transferred. A financial asset is recognized as profit or loss in the results when it ceases to be recognized.

Claims from contributions are measured at their initial recognition, to the anticipated collection amount being the claim's nominal amount on the claim's recovery dates.

Cash and cash equivalents regard the deposit accounts balances in credit institutions. Cash and cash equivalents in general are kept, by a Management Committee decision, in deposit accounts or are placed in low risk financial assets.

3.4. Equity

The paid founding capital and the relevant profits (surpluses) or losses (deficits), accumulated and periodical are recognized in the equity account.

3.5. Provisions

- Provisions for employees benefits

The provisions for benefits to employees after retirement are recognized and measured at the nominal amounts that derive from the legislation on the balance sheet date. In particular, the above provisions are measured, by virtue of 1.2112/1920 and 1.3198/1955, combined with the 1.3899/2010, 1.4093/2012 and 1.4194/2013 (Code of lawyers) and amount to 40% of the entitled compensation on the balanced sheet date.

- Other provisions

Other provisions are initially recognized and posteriorly measured at their nominal amount that is expected to be required for their settlement, unless the measurement at the present value is expected to have a significant impact on the financial statements amounts, versus the measurement based on the nominal amount. In this case, the initial recognition and the posterior measurement occur at the present value.

Any differences occurring either at reestimate or during the settlement of provisions are recognized as profits or losses for the period they arise.



3.6. Income tax and deferred taxation

The income tax posted on the income statement is the sum of the current tax based on the transactions and events recognized on the financial statements. The current income tax is calculated at the financial year's taxable profits. The Life Guarantee Fund, as a non-profit legal entity, is subject to tax, pursuant to the provision of article 45, para.c, L., did not recognize a deferred income tax in the financial statements.

3.7. Liabilities (analysis of financial and non financial liabilities)

- Financial liabilities

Financial liabilities are initially and posteriorly recognized at the amount due. The interest arising from financial liabilities is recognized as expense in the results, unless they encumber the cost of financial assets. A financial liability ceases to be recognized if and only if the contractual commitment is fulfilled, canceled, or expires. A modification of the terms of the existing financial liability, whether due to the debtor's economic distress or not) is dealt with as repayment of the initial liability and as recognition of the new financial liability.

- Non-Financial liabilities

Non-financial liabilities are initially recognized and measured posteriorly to the nominal amount expected to be required for their settlement. Any differences occurring either at reestimate or during the settlement of non-financial liabilities are recognized as profits or losses for the period they arise.

3.8. Revenue-Expenses Recognition

Revenue and expenses are recognized in the economic year in which they occur, regardless of their collection or payment time. The revenue from contributions is recognized, within they period it becomes accrued, namely at the time it occurs and not when it is cash-settled.

Interest income and expenses are recognized in the results on an accrued basis.

3.9. Fair value

There are no assets and liabilities of the entity having been measured posteriorly to their initial recognition at their fair value.

3.10 Claims from insurance undertakings under liquidation

According to article 7, para.1, L.3867/2010, the Life Guarantee Fund has become subrogated into the rights of policyholders for the amounts paid to them, having claims for these amounts against the undertakings under insurance liquidation. The above claims are under absolute preferential treatment versus any other claim against the insurance undertaking, pursuant to article 240, L.4364/2016. The insurance liquidators are appointed by the Bank of Greece and are subject to scrutiny and its supervision. Therefore, the Guarantee Fund is not involved nor has the possibility to check the liquidation proceedings and is limited to monitoring the progress of winding up in order to be informed about the estimates regarding the anticipated product of liquidations. In this context, the Life Guarantee Fund proceeds to an estimate of the recoverability of its claims against the liquidations, recognizing receivables from the insurance undertakings under liquidation and the estimated recoverable amount. The methodology and the assumptions used to estimate the amounts are reviewed on any compilation date of the financial statements. The estimates are based on reliable information that the Life Guarantee Fund became knowledgeable of or on objective indications resulting from one or more events having occurred and their impact can be reliably assessed. However, in practice, a low rate of the collectability of the amount due is observed; due to this fact, these claims do not appear on the balance sheet but are followed up in information accounts in the Guarantee Fund computerization system and are disclosed to said notes.



