



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
2020**

May 2021



MANAGEMENT COMMITTEE

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Apostolou Ilias	Vice - Chairman
Kougioumoutzis Konstantinos	Member
Mamoulakis Georgios	Member
Alberto Berti	Member

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**Insurance companies-members participating in
the Private Life Insurance Guarantee Fund as at 31.12.2020**

I.	INSURANCE COMPANIES REGISTERED IN GREECE
1	ALLIANZ HELLAS SINGLE MEMBER INSURANCE 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. SINGLE MEMBER 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 SINGLE MEMBER SA
13	INTERAMERICAN HELLENIC LIFE INS.CO.SA
14	INTERSALONICA SA
15	CNP ZOIS S.M. SA
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
24	CNP CYPRIALIFE LTD
25	UNIQA OSTERREICH VERSICHERUNGEN AG
26	SWISS LIFE LUXEMBURG SA
27	CARDIF LUX VIE
28	RED SANDS LIFE ASSURANCE COMPANY LTD
29	UTMOST PANEUROPE DESIGNATED ACTIVITY COMPANY
30	REALE MUTUA SOCIETA **
III.	BRANCHES OF INSURANCE COMPANIES OF EU AND EEA COUNTRIES IN GREECE
30	ALLIANZ GLOBAL LIFE DESIGNATED ACTIVITY COMPANY
31	EUROLIFE Limited -CYRPUS LIFE

Note:* Companies that based on their disclosed documents did not present written premiums for the year 2020.

**New member, joined in July 2020

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A. ANNUAL REPORT 2020

Introduction

The period from 01.01.2020 to 31.12.2020 constitutes the eleventh (11th) fiscal year of Private Life Insurance Guarantee Fund (Guarantee Fund).

The year 2020 was marked by the unprecedented event of the COVID-19 pandemic that incurred recession turmoil in all global economies as the biggest external risk, given that the imposition of successive measures to curb the pandemic drove to a downturn of economic activity.

Any company, as well as insurance companies in the Greek economy, was confronted with new challenges of radical restructuring in their business environment due to the prolongation of the rigorous restrictive measures faced with the pandemic resurgence in the second semester of the year.

At national level however, the insurance industry responded satisfactorily because the insurance companies managed to immediately adjust to the new circumstances arising due to the pandemic and sufficiently respond to current developments, not posting significant differences in their financial figures, compared to the previous year.

In 2020, the institutional framework of the European Directive ‘Solvency II’ was largely transposed into the Greek insurance market. Characteristics of the insurance market such as the use of specialized risk management techniques, the introduction of modern governance methods and the emphasis on transparency boost the reliability of insurance companies, making the insurance products attractive investment options. Moreover, the needs of modern society determine new insurance products to cover different risks (e.g. Cyber risk), supporting thus the penetration of the insurance sector in an increasing number of sectors in the economy.

It should be underlined that the European Directive ‘Solvency II’ is under review, taking into consideration the COVID-19 pandemic impact on both the financial figures of the insurance market and on its new functioning.

Finally, in the context of the new supervisory framework applied in insurance companies, the insurance market is set to present a steady growth with positive prospects for 2021.

Developments and facts regarding the Guarantee Fund

a) Institutional Framework

The Legal entity of Private Law 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 above mentioned law in the context of its supervisory role.

In July 2020, Law 4714/2020 (Government Gazette A'148/31.7.2020) was issued modifying and completing, by article 92, the paragraph 5 of article 2 of the Law. By virtue of the above provision, the Guarantee Fund may grant, under conditions, a lump sum advance payment of up to €20 million to satisfy the claims of insurance companies, whose license was revoked prior to the establishment of the Guarantee Fund and before their liquidation. For these cases, this is a precondition to involve the Guarantee Fund. This provision highlights the role of the Guarantee Fund as a pillar supporting the insurance market and recovering the confidence of policyholders who sustained financial damage due to the insurance company license revocation.



b) Information on the existing insurance undertakings under liquidation proceedings

b1) International Life SA under insurance liquidation proceedings

The insurance liquidation of International Life SA in 2020 goes through its third year of operation. It should be recalled that the company's operation license was revoked by a decision of the Credit and Insurance Committee of the Bank of Greece, no.230/15.05.2017 and the company is under insurance liquidation as of 15 May 2017. Note that within 2019 the Guarantee Fund was notified by the ¹ insurance liquidator of detailed statements with the certified claims from life insurance as well as the list of persons falling under article 8, Law 3867/2010. The Guarantee Fund determined the claims from life insurance following the procedure of compilation of reports and data, both from the liquidator as well as from an external associate of recognized validity. By 31.12.2020, based on the Delivery-Acceptance Protocol, as updated and in force, the Guarantee Fund was delivered 4,988 single certified life insurance claims for compensation that amounted, at the time of liquidation, to €23.938 million (amount verified by liquidation). It is underscored that 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 this 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. For such claims, the Guarantee Fund has formed a relevant provision amounting to €1.5 million. Finally, the Guarantee Fund, paying compensations at very satisfactory rates, has covered the largest part of the recognized liability, paying in total €22.941 million corresponding to 4,612 claims from life insurance and at 95% coverage ratio of the total recognized liability.

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

b2) VDV Leben International SA under insurance liquidation proceedings

The insurance liquidation proceeding of VDV Leben International SA (VDV) goes through the tenth (10th) year of its operation². By 31.12.2020, a total amount of €30.237 million was paid by the Guarantee Fund as compensation for the largest part of claims, corresponding to a total of 5,807 life insurance policies of recognized life insurance beneficiaries claims, as resulted from the company's files and calculated pursuant to the Law and the relevant delegation decisions and at 95% coverage ratio of the total recognized liability. As to the liquidation 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.

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

Claims against the Insurance undertakings under 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 is substituted in their rights versus the existing assets of liquidations. The claim is notified to the liquidation proceedings so that the Guarantee Fund is 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.

¹ In application of article 3 of decision 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.

² 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 SA.' 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).



In particular for International Life SA under insurance liquidation proceedings in 2020, the unfreezing and liquidation of the company's assets of €2.555 million value was approved by virtue of decision no. 366/4/30.07.2020 by the Credit and Insurance Committee of the Bank of Greece to partly and symmetrically satisfy life insurance beneficiaries. The liquidator determined the distribution ratio to the height of the Statements of Life Insurance Claims Beneficiaries, by 8.15%, and subsequently informed the Guarantee Fund that the amount corresponding to it based on the certified claims delivered by the updated Delivery-Acceptance Protocol stands at €1.951 million. According to the height of the paid compensation amounts by the Guarantee Fund and the Statements of Life Insurance Claims Beneficiaries data, the liquidator disbursed the corresponding amount, namely €1.858 million to the Guarantee Fund. The Guarantee Fund has formed a provision of an additional recoverable amount of € 5.7 million, based on the disclosed liquidation data, within 2020.

Respectively, as regards the VDV Leben International Life Ins.CO.SA under liquidation, so far no distribution of liquidation product has occurred. The VDV assets related to deposits and shares are under seizure in Germany and it is probable that they will be unblocked, once the proceedings that are in progress before the German authorities are finalized. Despite the slow progress in liquidation due to shortage of cash balances and mainly due to uncertainty in their collection, after the ending of legal proceedings in Germany, the Guarantee Fund has not formed provision for the recoverable amount

b3) Developments regarding the enterprises 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 the companies were placed under liquidation 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 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-à-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 the down payments derives in relation to the available assets of Companies and after taking into account the outstanding cases before the courts. It should be underlined that by 31.12.2020, the total amount of provisional distributions stands at € 74 million.