3.11 Description of the claims by life insurance policyholders of the undertakings under liquidation versus the Guarantee Fund

The claims by policyholders insured at undertakings whose license has been withdrawn against the Guarantee Fund, as an insurance claim, are prescribed five (5) years after the expiry of the year they emerged, in accordance with a decision by the Management Committee, based on an opinion delivery, as there was no provision in L. 3867/2010. An exception covers the claims of policyholders for which the prescription has been discontinued due to preceding procedural steps.

Note 4 Fixed Assets

The unamortized balance at the end of the financial year stands at €0.05. The Guarantee Fund does not own any property.

Table of Fixed Assets Changes

	Intangible assets Intangible assets	Tangible assets Furniture, electronic and other equipment
Acquisition cost		
Balance, on 01/01/2019	1,949.55	560.91
Additions	0.00	299.00
Balance, on 31/12/2019	1,949.55	859.91
Accumulated depreciations		
Balance on 01/01/2019	(1,949.55)	(859.91)
Depreciation for the period	0.00	298.99
Balance on 31/12/2019	(1,949.55)	(859.86)
Unamortized value	0.00	0.05

Note 5 Other claims

	2019	2018
Claims against an insurance undertaking under liquidation	117,241.00	117,241.00
Greek Treasury-income tax to be refunded	7,303.03	0.00
Deferred contributions	446.40	892.80
Balances on December 31st	124,990.43	118,133.80

Note 6 Claims from contributions

This regards the 6th installment of the 2019 contribution by life insurance companies-members, paid at the beginning of the next financial year. The following table displays in detail the claims per insurance company.



PRIVATE LIFE INSURANCE GUARANTEE FUND

Analysis of claims from contributions per insurance company as at 31.12.2019

Insurance company		
1	ALLIANZ HELLAS S.A	64,225.01
2	ALPHALIFE SA	127,686.98
3	ATLANTIC UNION SA	1,737.79
4	AXA INSURANCE SA	45,341.18
5	ETHNIKI HELLENIC GENERAL INSURANCE CO.SA	393,887.05
6	EUROLIFE ERB INS.CO. SA	621,388.88
7	CREDIT AGRICOLE SA	23,068.94
8	EVROPAIKI ENOSIS MINETTA LIFE	1,061.48
9	EUROPEAN RELIANCE GENERAL INSURANCE COMPANY SA	49,730.61
10	GENERALI HELLAS INS. CO. SA	57,635.82
11	GROUPAMA PHOENIX SA	40,476.16
12	NN HELLAS SA	469,028.86
13	INTERAMERICAN LIFE INS.CO.SA	55,273.22
14	INTERSALONICA SA	1,513.04
15	CNP ZOIS S.M.S.A.	1,996.34
16	HORIZON INSURANCE COMPANY LTD	8.45
17	SYNETERISTIKI INSURANCE CO.INC	5,838.68
18	ERGO INSURANCE COMPANY SINGLE MEMBER SA	28,647.80
19	METLIFE LIFE INSURANCE SA	221,351.62
20	EUROLIFE Ltd (CYPRUS LIFE)	2,457.27
21	METLIFE EUROPE LTD	0.00
22	CNP CYPRIALIFE LTD	126.14
23	PRUDENTIAL INTERNATIONAL ASSURANCE PLC	3.02
24	SWISS LIFE LUXEMBURG SA	13,036.55
25	UNIQA OSTERREICH VERSICHERUNGEN AG	18.19
26	THE ONE LIFE COMPANY S.A.	0.00
27	CARDIF LUX VIE S.A.	105.73
28	RED SANDS LIFE ASSURANCE COMPANY Ltd	807.04
29	ALLIANZ GLOBAL LIFE DESIGNATED ACTIVITY COMPANY	19.20
30	GENERALI PANEUROPE DESIGNATED ACTIVITY COMPANY	37.78
	Total	2,226,508.83

Note 7 Other financial assets

Pursuant to para. 2, article 10 of the Life Guarantee Fund founding law (L.3867/2010), the investment policy being applied adheres to the provisions of article 73 of L.2533/97. Is a more detailed analysis, on 31.12.2019,

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PRIVATE LIFE INSURANCE GUARANTEE FUND

the securities portfolio of a total value at €50,291,361.02 regards short term European sovereign securities that include the interest-bearing Greek Treasury bills.

As at 31.12.2019 there are no indications of impairment losses on the portfolio.

Portfolio Reference Framework on 31.12.2019	Issuer	Spread (up to)
Interest-bearing T-bills by international bodies	ESM	19%
T-bills of Eurozone countries	GREECE (Greek T-bills)	50%
	Eurozone's periphery countries	19%
	Eurozone's core countries	12%
	Total	100%

Note 8 Cash and cash equivalents

	2019	2018
Cash in hand	979.92	76.65
Deposit account to the Bank of Greece	11,170,673.83	16,899,187.47
Deposit accounts		
• Domestic credit institutions	6,874,870.61	376,493.95
Balances on December 31st	18,046,524.36	17,275,758.07

The deposit account balance at the Bank of Greece is kept in order to be used for the payment of compensations to life insurance beneficiaries, deriving from the liquidation of the insurance company International Life Ins.SA in the upcoming period.

Note 9 Start up capital

The start up capital €1,505,431.37 derived, by virtue of 1.3867/2010 (para.7, article 1) from a part of (1/10) the capital that derived from the Private Insurance Supervision Committee (PISC) liquidation.

Note 10 Results Surplus /(Deficit) carried forward

An accumulated surplus which stands as follows:

	2019	2018
Surplus from previous years	42,625,976.32	56,550,323.57
Surplus /(Deficit) of the current year	13,695,361.00	(13,924,347.25)
Accumulated surplus	56,321,337.32	42,625,976.32

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Provisions for employees benefits

Note 11

	2019	2018
Balances on January 1st	16,110.26	14,268.80
Provision formed in the financial year representing a burden on the results	0.00	1,841.46
Balances on December 31st	16,110.26	16,110.26

Note 12

Other provisions and beneficiaries of offered coverage under article 7 of L.3867/2010

Category	Justification	2019	2018
Short term liabilities-Coverage beneficiaries (VDV)	Compensations for payment within the next financial year to beneficiaries with full supporting documents.	9,711.00	10,537.00
Short term liabilities-Coverage beneficiaries (International Life)	Compensations for payment within the next financial year to beneficiaries with fully valid supporting documents.	4,525.96	0.00
Short term liabilities	Carried over from Previous years	3.85	3.85
Sub-total (a)		14,240.81	10,540.85
Provisions for Compensations to beneficiaries (VDV)	Compensations to beneficiaries who have not submitted supporting documents up to the current financial year and therefore have not been certified.	246,802.00	237,980.00
Provisions for Compensations to beneficiaries (International Life)	Provision for Compensations to beneficiaries who have not submitted supporting documents up to the current financial year and therefore have not been certified.	12,520,938.49	25,500,000.00
Sub-total (b)		12,767,740.49	25,737,980.00
Balances on December 31st(a+b)		12,781,981.30	25,748,520.85

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The account consists of the following individual accounts:

- The account amounting to €9,711.00 regards a compensation amount that corresponds to a life insurance policy under the company VDV Leben International Life Ins.SA, being under liquidation, with the required supporting documents still pending for its certification, while it is subject to prescription on 31.12.2022.
- The account amounting to €4,525.96 regards a compensation to a beneficiary of the insurance company International Life Ins.SA under liquidation which was paid within the following financial year.
- The account amounting to €246,802.00 regards the compensations of the company VDV Leben International Life Ins.CO. SA under insurance liquidation and relates to sixty one life insurance policies amounting to €237,980.00 (outstanding court cases), whose claims had not been certified until 31.12.2019 and to one life insurance policy standing at €8,822.00 (disclosed during 2019), pertaining to a final court judgment prior to the revocation of the company's operation license.
- The account of €12.5 million regards a formed provision for compensation to the beneficiaries of the International Life Ins.CO. SA, being under insurance liquidation. The provision amount was formed taking into consideration the information submitted to the Guarantee Fund initially by the liquidator and is monitored every year as to the height of the required future coverage of cases by the Guarantee Fund. Following the procedure of collecting and checking the supporting documentation completeness, the provision amount is carried over to the liabilities in order to be paid to the beneficiary.