Similarly, in July 2020, the L. 4714/2020 was published; by its article 92, this Law modifies the article 2 of L.3867/2010 and stipulates that the Guarantee Fund is allowed to proceed, on conditions, to granting a lump sum advance payment up to €20 million for the satisfaction of life insurance claims of the Companies, provided that they are not contested in court. The deadline for the provision implementation was set at four (4) months from its publication. The aim of the legislative provision is to swiftly respond to beneficiaries' claims by activating the Guarantee Fund's special purpose before the expiry of insurance liquidation; this is a prerequisite laid down by Law for the above companies under insurance liquidation. At the same time, the provision of the law lays down that the amount distribution shall be carried out on the liquidator's responsibility in the framework of the liquidation procedure and the paid-up amount shall reduce the Guarantee Fund's future liability, when such will arise. Note that the implementation of this provision, beyond the liability to grant an



one-off advance payment of twenty million Euro, does not incur any other liability for the Guarantee Fund to cover the claims of Companies at the present moment and before the completion of the insurance liquidation. The Guarantee Fund, abiding by the legitimate proceedings (audit on disclosed data, decision by its statutory bodies) allocated in the beginning of 2021 the above advance payment amount to the insurance liquidator of the company Aspis Pronia General Insurance S.A under insurance liquidation, that fulfilled the legal requirements. The liquidator makes gradual payments of amounts to the beneficiaries.

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).

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 (hospitals and doctors) for the hospitalization of the policyholders insured under the Companies under liquidation, continued during 2020 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 2020. However, within 2020, no funding request was submitted and no claims repayment occurred because no certification documentation was 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 of the Companies.

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 11.02.2021, 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 2021, 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. To effectively fulfill its mission, the Guarantee Fund reorganized its departments for the benefit of the insured, in order to ensure swifter and effective payment of compensations to beneficiaries of life insurance claims of the International Life SA company under insurance liquidation that to a large extent continued in 2020.

In addition, for the implementation of the provisions of L.4714/2020, all the necessary actions were promptly implemented in cooperation with the Liquidations for the convocation of the agent's statutory bodies aimed at disbursing the advance payment.

At the same time, there was an immediate response following the pandemic break out focusing on employees' health protection; it ensured satisfactory adjustment to the operational needs through the remote work regime, in cooperation with the competent Information Technology department of the Bank of Greece and by investing in technical equipment, aimed at ensuring smooth performance of its daily operational activities.

d) Investment policy

The Guarantee Fund, aimed at sound and safe management of funds available for investment, and having fully repaid a large part of compensations liability to life insurance beneficiaries, reviewed its investment policy in cooperation with the Bank of Greece, serving as the administrator. Given the arising legal obligation for the collection of the necessary funds to grant an advance payment of € 20 million, pursuant to provisions of article 92, L. 4714/2020, the Fund gradually restructured its investment portfolio to be immediately available. Similarly in 2020, in a financial environment of negative interest rates, building on its cooperation with domestic credit institutions, it placed a part of its available funds to short-term deposits accounts with positive performances offsetting the negative impact from the negative performances of the portfolio's securities.



f) Members

The number of insurance companies-Members of the Guarantee Fund increased by one member with the entry of the company trading as REALE MUTUA SOCIETA, operating as a company under the freedom of services; therefore, the number of insurance companies-Members is thirty one (31) of which nineteen (19) insurance companies registered in Greece, ten (10) companies operating in Greece under the Freedom of Services and two (2) companies constitute branches of insurance companies registered in an EU country and active in Greece. A list of Members participating in the Guarantee Fund is presented in page 3 of the Annual Report.

g) International cooperation

Since 2015, the Guarantee Fund has been active member of the International Forum of Insurance Guarantee Schemes (IFIGS), which numbers representatives from Insurance Guarantee Schemes across 25 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's operation license is revoked.

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 participants to ensure access to know-how and participate in research for the establishment of the institutional framework, thus enhancing its effectiveness and improving its operation.

As of December 2020, the IFIGS Chairmanship has been performed by the South Korean Insurance Guarantee Scheme representative.

The Guarantee Fund participates in the Working Group "Profile 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.



Revenues, Expenses and Financial Result

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 companies' annual contribution in favor of the 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 Guarantee Fund,
- The income tax that encumbers the Guarantee Fund's cash balances,
- The recognition of a provision to cover beneficiaries of life insurance from insurance companies that had entered into liquidation before the Guarantee Fund establishment,
- The liquidation distribution and the estimates regarding the anticipated liquidation product of the undertakings under insurance liquidation.

In particular, during the year 2020, the Life Guarantee Fund's financial figures compared to the respective accounts of the previous year stood as follows:

Revenues from contributions

1. A 7% decrease of gross written premiums was ascertained versus the corresponding amount in 2019; such a fact is mainly attributed to the change of the gross registered premiums under Class I and Class VII (Table 7b). In particular, the registered premiums of Class I policies dropped by 28%, of Class VII by 17%, while for Class III, a 55% production increase was registered. The reduced total production of gross premiums in 2020 resulted in a decrease of annual income from contributions and an amount standing at €12,679.8 thousand versus € 14,088.4 thousand in 2019, posting a decline by 10% (Tables 1,4,&8).

Capital revenue

2. The capital revenue pertaining mainly to interest on the placement of capital available for investment stood at the positive amount of € 14.2 thousand versus a negative amount of €44.1 thousand in 2019. It is underscored that within 2020, the return on European sovereign securities foreseen in the reference Framework (barring the Greek securities showing a negative return at the end of 2020) were kept negative, standing at a lower notch compared to the previous year; to offset this, the Guarantee Fund restructured its investment policy based on which a part of its cash balance is invested in Treasury Bills and in deposit accounts in credit institutions on a marginally positive interest rate; in this way, the impact from the application of a deposit facility rate, set by the European Central Bank (-0.50%) and applied on the Guarantee Fund's deposits kept at the Bank of Greece, is significantly limited.

Operating expenses and offered coverage to fulfill its purpose

3. The total operating expenses (operating expenses and costs to fulfill its purpose) stand at € 314 thousand versus an amount of € 349 thousand in 2019, posting a decrease in the order of 10% (Tables 1 & 5). In particular:
 - i. The operating expenses (personnel and third party remuneration, benefits to third parties, other operating expenses, banking charges, depreciations and provisions) stood at € 279.0 thousand and



posted an increase by 12% versus an amount of € 248.7 thousand in 2019. This change relates to a) the readjustment of remuneration and third party expenses and to upkeeping extraordinary staff to cover the increased workload related to compensation proceedings to beneficiaries of a company under insurance liquidation, b) costs due to emergency measures for the personnel protection from Covid-19 transmission and c) investment costs to support remote work.

- ii. The coverage offered (compensation to beneficiaries under article 7, L.3867/2010) and related expenses in 2020 stood at € 35 thousand and regard the costs for the management of court cases.

The account posts a decline by 65% versus an amount of € 101.1 thousand in 2019 due to non-occurrence of events that could lead to expenses to fulfill our purpose.

Income Tax

4. The income tax amounts to €10.9 thousand, incurs a decrease in the final result and is calculated at the taxable results of the fiscal year, based on the transactions and events recognized on the financial statements.

Extraordinary income

5. The account for extraordinary income amounts to € 46.1 thousand and regards mainly contributions for the production of registered premiums of past years that were disclosed by an insurance company/member of the Guarantee Fund with delay.

Provisions for offered coverage

1. The account 'Provisions for offered coverage' regards the formed provision to satisfy beneficiaries of life insurance from insurance companies, according to article 2, para. 5, L.3867/2010, that had entered into liquidation before the Guarantee Fund establishment (it regards the companies Aspis Pronia General Insurance S.A and Commercial Value SA under insurance liquidation). It is underlined that starting in 2020, year when, in application of article 92, L. 4714/2020, data and information were disclosed by the liquidators regarding the relevant Compensation Beneficiaries Statements and estimates on the liquidation value of their assets, the Guarantee Fund formed provision of €153 million (in current value) encumbering equally its results. Moreover, based on the aforementioned provision of the closing year (2020), a lump sum down payment is instituted, against the above liability of the Guarantee Fund, amounting to € 20 million to be distributed, exclusively on the insurance liquidator's responsibility, to satisfy the claims from life insurance of the above insurance companies under liquidation. The Guarantee Fund, keeping abreast with the developments and the course of liquidations, each year will proceed to reassessment of the provision account, so that the latter matches the level of the Fund's liability.

Readjustment of provision of recoverable amount

2. The account of readjustment of provision of recoverable amount regards the reversal of the initial provision of non-recoverable claims against International Life AEAZ under liquidation; it was formed based on disclosed financial data and relates to the possibility of distributing an amount to the Guarantee Fund from its assets liquidation amount. In 2020, the provision amount stands at € 7.56 million and is considered income from impairment provisions reversal. Within 2020, the Guarantee Fund recovered € 1.858 million against the above claim and in the context of the Bank of Greece decision implementation for assets liquidation of the company International Life Ins.CO.SA under insurance liquidation, to be distributed to beneficiaries.

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Financial Result-Accumulated Capital

3. The fiscal year's financial result posted a **deficit** of €-133,024.7 thousand versus a surplus of €13,695.3 thousand in 2019.
4. The accumulated capital (accounting depiction of Equity), which includes the deficit of the current fiscal year plus the difference of the fair value and the accumulated result of previous years, corresponds to a **deficit** of € -75,160.6 thousand (Table 3) versus an accumulated surplus of € 57,826.7 thousand in 2019.

Available capital

5. The capital available to investment at the end of 2020 stood at € 72,466 million and is allocated by 47% to placements in short-term European sovereign securities and by 53% to deposit accounts (term deposits, sight deposits and a current account at the Bank of Greece). In 2020, the available capital increased by 6% compared to 2019 (Table 2), a shift that incorporates on the one hand the continuation of compensation payments to life insurance beneficiaries of the company International Life Ins.CO.SA under liquidation and, on the other hand, the collection of an amount resulting from the above company's liquidation product distribution.

The difference between the amount of accumulated capital and the available capital for investment is mainly due to the temporal mismatch between the accounting depiction and the collection of contribution-derived revenue. It is also due to the formation of provisions for offered coverage set to be settled midterm and long term. 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.



TABLES OF ANNUAL REPORT 2020

(Compared to the figures 2020)

Amounts in euro

TABLE 1: FINANCIAL RESULT			
	2019	2020	
	Realizations		Changes (%)
i. Income	14,044,419	12,694,079	(10)
ii. Expenses	(349,936)	(314,063)	(10)
Operating Costs	248,779	279,035	12
Offered coverage, related expenses and provisions	101,157	35,027	(65)
iii. Income tax	-	(10,965)	-
iv. Extraordinary income	878	46,182	5,160
v. Provisions for offered coverage*	-	(153,000,000)	
vi. Readjustment of provision of recoverable amount from insurance undertakings under liquidation **	-	7,560,000	
Financial Result (i+ii+iii+iv+v+vi)	13,695,361 surplus	(133,024,767) deficit	-
Notes:			
*The account "Provisions for offered coverage" regards the recognition, in 2020, of a provision for the coverage of beneficiaries from life insurance of insurance companies under liquidation before the Guarantee Fund establishment			
**The account "Readjustment of provision of recoverable amount from insurance undertakings under liquidation" regards the positive readjustment of the provision, in 2020, of recoverable amount from the liquidation of International Life Ins.CO. SA			

TABLE 2: ANALYSIS OF CASH BALANCES & INVESTMENTS (end of the financial year)			
	2019	2020	
	Realizations		Changes (%)
Portfolio securities	50,291,361	33,883,962	(33)
Deposit accounts (term/sight deposits)	18,046,524	38,582,290	114
Total	68,337,885	72,466,252	6

TABLE 3: ACCUMULATED CAPITAL			
	2019	2020	
	Realizations		Changes (%)
i. Previous balance	44,131,406	57,826,767	31
ii. Economic result for the fiscal year	13,695,361	(133,024,767)	-
iii. Fair value differences	-	37,379	-
New Balance (i+ii+iii)	57,826,767	(75,160,620)	-

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

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Amounts in euro

TABLE 4: ANALYSIS OF RESOURCES

	2019	2020	
	Realizations		Changes (%)
INCOME	14,044,419	12,694,079	(10)
Members' contributions	14,088,479	12,679,858	(10)
Capital revenue	(44,060)	14,220	-
Income from securities management	47,626	(42,748)	-
Interest on deposit accounts (term/sight deposits)	(91,686)	56,969	-

TABLE 5: ANALYSIS OF EXPENSES

	2019	2020	
	Realizations		Changes (%)
Expenses	349,936	314,063	(10)
<i>Operating Costs</i>	<i>248,779</i>	<i>279,035</i>	<i>12</i>
Personnel remuneration and expenses	156,458	164,834	5
Fees and expenses of third parties	46,106	55,749	21
Third party benefits	30,409	35,253	16
Other operating expenses	9,463	10,425	10
Bank operations	6,044	6,924	15
Asset depreciations	299	5,850	-
Provisions (excluding indemnities)	-	-	-
<i>Offered coverage-related expenses and provisions</i>	<i>101,157</i>	<i>35,027</i>	<i>(65)</i>

TABLE 6: CREDIT MANAGEMENT DECISION 2/38576/0026/10.08.2012

	2019	2020	
	Realizations		
Funding by the Ministry of Finance	-	-	
Payments to healthcare bodies beneficiaries	-	-	
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 & lump sum payments)
I1.	Survival, Death, Mixed	1.50
I2.	Annuities	1.00
I3.*	Supplementary insurance in addition to I1,I2,I,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 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	Class I1	Class I2	Class I3	Class III	Class IV	Class VI	Class VII	Total
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
2020	547,703	78,346	72,060	590,329	-	3	287,648	1,576,089
Change (%)	-32.3%	- 11%	- 1.7%	- 55.2%	-	- 57.3%	- 17.6%	- 7.1%

Change of Class -28 %

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

(Amounts in euro thousands)

Year	Class I1	Class I2	Class I3	Class III	Class IV	Class VI	Class VII	Total
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
2020	6,569	687	1,048	3,514	-	0.052	861	12,679
Change (%)	- 26.7%	- 9.6%	- 1.5%	- 56.1%	-	- 57.3%	- 17.8%	- 10%

Change of Class I -23%

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Athens, May 18, 2021

THE CHAIRMAN OF THE
MANAGEMENT COMMITTEE

VICE-CHAIRMAN OF THE
MANAGEMENT COMMITTEE

HEAD OF
ACCOUNTING DEPARTMENT

VAIOS K. KARAGIANNIS
ID AI 597741

ILIAS N. APOSTOLOU
ID AB 511644

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

CERTIFICATION

It is hereby certified that this Annual Report of the Management Committee consisting of 42 pages is the same one mentioned in my Audit Report dated May 19, 2021.