Table with the evolution of compensations in VDV Leben International Life Ins.CO.SA under liquidation (operation license revocation date 10.1.2011):

Date of reference	Recognized claims of compensations beneficiaries		Related expenses	Amounts paid for compensations		%
	Number of policies	Value		Number	Value	
31.12.2011	8,364	35,543,330.00	78,247.00	-	-	
31.12.2012	8,367	35,585,483.00	84,750.73	4,210	16,638,268.00	47%
31.12.2013	8,371	35,685,316.00	88,452.48	5,476	28,763,141.00	81%
31.12.2014	8,375	35,719,113.00	93,167.17	5,657	29,467,116.00	83%
31.12.2015	8,375	35,718,907.00	104,862.41	5,719	29,821,313.00	84%
31.12.2016	8,375	35,718,907.00	107,375.22	5,760	30,026,138.00	84%

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31.12.2017	8,375	35,718,907.00	142,451.85	5,801	30,203,755.00	85%
31.12.2018	8,375	35,718,907.00	189,617.49	5,806	30,218,902.00	85%
31.12.2019	8,376	35,727,729.00 ⁶	232,719.23	5,806	30,218,902.00	85%

- *Figures are displayed on accumulated basis.*

Table with the development of the prescription of claims from offered coverage under article 7, L. 3867/2010 for VDV Leben International Life Ins.CO. AEAZ beneficiaries:

Year of prescription	Number of policies	Beneficiaries' claims
2017	2,505	5,249,207.00
2018	2	2,281.00
2019	1	826.00
Total	2,508	5,252,314.00

Table with the evolution of indemnities in VDV Leben International Life Ins.CO. AEAZ under liquidation (operation license revocation date 15.5.2017):

Date of reference	Recognized claims of compensation beneficiaries		Related expenses	Amounts paid for compensation		%
	Number of claims	Amount		Number	Value	
31.12.2019	4,971	23,824,652.70	19,173.18	2,446	12,974,535.55	55%

Note 13 Other taxes and duties

	2019	2018
Payroll tax on personnel remuneration	2,778.39	3,294.16
Solidarity levy article 29 L.3986/11	218.60	277.50
Third party taxes (revenue from business activity article 64 L.4172/13)	504.00	240.00
Stamp duty & Farmers Fund (OGA) (third party)	43.20	0.00

⁶ It includes a sum for compensation to beneficiaries in life class being prescribed by 31.12.2019, they correspond to 2,508 in number and the amount stands at €5,252,314.00 in application of the decision by the Guarantee Fund Management Committee based on a relevant opinion.



Tax on third party remuneration	720.00	0.00
Balances on December 31st	4,264.19	3,811.66

Note 14 Income tax

The Guarantee Fund, as a non-profit legal entity, is subject to income tax pursuant to the provision of article 45, para.c, L.4172/2013. This account regards the income tax deriving based on the provisions of the applicable tax law, stemming from income from securities and deposits interest and income deriving from goodwill from securities transfer. During the financial year 2019, no income tax arose due to determination of negative (loss) result from transferable securities.

Note 15 Social security organizations

	2019	2018
EFKA (Uniform Social Security Entity)	5,467.32	5,050.90
EFKA (Single Social Security Entity) (Contributions of salaried lawyers)	1,574.37	1,597.79
Balances on December 31st	7,041.69	6,648.69

Note 16 Accrued Financial Year Expenses

	2019	2018
Operating Costs	553.96	0.00
Accrued remuneration	4,960.00	4,960.00
Balances on December 31st	5,513.96	4,960.00

Note 17 Income Annual contribution

	2019	2018
Annual contribution by insurance undertakings -members of the Guarantee Fund. The contributions are calculated in accordance with para. 1, article 10 of the Law, Based on the percentages per insurance class (Act no.2636/24.11.2010 by the Governor of the Bank of Greece), while they are paid every two months with the 6th installment being collected at the end of January in the following year.	14,088,478.67	11,812,105.80
Total	14,088,478.67	11,812,105.80

Note 18 Other revenues - income

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PRIVATE LIFE INSURANCE GUARANTEE FUND

It mainly relates to the height of claim by the life insurance policyholder from the company VDV Leben International Life Ins.CO.SA that was not certified at the expiry of the year, despite having been recognized by the Guarantee Fund by 31.12.2019 and was prescribed.

	2019	2018
Reverse provision for offered coverage under article 7, L.3867/2010	826.00	2,281.00
Deduction from income tax	0.37	1,017.03
Offsetting from previous years	0.00	17.22
Members' contributions from previous	0.00	1,072.15
Default interest	154.06	0.00
Balances on December 31st	980.43	4,387.40

Note 19 Staff Benefits

The number of salaried personnel stands at seven employees:

- Three employees on private law employment relationship of indefinite duration.
- Three employees on private law employment relationship of fixed-term duration.
- One legal advisor working under the status of fixed monthly salary.

The relevant expenses, per category, are reflected on the following table:

	2019	2018
Earnings and employers' contributions for salaried employees	143,724.82	147,471.14
Hospital care expenses & a policy for hospital care of the indefinite term personnel	12,732.85	11,098.85
Balances on December 31st	156,457.67	158,569.99

Note 20 Other expenses and losses

	2019	2018
Telecommunications and postal fees	1,061.93	894.50
Civil liability policy premiums for Management executives	29,347.44	29,347.44
Self-employed professionals remuneration & third party remuneration	134,840.96	84,350.94
Third party remuneration Management Committee members	3,600.00	0.00
Other operating expenses	9,565.69	11,744.15
Balances on December 31st	178,416.02	126,337.03

Note 21 Credit interest and related income

	2019	2018
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Interest from deposits & interest on securities	47,626.41	117,212.14
Interest on deposit accounts at the Bank of	(91,685.98)	(61,016.67)
Balances on December 31st	(44,059.57)	56,195.47

Note 22 Debit interest and related expenses

	2019	2018
Portfolio administrator fee	5,047.00	4,678.00
Bank fees	996.85	389.04
Balances on December 31st	6,043.85	5,067.04

Note 23 Related parties

Any member from the Management Committee assuming duties in the context of the Life Guarantee Fund by participating in the meetings and exercising management duties, pursuant to L.3867/2020 shall be awarded remuneration. The total remuneration paid in this context amounts to €27,924.80.

Based on a decision, date 16.10.2019 by the Members Meeting, a monthly compensation is granted to the Management Committee's elected members for their presence at the meetings, starting in October 2019.

There are no requirements and obligations by or to members of the Management Committee.

Note 24 Audit fees

The annual audit on the financial management and the Balance Sheet is assigned, based on article 11, para.3, L.3867/2010, by way of Members Meeting decision to two certified-auditors accountants or to a recognized audit firm that submit a corresponding report; said report is announced to the Minister of Finance, the Bank of Greece and the Hellenic Association of Insurance Companies. For the current financial year, by a Members Meeting decision dated 29.05.2019, the annual audit was assigned to the audit firm COOPERATING CERTIFIED AUDITORS-ACCOUNTANTS SA against a fee standing at €4,000 (VAT 24% not included).

Note 25 Results of the year

The financial year results formed a surplus amounting to €13,695,361.00 and was carried over to the Equity account 'Current financial year surplus'.

Note 26 Income & expenses or particular amount or particular frequency or importance

Besides the ordinary income from insurance companies contributions and the indemnities granted to the life insurance policies beneficiaries, based on the procedures set out in L.3867/2010 and the decision by the Credit and Insurance Committee of the Bank of Greece no.262/23.2.2018, there does not exist any other income or expenses of particular importance.

Note 27 Revenue-Expenses Offsetting

Not carried out.