Athens, Wednesday, May 19, 2021
The Certified Auditor Accountant

Ilias Kalinderis
SOEL (Institute of Certified Public Accountants of Greece)
Reg. No 36951
SOL SA



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

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PRIVATE LIFE INSURANCE GUARANTEE FUND

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

B. FINANCIAL STATEMENTS

OF THE 11TH FISCAL YEAR 01.01.2020 -31.12.2020
in accordance with the Greek Accounting Standards
(L.4308/2014 Government Gazette 251/24.11.2014)

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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 31st December, 2020, the income statement 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 respects, a true and fair financial position of the Private Law Entity 'Private Life Insurance Guarantee Fund' as of 31st December, 2020 and 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) Note 10 of the appendix 'Equity' mentions that the Life Guarantee Fund going concern is not affected given that the determination and collection of annual contributions from its companies - members are defined by the founding law, therefore preserving a continued inflow of resources. Furthermore, according to the possibilities allowed by virtue of the founding law (last sections of case h', para. 3 of article 2, L.3867/2010), there is a relevant provision for possible ways of additional funding. It is also highlighted that the working capital on 31.12.2020 amounts to € 54.949 million and is sufficient to cover the Guarantee Fund's short-term liabilities. 2) Note 12 of the appendix 'Provisions for beneficiaries' claims from life insurance of insurance companies under liquidation', where it is mentioned that the provision of a total amount of €153 million for claims to beneficiaries of life insurance from companies whose license had been revoked prior to the Guarantee Fund's founding law publication, was determined considering the submitted data from the liquidations, in application of article 92, Law 4714/31.7.2020, as well as article 2, para. 5 of Law 3867/2010 where it is laid down that the Life Guarantee Fund shall pay to policyholders a 70% of the claim balance from insurance that is not satisfied by the production of liquidation. 3) 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 a safe forecast cannot be made. 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, out of 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

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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 of articles of Law 3867/2010, as in force, and its content corresponds to the attached financial statements of the fiscal year ended on 31.12.2020.

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, May 19, 2021

The Certified Auditor Accountant

Ilias Kalinderis

SOEL (Institute of Certified Public Accountants of Greece) Registration Number 36951



Associated certified auditors SA

Member of Crowe Global

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2) FINANCIAL POSITION STATEMENT

**PRIVATE LIFE INSURANCE GUARANTEE FUND, Private Law Entity
BALANCE SHEET dated 31st DECEMBER 2020
11TH FISCAL YEAR (01.01.2020 - 31.12.2020)**

ASSETS				LIABILITIES			
	Note	2020	2019		Note	2020	2019
Non current assets				Equity			
<i>Assets</i>				Primary Insurance Cover Fund Equity			
Fixed Assets		0.07	0.05	Start up capital	10	1,505,431.37	1,505,431.37
<i>Sub-total</i>	4	0.07	0.05	<i>Sub-total</i>		1,505,431.37	1,505,431.37
<i>Other non-current assets</i>				Results carried forward (Surplus/(Deficit)			
Claims from insurance company under liquidation	5	5,701,245.60	0.00	from previous financial years		56,321,337.32	42,625,976.32
<i>Sub-total</i>		5,701,245.60	0.00	in the current year	26	(133,024,766.59)	13,695,361.00
Total non-current assets		5,701,245.67	0.05	Fair value reserve		37,379.00	0.00
				<i>Sub-total</i>	10	(76,666,050.27)	56,321,337.32
Current assets				Total equity		(75,160,618.90)	57,826,768.69
<i>Financial and other assets</i>				Provisions			
Claims from contributions	6	2,388,006.50	2,226,508.83	Provisions for employees benefits	11	13,773.66	16,110.26
Other claims	7	118,133.80	124,990.43	Provisions for benefits coverage to beneficiaries under L.3867/2010	12	135,796,733.15	12,767,740.49
Debt securities	8	33,883,962.12	50,291,361.02			0.00	0.00
<i>Sub-total</i>		36,390,102.42	52,642,860.28	Total provisions		135,810,506.81	12,783,850.75
<i>Financial assets and down payments</i>				Liabilities			
Accrued income/expenses of the period		612.99	712.49	<i>Short term liabilities</i>			
Cash and cash equivalents	9	38,582,290.01	18,046,524.36	Suppliers		2,983.63	48,417.09
<i>Sub-total</i>		38,582,903.00	18,047,236.85	Income tax	14	737.24	0.00
Total current assets	Total	74,973,005.42	70,690,097.13	Other taxes and duties	13	4,146.24	4,264.19
				Social security organizations	15	6,380.22	7,041.69
				Beneficiaries of offered coverage under article 7, L.3867/10		0.00	14,236.96
				Beneficiaries of offered coverage under article 92, L.4714/2020	12	20,000,000.00	0.00
				Accrued financial year expenses	16	10,115.85	5,517.81
				<i>Total</i>		20,024,363.18	79,477.74
				Total liabilities		20,024,363.18	79,477.74
TOTAL ASSETS		80,674,251.09	70,690,097.18	TOTAL EQUITY, PROVISIONS AND LIABILITIES		80,674,251.09	70,690,097.18

*The notes and tables on pages 24 up to 42 constitute an integral part of the y-o-y financial statements.

**3) INCOME STATEMENT****INCOME STATEMENT dated 31st DECEMBER 2020
(01.01.2020-31.12.2020)**

INCOME STATEMENT dated 31st DECEMBER 2020 (01.01.2020 to 31.12.2020)			
	Note	2020	2019
Contribution	17	12,679,858.32	14,088,478.67
Other income	18	46,181.96	980.43
Benefits to employees	19	(164,833.96)	(156,457.67)
Depreciations	4	(5,849.58)	(298.99)
Other expenses and losses	20	(136,454.75)	(178,416.02)
Reversal of impairment claims from an insurance company under liquidation	21	7,560,000.00	0.00
Provision for beneficiaries' claims coverage	12	(153,000,000.00)	(8,822.00)
Earnings Before Interest and Taxes, (EBIT)		(133,021,098.01)	13,745,464.42
Credit interest & similar income	22	14,220.40	(44,059.57)
Debit interest & similar expenses	23	(6,924.31)	(6,043.85)
Results before tax		(133,013,801.92)	13,695,361.00
Income tax	14	(10,964.67)	0.00
Results of the period after tax	26	(133,024,766.59)	13,695,361.00

*The notes and tables on pages 24 up to 42 constitute an integral part of the y-o-y financial statements.

**4) STATEMENT OF CHANGES IN EQUITY****Statement of Changes in Equity for the period**

	<u>Start up capital</u>	<u>Results carried forward</u>	<u>Fair value differences</u>	<u>Total</u>
Balance on 01.01.2019	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
Changes in accounting policies	0.00	0.00	0.00	0.00
Balance on 31.12.2019	1,505,431.37	56,321,337.32	0.00	57,826,768.69
Changes of assets in the period	0.00	0.00	37,379.00	0.00
Results (Surplus/(Deficit)) of the period		(133,024,766.59)	0.00	(133,024,766.59)
Balance on 31.12.2020	1,505,431.37	(76,703,429.27)	37,379.00	(75,160,618.90)

*The notes and tables on pages 24 up to 42 constitute an integral part of the y-o-y financial statements.



5) APPENDIX NOTES ON THE FINANCIAL STATEMENTS for the period that ended on 31st December 2020

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 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 according to article 13, para. 2, Legislative Decree 400/1970, as substituted and in force, pursuant to L.4364/2016, on life insurance,
- b) the branches in Greece of third country insurance undertakings, operating on life insurance pursuant to article 13, para. 2, Legislative Decree 400/1970, as substituted and in force, pursuant to L.4364/2016, on life insurance,
- c) the branches in Greece of EU and EEA insurance undertakings, operating on life insurance pursuant to article 13, para. 2, Legislative Decree 400/1970, as substituted and in force, pursuant to L.4364/2016, on life insurances, 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 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 this 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 EUR 30 thousand for benefits at maturity and acquisitions up to the amount of EUR 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) persons explicitly stipulated in article 8 of the Law.

In addition, the Law institutionalizes the coverage of beneficiaries of life insurance from insurance companies that had entered into liquidation before the Fund establishment. In particular, the article 2 of L.3867/2010 regulates the cases of insurance companies whose license was revoked, before the publication of the aforementioned law, namely Aspis Pronia General Insurance S.A and Commercial Value SA. In particular, it is foreseen that by completing the liquidation of the above companies, the 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.



Management Committee Composition of the Life Guarantee Fund

Chairman ³	Karagiannis Vaios, Bank of Greece Adviser
Vice Chairman ⁴	Apostolou Ilias, EUROLIFE FFH LIFE INS. CO. SA
Members ⁴	Kougioumoutzis Konstantinos, NN HELLAS SA Mamoulakis Georgios, 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 31st December, 2020 referring to the period between 1st January, 2020 until 31st December 2020 have been prepared by the Guarantee Fund Management Committee, in full compliance with the Greek Accounting Standards (L.4308/2014) adhering to the principle of historic cost excluding the financial assets that are recognized at fair value through equity 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 31st December 2020, the 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 important 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. In particular, 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.

³ The Management Committee Chairman is appointed by the Bank of Greece (article 12, para. 2, L.3867/2010) and its mandate expires on 31.01.2022

⁴ The tenure of the Management Committee elected members is for three years and expires on 16.10.2022.

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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 current assets or as non-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.

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.

3.4. Measurement of financial assets

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. In particular:

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.

3.5. Financial assets measured at fair value

A financial asset is measured at fair value if it is characterized as 'Available for sale portfolio' or as an asset of trading portfolio.

In 2020, the Guarantee Fund, in application of its investment policy, owns financial assets classified as 'Available for sale'. The financial assets classified in this category regard securities of stable yield.

The fair values of the securities being traded in reliable active markets are determined by the current market prices, on the financial statements compilation date.

Posterior to the initial recognition, the financial assets are recognized at fair value in the statement of financial position and the unrealized profit or loss, deriving from the fair value, is recognized as equity difference in the

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period they occur. At derecognition, the accumulated profit or loss that had previously been recognized at equity, are carried over to the results and the account 'Credit interest and related income'.

3.6. Equity

The paid founding capital and the relevant profits (surpluses) or losses (deficits), accumulated and periodical are recognized in the equity account; the differences from the measurement of the available for sale portfolio are recognized at fair value.

3.7. 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 L.2112/1920 and L.3198/1955, combined with the L.3899/2010, L.4093/2012 and L.4194/2013 (Code of lawyers) and amount to 40% of the entitled compensation on the balanced sheet date.

- Other provisions

The Guarantee Fund carries out provisions for risks and contingent liabilities when it holds a current commitment (legal or imputed), deriving from past events, and is probable that resources will outflow for the commitment settlement.

The 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.

3.8. Income tax and deferred taxation

The income tax posted on the income statement is calculated at the taxable results of the fiscal year, based on the transactions and events recognized on the financial statements. The Guarantee Fund, as a non-profit legal entity, is subject to tax, pursuant to the provision of article 45, para.c, L.4172/2013; the Fund did not recognize a deferred income tax in the financial statements.

3.9. 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 re-estimate or during the settlement of non financial liabilities are recognized as profits or losses for the period they arise.

3.10. 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 the 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.



3.11. Fair value

Fair value is the amount that an asset can be exchanged with or a liability to be settled in the context of a bilateral transaction, on a commercial basis, between the parties that are fully cognizant of the object and act on their will.

In particular, a reliable indication of the fair value is the financial assets stock exchange value, being traded in active markets. Therefore, fair value is determined by the current market prices, on the financial statements compilation date.

The securities of stable yield owned by the Guarantee Fund and classified as ‘Available for sale’ were measured posteriorly to their initial recognition at their fair value (Note 3.5).

3.12 Claims from insurance undertakings under liquidation

On the basis of 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 has no involvement or 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 Guarantee Fund proceeds to an estimate of the recoverability of its claims against the liquidations, recognizing claims from the insurance undertakings under liquidation and the estimated recoverable amount corresponding to these claims. 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.

Impairment of claims from insurance undertakings under liquidation

On each compilation date of financial statements, the Guarantee Fund examines whether there are any objective indications that the claims from a company under insurance liquidation have been impaired. A claim is assumed to have been impaired if there is an objective indication resulting from one or more events that have occurred and affect the estimated future cash flows and the impact may be reliably estimated. An objective indication that the claims from a company under insurance liquidation have been impaired is any observable information that the Guarantee Fund becomes cognizant of in relation to loss-incurring events, such as indicatively, a) an adverse economic and financial development of the insurance liquidation of the insurance company, b) the liquidation's financial life cycle, c) the current financial conditions, d) the existence of any remarks on certified auditor's certificate regarding the companies under insurance liquidation, likely to have a negative on said claim and e) the changes in the legal framework that are likely to affect the recoverable amount from the liquidations in progress.

The impairment provisions are recognized in the results by debiting the account ‘Impairment of claims from a company under insurance liquidation’.

Reversal of impairment provisions of the claims from the companies under insurance liquidation

Should the impairment provision amount be reduced posteriorly and such a decrease can be objectively related to an incident that occurred after the impairment recognition, the previously recognized impairment provision is offset by this amount and therefore the provision amount is reconfigured. The offset amount is recognized in the results, crediting the profit and loss account ‘Reversal of impairment claims from the companies under insurance liquidation’.

**Note 4 Fixed Assets**

The unamortized balance at the end of the fiscal year stands at € 0.07. It is noted that Guarantee Fund does not own any property as it is housed in premises that were offered by the Bank of Greece.