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Note 28 **Contingent assets**

Claims from insurance undertakings under liquidation

The Life Guarantee Fund has claims against insurance companies under liquidation proceedings for amounts paid to life insurance beneficiaries, because according to para. 1, article 7, L.3867/2010 it is substituted in their rights versus the existing assets of liquidations. The claim is disclosed to liquidation proceedings so that the Guarantee Fund be included in the symmetrical distribution of their existing assets, whenever such occurs. The privileged ranking applying for policyholders, according to article 240, L.4364/2016 applies for the Guarantee Fund. To this day, no liquidation product distribution has occurred by the abovementioned companies under insurance liquidation.

a) The Life Guarantee Fund has announced a claim subject to payment versus the company VDV Leben International Life Ins.CO.SA amounting to €35,727,729.00; after the prescription of claims amounting to €5,252,314.00 and the addition of a claim from a final court ruling stood at €30,475,415.00. Until the preparation of financial statements, a total amount of €30,218,902.00 was paid for which the condition of payment is fulfilled. According to the Balance Sheet of the above insurance company under liquidation that the Life Guarantee Fund has at its disposal (year 2015), its total Assets amount to €60.25 million. It is also highlighted that, according to the liquidator's notes, inter alia, no provisions have been formed in the balance sheet to depreciate the accounts participations, debtors and assets from direct insurance activities with a total balance at €56.92million..

b) The Life Guarantee Fund has a claim, subject to payment, versus the company International Life Ins.CO. SA, under liquidation. This claim until the compilation of financial statements 31.12.2019 stands at €23,824,652.70. Out of this amount has been paid, to fulfill its liability, until December 31st 2019, in indemnities to beneficiaries and in payment of withheld tax a total amount of €12,974,535.55, while the remaining amount of claim, standing at €10,850,117.15, is subject to payment. Based on information, the liquidation has requested unfreezing part of the assets in order to proceed to provisional distribution to beneficiaries, with the Legal Entity being one of them.

Note 29 **Coverage of liabilities with collaterals, indicating nature and form of collaterals**

As there are no debts, no collaterals were given accordingly.

Note 30 **Contingent -Possible liabilities**

1. The article 2 of 1.3867/2010 regulates the cases of insurance companies whose license was revoked, before the publication of the above law (namely Aspis Pronia General Insurance S.A and Commercial Value SA ('Companies'). In particular, it is foreseen that by completing the liquidation of the above companies, the Life Guarantee Fund shall pay to policyholders a 70% of the claim balance from insurance policies that will not be satisfied by the production of liquidation. As far as the progress of proceedings is concerned for the Companies, according to the decision no.41/1/1.6.2012 by the Credit and Insurance Committee of the Bank of Greece, it was ascertained that the deadline fixed for the life portfolios transfer had elapsed; therefore, the companies were placed under insurance liquidation.



As regards the progress of winding up proceedings, it should be mentioned that on 20.11.2015 the Compensation Beneficiaries Statements were published, recognizing the Companies' insurance policyholders claims. Moreover, according to the insurance legislation, the interested parties contest the Compensation Beneficiaries Statements by lodgings appeals. Once the appeals are finalized, the Compensation Beneficiaries Statements will also be finalized and after the distribution of insurance liquidation product, a final liability of Companies vis-a-vis the policyholders will arise. The Life Guarantee Fund has intervened in the hearing of certain appeals whereto it was invited by the Companies. In the meantime, and following an agreement by the competent Bank of Greece Department, the liquidation of Companies has proceeded to down payments against the amount recognized as claim in the Statements of Life Insurance Claims Beneficiaries.

The down payments sum derives in relation to the available assets of Companies and considering the outstanding cases before the courts.

Due to the outstanding parameters which need to be assessed for the liability calculation as well as the uncertainty regarding their exact amount and the time such liabilities will become immediately payable, this liability cannot be measured in a sufficiently reliable way on 31.12.2019; however, it is anticipated to be high enough in relation to the legal entity's equity.

Based on case (h), para.3, article 2, L. 3867/2010, as in force for the fulfillment of the above operation, the Greek Treasury may grant loans to the Life Guarantee Fund up to the amount of €200 million., by issuing and granting, bonds of the corresponding value instead of cash.