Table of Fixed Assets Changes

	Intangible assets Intangible assets	Tangible assets Furniture, electronic and other equipment
<u>Acquisition cost</u>		
Balance, on 01/01/2020	1,949.55	859.91
Additions	0.00	5,849.60
Balance, on 31/12/2020	1,949.55	6,709.51
<u>Accumulated depreciations</u>		
Balance on 01/01/2020	(1,949.55)	(859.86)
Depreciation for the period	0.00	(5,849.58)
Balance, on 31/12/2020	(1,949.55)	(6,709.44)
<u>Unamortized value</u>	0.00	0.07

Note 5 Claims from an insurance company under liquidation

The estimated recoverable amount to be collected by the Guarantee Fund versus its claims from insurance companies under liquidation, including impairments and collections, during the fiscal year that ended on 31.12.2020, is displayed in the following table:

	2020	2019
Claims from International Life SA under insurance liquidation proceedings	5,701,245.60	0.00
Claims from VDV Leben International SA under insurance liquidation proceedings	0.00	0.00
Total	5,701,245.60	0.00

Further information is presented in detail in Note 29.

Note 6 Claims from contributions

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**Analysis of claims from contributions per insurance company as at 31.12.2020**

Insurance company		
1	ALLIANZ HELLAS SINGLE MEMBER INSURANCE S.A	56,533.45
2	ALPHALIFE SA	274,094.46
3	ATLANTIC UNION SA	1,740.10
4	AXA INSURANCE SA	43,135.38
5	ETHNIKI HELLENIC GENERAL INSURANCE CO.SA	429,108.03
6	EUROLIFE FFH LIFE INS. CO. SINGLE MEMBER SA	594,969.64
7	CREDIT AGRICOLE SA	20,292.88
8	EVROPAIKI ENOSIS MINETTA LIFE	746.12
9	EUROPEAN RELIANCE GENERAL INSURANCE COMPANY SA	63,533.90
10	GENERALI HELLAS INSURANCE COMPANY SA	58,485.98
11	GROUPAMA PHOENIX SA	37,885.90
12	NN HELLAS SINGLE MEMBER SA	523,228.66
13	INTERAMERICAN HELLENIC LIFE INS.CO.SA	52,264.69
14	INTERSALONICA SA	1,038.39
15	CNP ZOIS S.M. SA	2,542.46
16	HORIZON INSURANCE COMPANY LTD	1.46
17	SYNETERISTIKI INSURANCE COMPANY INC	6,891.64
18	ERGO INSURANCE COMPANY SINGLE MEMBER SA	24,797.62
19	METLIFE LIFE INSURANCE SA	171,975.38
20	EUROLIFE Ltd (CYPRUS LIFE)	1,965.69
21	METLIFE EUROPE LTD	0.00
22	CNP CYPRIALIFE LTD	189.40
23	PRUDENTIAL INTERNATIONAL ASSURANCE PLC	2.87
24	SWISS LIFE LUXEMBURG S.A.	1,560.97
25	UNIQA OSTERREICH VERSICHERUNGEN AG	0.00
26	THE ONE LIFE COMPANY S.A.	0.00
27	CARDIF LUX VIE	0.00
28	RED SANDS LIFE ASSURANCE COMPANY Ltd	788.75
29	ALLIANZ GLOBAL LIFE DESIGNATED ACTIVITY COMPANY	158.39
30	UTMOST PANEUROPE DESIGNATED ACTIVITY COMPANY	0.00
31	REALE MUTUA SOCIETA	8.33
	Total	2,388,006.50

The payment of the above claims relates mainly to the 6th installment of contribution for the year 2020 by the insurance companies-members of the Guarantee Fund of the last two months of the year, to be settled during the first two months of the following year.

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**Note 7 Other claims**

	2020	2019
Other claims from an insurance company under liquidation	117,241.00	117,241.00
Greek treasury-income tax to be refunded	0.00	7,303.03
Deferred contributions	892.80	446.40
Balances on 31st December	118,133.80	124,990.43

Note 8 Debt securities

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.

The available capital of a total value of € 33.9 million on 31.12.2020 being invested in short term European sovereign securities is analyzed as follows:

Portfolio Reference Framework on 31 December,	2020	2019
Interest-bearing T-bills by international bodies ESM	5,504,963.30	9,672,657.55
Interest-bearing Greek Treasury bills	15,779,140.53	25,203,954.44
T-bills of Eurozone countries	9,445,225.33	9,473,518.75
T-bills of Eurozone core countries	3,154,632.96	5,941,230.28
Total	33,883,962.12	50,291,361.02

The balance of debt securities is measured at fair value.

Note 9 Cash and cash equivalents

	2020	2019
Cash in hand	1,399.23	979.92
Deposit account in the Bank of Greece	82,489.54	11,170,673.83
Deposit accounts in credit institutions		
• Current accounts/sight accounts	28,358,401.24	3,174,870.61
• Term deposits	10,140,000.00	3,700,000.00
Balances on 31st December	38,582,290.01	18,046,524.36

Note 10 Equity**(a) Startup capital**

The startup capital of Euro 1,505,431.37 derived, by virtue of L.3867/2010 (para.7, article 1) from a part of (1/10) the capital that derived from the Private Insurance Supervision Committee (PISC) liquidation.

(b) Results Surplus /(Deficit) carried forward

The accumulated result stands as follows:

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	2020	2019
Surplus from previous years	56,321,337.32	42,625,976.32
Surplus /(Deficit) of the current year	(133,024,766.59)	13,695,361.00
Reserve (differences) of fair value*	37,379.00	0.00
Total Results Carried Forward	(76,666,050.27)	56,321,337.32
	<i>deficit</i>	<i>surplus</i>

* The amount of differences between the amortized cost and the fair value of debt securities being classified as available for sale is recognized as fair value difference in equity.

The financial result of the fiscal year 2020 posts a negative amount (deficit) standing at € - 133.024 million, due to formation of provisions for compensations, by virtue of article 2 para. 5, L.3867/2010, in the current fiscal year, amounting to € 153 million versus a surplus at € 13.695 million in the previous fiscal year (2019). The Equity amount includes the result of previous fiscal years; the financial result of the closing year and the account 'fair value differences' is formed on 31.12.2020, with a negative figure (accumulated deficit) at € - 75.160 million versus a positive figure of € 57.826 million on 31.12.2019.

The working capital on 31.12.2020 (Current assets at € 74.973 million less short term liabilities of € 20.024 million) stands at a positive figure of € 54.949 million and is deemed sufficient to cover the Guarantee Fund's short term liabilities.

Furthermore, the finalization of provisions to cover compensations versus beneficiaries of the Aspis Pronia General Insurance S.A company under liquidation, is set to occur, according to the liquidations, mid-longterm. For the following fiscal year (2021), there are no current liabilities that the Guarantee Fund should immediately satisfy and for which funding needs to be raised.

Finally, the Guarantee Fund going concern is not affected given that the determination and collection of annual contributions from its companies - members is defined by the Law, therefore preserving a continued inflow of resources. Furthermore, according to the possibilities allowed by virtue of the founding law (last sections of case h', para. 3 of article 2, L.3867/2010), there is a relevant provision for possible ways of additional funding.

Note 11 Provisions for employees benefits

	2020	2019
Balances on 1st January	16,110.26	16,110.26
Change of provision for the fiscal year period	(2,336.60)	0.00
Balances on 31st December	13,773.66	16,110.26

Note 12 Provisions for beneficiaries' claims from life insurance of insurance companies under liquidation

Category	Justification	2020	2019
Short term liabilities- Coverage beneficiaries (VDV)*	Compensations for payment within the next fiscal year to beneficiaries with fully valid supporting documents.	0.00	9,711.00



PRIVATE LIFE INSURANCE GUARANTEE FUND

Short term liabilities- Coverage beneficiaries (International Life)*	Compensations for payment within the next fiscal year to beneficiaries with fully valid supporting documents.	0.00	4,525.96
Short term liabilities - provisions for compensations to beneficiaries under article 2, para. 5, L.3867/2010**	Granting, on conditions, a lump sum advance payment up to € 20 million, pursuant to article 92, L.4714/2020, as part of the formed provision, under article 2, Para. 5, L. 3867/2010 for Aspis Pronia General Insurance S.A.	20,000,000.00	0.00
Balances on 31st December		20,000,000.00	14,236.96
Provisions for compensations to beneficiaries (VDV)*	Compensations to beneficiaries who have not submitted supporting documents up to the reporting fiscal year and therefore have not been certified.	237,980.00	246,802.00
Provisions for compensations to beneficiaries (International Life)*	Compensations to beneficiaries who have not submitted supporting documents up to the reporting fiscal year and therefore have not been certified.	2,558,753.15	12,520,938.49
Provisions for compensations to beneficiaries under article 2, para. 5, L.3867/2010**	Provision (remaining part) for compensations /satisfaction of claims' beneficiaries from life insurance of the company Aspis Pronia General Insurance S.A under insurance liquidation.	133,000,000.00	0.00
Balances on 31st December		135,796,733.15	12,767,740.49

* the provisions for the companies VDV Leben International Life Ins.CO.SA and International Life Ins.CO.SA under insurance liquidation were formed pursuant to article 7, L.3867/2010.

** the provisions for the companies Aspis Pronia General Insurance S.A and Commercial Value SA under insurance liquidation were formed pursuant to para.5, article 2, L.3867/2010.

In particular:

- The account amounting to €237,980.00 regards the compensations of the company VDV Leben International Life Ins.CO. SA under insurance liquidation and relates to sixty one life insurance policies whose claims had not been certified until 31.12.2020 (they are included in the outstanding court cases).

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Claims of beneficiaries from life insurance of the company VDV Leben International SA under insurance liquidation proceedings are likely to arise from outstanding court cases of policyholders against the Guarantee Fund; no safe provision can be formed regarding 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 in order to prepare the Compensation Beneficiaries Statement, pursuant to the insurance legislation, has not been completed to this day. Following the drawing up of the Compensation Beneficiaries Statement, new claims are likely to be recognized from the liquidation for which the Life Guarantee Fund shall be called upon to pay compensation. 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 Guarantee Fund be notified of court judgments whereby claims are recognized from VDV policies before its operation license was revoked and had not been disclosed to the Life Guarantee Fund by the liquidation. Once these court judgments become final, the Legal Entity shall proceed to determination and payment of compensation for said claims.

- The account of € 2.55 million regards a formed provision for compensations to the beneficiaries of the International Life Ins.CO. SA, 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 updating procedure of the Delivery-Acceptance Protocol and the procedure for collecting and checking the supporting documentation completeness, aimed at certification, the provision amount is carried over to the liabilities in order to be paid to the beneficiary. It is underlined that for the year 2020, the transferred amount stood at € 9.962 million. Moreover, it is mentioned that the following cases of claims were not delivered by the liquidator: 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 Guarantee Fund after the issuing of the final court judgment. Based on information from the liquidation, currently the recognition or not of claims amount up to €3 million before the courts is pending. 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 SA, it has been keeping an unused amount of €1.5 million.
- Within 2020, the Guarantee Fund formed a provision of a total of € 153 million (in current value) for claims to beneficiaries of life insurance from companies whose license had been revoked prior to the Guarantee Fund's founding law publication; in particular, these claims regard the company Aspis Pronia General Insurance S.A under insurance liquidation; whereas for the company Commercial Value SA under insurance liquidation, the provision was zero. The provision was determined considering the submitted data from the liquidations, in application of article 92, Law 4714/31.7.2020, as well as article 2, para. 5 of Law 3867/2010 where it is laid down that the Life Guarantee Fund shall pay to policyholders a 70% part of the claim from insurance that is not satisfied by the product of liquidation. A part of the € 20 million provision is recognized at short term liabilities as account 'Provisions for offered coverage to beneficiaries under article 2, para. 5 Law 3867/2010' because the Guarantee Fund owes within the next fiscal year, as laid down in article 92, L.4714/2020, as direct contribution to the claims repayment procedures of the companies Aspis Pronia General Insurance S.A and Commercial Value SA (Companies), the granting, on conditions, of a total one-off advance payment amounting up to € 20 million versus its total liability pursuant to article 2 para. 5, L.3867/2010, without interfering anyhow to the works and in general the liquidation liabilities of the Companies. Notwithstanding the above formed provision of €153 million, it should be mentioned that on 20.11.2015 the Compensation Beneficiaries Statements were published, recognizing the Annual Report 2020 has been written in Greek and translated in English, with the Greek text prevailing over the English in case of any doubt.



Companies' policyholders claims. Moreover, in accordance with the insurance legislation, the interested parties may contest the Statements of Insurance Beneficiaries by lodgings appeals. Therefore, 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-à-vis the policyholders will arise. The Guarantee Fund has intervened in the hearing of the appeals whereto it was invited by the Liquidation. In the meantime and following an agreement by the competent Bank of Greece Department, the liquidations of Companies have proceeded to down payments against the amount recognized as claim in the Statements of Life Insurance Claims Beneficiaries. The amount of the down payments derives in relation to the available assets of Companies and taking into account the outstanding cases before the courts.

The Guarantee Fund, keeping abreast with the developments of liquidations, it will proceed to reassessment of the provision account, envisaging the possibility of readjustment in the future.

VDV Leben International SA under insurance liquidation proceedings

Table with the evolution of compensation 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		Coverage on the amount
	Number of policies	Value in euro*		Number of policies	Value in euro*	
31.12.2011-31.12.2019	5,868	30,475,415	232,719.23	5,806	30,218,902	99%
31.12.2020	5,868	30,475,415	266,384.13	5,807	30,237,435	99%

- *Figures are displayed on accumulated basis.*

** It does not include an amount for compensations to beneficiaries of the life insurance class of VDV Leben International Life Ins.CO.SA; the claims are prescribed in application of the ad hoc decision by the Guarantee Fund Management Committee based on a relevant opinion and as there was no relevant provision on prescription in the Law 3867/2010.*

*** The related expenses regard mainly remuneration to external advisors and lawyers for the hearing of court cases.*

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.SA beneficiaries:

Year of prescription	Number of policies	Beneficiaries' claims
2017- 2019	2,508	5,252,314.00
2020	0	0.00
Total	2,508	5,252,314.00

International Life SA under insurance liquidation proceedings

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

Date of reference	Recognized claims of compensations beneficiaries		Related expenses**	Amounts paid for compensations		Coverage on the amount
	Number of claims	Amount in claims denominated in euros*		Number of claims	Value of claims in euro*	
31.12.2019	4,971	23,824,652.70	19,173.18	2,446	12,974,535.55	95%
31.12.2020	4,988	23,938,776.26	19,235.49	4,612	22,941,246.86	95%

• Figures are displayed on accumulated basis

It does not include the amount of the formed provision, amounting to €1.5 for compensations to the beneficiaries of the International Life Ins.CO. SA, under insurance liquidation.