2. The liquidators of the insurance company under liquidation International Life Ins.CO.SA notified on 16.7.2019 the Life Guarantee Fund of the certified claims from life insurance that are compensated by the latter, pursuant to L. 3867/2010 as well as the list of persons falling under article 8 of said law (Delivery-Acceptance Protocol). It is noted that the following cases of claims were not delivered: a) the ones for which an appeal against the Statement of Life Insurance Claims Beneficiaries was lodged and regards cases of contestation of the recognized amount and b) claims that had not been recognized and there is a request to be included in the Statement of Life Insurance Claims Beneficiaries. These cases will be disclosed to the Life Guarantee Fund after the issuing of the final court ruling. Based on information from the liquidation, currently the recognition or not of claims amount up to €3 million. is pending before the courts. No data or valid information is available to form a provision for this amount. However, as of 2018, when the Guarantee Fund initially recognized the relevant provision for liabilities towards International Life, it has been keeping an unused amount of €1.5 million. Once the above cases are finalized, the non-covered part may be added to the claims liability from International Life Ins.CO.SA insurance policies and encumber the results of that financial year (see Note 12).

As of the Delivery-Acceptance Protocol signing date, the liquidator updates, following a justified correction/completion and accordingly forms the Life Guarantee Fund liability amount vis-à-vis the life insurance beneficiaries of International Life Ins.CO.SA for certification and payment.

3. Liabilities are likely to arise from outstanding court cases regarding VDV Leben International Life Ins.CO.SA policyholders against the Life Guarantee Fund; there is no safe provision for the outcome of those cases.

The verification procedure of the claims announced by the policyholders to the liquidator of VDV Leben International Life Ins.CO.SA and the preparation of the Compensation Beneficiaries Statement, pursuant to the insurance legislation, have not been completed to this day. Following the drawing up of the Indemnity Beneficiaries Statement, new claims are likely to be recognized from the liquidation and the Life Guarantee Fund shall be called upon to pay compensations for such claims. Currently, no provision can be formed for as long as the finalization of the Compensation Beneficiaries Statement is in progress. Moreover, it is possible that the Life Guarantee Fund be notified of court rulings whereby claims are recognized from VDV life insurance policies before its operation license was revoked and



had not been disclosed to the Life Guarantee Fund by the liquidation. Once these court rulings become final, the Legal Entity shall proceed to the calculation and payment of compensation for said claims.

Notwithstanding the above, there are no other commitments, guarantees and contingent liabilities; therefore, there are no collaterals to have been given by the legal entity regarding the above.

Note 31 Other legal issues

There exist outstanding court cases until 31.12.2019 against the Life Guarantee Fund by policyholders of mainly one insurance company under liquidation; such claims amount to approximately €9 million.; no safe provision can be formed regarding the outcome of those cases. Pursuant to the legal department and its external associates' opinion, the third-party lawsuits are quite unlikely to succeed. It should be underlined that the claims amounting to approximately €3.3 million. out of the abovementioned ones have been rejected at first instance.

Note 32 Amounts of the Legal Entity's liabilities becoming payable after five years from the balance sheet date.

There are no liabilities that become payable after five (5) years.

Note 33 Changes of accounting policies or accounting estimates or correction of errors

There were no changes in order to make reference to the event as well as to the reasons having driven to the change or correction as well as to sufficiently disclose the relevant impact on the financial statements accounts.

Note 34 Derogation from the enforcement of provision of l. 4308/2014

There was no derogation from the enforcement of the provision of law 4308/2014 in order to satisfy the liability of paragraph 2, article 16 regarding fair presentation and therefore no derogation impact applies on the assets, liabilities, equity and profit and loss account in order to be depicted in the annex.

Note 35 Post balance sheet events

The assets and liabilities events are adjusted for events having occurred between the end of financial year date and the financial statements approval date if they substantially affect the economic situation of the Legal Entity on the balance sheet closing date. For events occurring after the balance sheet closing date and not affecting the balance sheet figures, but their significance is such that non-disclosure could affect the ability of financial statements users to form correct estimates and take proper decisions, then said events shall be reported in the financial statements notes.

Covid-19 pandemic

The healthcare crisis resulting from the Covid-19 pandemic outbreak is still under way and its repercussions on the national economy could not currently be assessed. The Guarantee Fund keeps abreast with the



PRIVATE LIFE INSURANCE GUARANTEE FUND

developments and elaborates systems and procedures necessary to ensure the continuation of its operations and be able to effectively accomplish its mission even under the most unfavorable and adverse conditions.

Athens, 18 May, 2020

CHAIRMAN
OF THE MANAGEMENT
COMMITTEE

VICE-CHAIRMAN OF THE
MANAGEMENT COMMITTEE

HEAD OF
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