** The related expenses regard remuneration to external specialized consultants.

Note 13 Other taxes and duties

	2020	2019
Payroll tax on personnel remuneration	3,181.01	2,778.39
Solidarity contribution, article 29 L.3986/2011	256.43	218.60
Third party taxes (revenue from business activity article 64 L.4172/2013)	200.00	504.00
Stamp duty & Farmers Fund (OGA) (third party remuneration)	28.80	43.20
Tax on third party remuneration	480.00	720.00
Balances on 31st December	4,146.24	4,264.19

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 on the basis of the provisions of the applicable tax law, stemming from income from securities and deposits interest and income deriving from goodwill from securities transfer. By virtue of Law 4646/2019, para. 1, article 58, L. 4172/2013 was reviewed; this paragraph regarded the tax rate of profits from a business activity acquired by legal persons and legal entities that keep records with a double-entry system, from 29% to 24% for the revenues of the tax year 2019 and thereafter.

Note 15 Social security organizations

	2020	2019
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EFKA (Uniform Social Security Entity)	5,068.42	5,467.32
EFKA (Uniform Social Security Entity) (Contributions of salaried lawyers)	1,311.80	1,574.37
Balances on 31st December	6,380.22	7,041.69

Note 16 Accrued Financial Year Expenses

	2020	2019
Operating Costs	0.00	553.96
Expenses for Decision	3.85	3.85
Accrued remuneration of Bank of Greece	4,532.00	0.00
Accrued remuneration of certified auditor	5,580.00	4,960.00
Balances on 31st December	10,115.85	5,517.81

Note 17 Annual Income Contribution

	2020	2019
Annual contribution by insurance undertakings - members of the Life 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.	12,679,858.32	14,088,478.67
Total	12,679,858.32	14,088,478.67

Note 18 Other income

It regards mainly contributions for the production of registered premiums of past years that were disclosed by an insurance company/member of the Guarantee Fund with delay. They were encumbered with the statutory default interest.

	2020	2019
Deduction from income tax	0.00	0.37
Members' contributions from previous years	38,890.76	0.00
Default interest	4,954.60	154.06
Positive personnel compensation provision	2,336.60	0.00
Reversal of provision for compensation (claim prescription)	0.00	826.00
Balances on 31st December	46,181.96	980.43

Note 19 Staff Benefits

The number of salaried personnel stands at five (5) employees:

- Four (4) employees on private law employment relationship of indefinite duration.
- One (1) legal advisor working under the status of fixed monthly salary.



In order to cover the increased workload related to the reception of supporting documents and in general the procedures for beneficiaries' claims coverage of the company International Life S.A under insurance liquidation that continued during the first semester of 2020, the Guarantee Fund kept two employees, on a fixed-time employment contract that expired in the closing fiscal year.

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

	2020	2019
Earnings and employers contributions for salaried employees	158,033.64	143,724.82
Hospital care expenses & a policy for hospital care of the indefinite term personnel	6,800.32	12,732.85
Balances on 31st December	164,833.96	156,457.67

Note 20 Other expenses and losses

	2020	2019
Telecommunications and postal fees	1,089.35	1,061.93
Civil liability policy premiums for Management executives	34,164.00	29,347.44
Self-employed professionals remuneration & third party remuneration	44,096.70	134,840.96
Third party remuneration Management Committee members	41,100.00	3,600.00
Other operating expenses	16,004.70	9,565.69
Balances on 31st December	136,454.75	178,416.02

Note 21 Reversal of impairment provision of claims from a company under insurance liquidation

It regards the reversal of impairment provision for claims from International Life Ins.CO.SA, under insurance liquidation, which was formed in accordance with the disclosed data from the liquidation in the last semester of the year.

Further information is presented in detail in Note 29.

Note 22 Credit interest and related income

	2020	2019
Interest on deposits kept in credit institutions	56,968.68	(89,342.15)
Securities interest	(42,748.28)	(45,282.58)
Balances on 31st December	14,220.40	(44,059.57)

Note 23 Debit interest and related expenses

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	2020	2019
Portfolio administrator fee	4,532.00	5,047.00
Bank fees	2,392.31	996.85
Balances on 31st December	6,924.31	6,043.85

Note 24 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 € 41,100.00.

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 25 Audit

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 or to a recognized audit firm that submits 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 fiscal year, by a Members Meeting decision dated 28.05.2020, the annual audit was assigned to the audit firm COOPERATING CERTIFIED AUDITORS-ACCOUNTANTS SA against a fee standing at € 4,500 (VAT 24% not included).

Note 26 Results of the year

The fiscal year results formed a surplus amounting to a deficit of € 133,024,766.59. This deficit was carried over to the Equity account 'Current fiscal year deficit'.

Note 27 Income & expenses or particular amount or particular frequency or importance

Besides the ordinary income from insurance companies contributions and the compensation 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 28 Revenue-Expenses Offsetting

Not carried out.

Note 29 Developments in claims by the Guarantee Fund against insurance companies under liquidation proceedings

a) International Life SA under insurance liquidation

The Guarantee Fund has a claim, subject to payment, versus the company International Life Ins.CO. S.A being under liquidation. This claim, until the compilation of financial statements on 31.12.2020, stood at €23.9 million. The Guarantee Fund, to fulfill its liability, until 31st December 2020, paid in compensation to beneficiaries and in payment of withheld tax a total amount of € 22.9 million, while the remaining amount of claim, standing at €997 thousand, is subject to payment.

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The Guarantee Fund within 2020 and in accordance with the available information and financial data communicated by the liquidator considers that there exist objective indications that the course of liquidation fares better than the estimates so far. It is indicative the fact that the unfreezing and liquidation, based on decision no. 366/4/30.07.2020 by the Credit and Insurance Committee of the Bank of Greece, of the company's assets of € 2.5 million worth to partly and symmetrically satisfy life insurance beneficiaries as well as the recently published financial statements of the liquidation (year 2019). The liquidator determined the distribution rate to 8.15% in relation to the total Statement of Claims Beneficiaries; this rate corresponds to an amount of € 1.951 million for the Guarantee Fund. An important part of the distribution amount apportioned to the Guarantee Fund, standing at € 1.858 million, was paid to the Guarantee Fund within 2020, while the remaining part will be paid depending on the compensations' payment progress.

In a nutshell, the current financial conditions converge in the fact that the estimates on the impairment amount need to be reviewed. Therefore, the impairment amount should be reversed so that the height of recoverable amounts reflects the current financial data on the liquidation progress. In detail, the Guarantee Fund reviewed its estimate with regard to the recoverable amount by € 7.560 million. The estimate review was recognized in the results crediting the profit and loss account 'Reversal of impairment claims from the companies under insurance liquidation' with an equal-amount adjustment of the account 'Claims against an insurance undertaking under liquidation' of the Financial Position Statement.

b) VDV Leben International SA under insurance liquidation proceedings

The Guarantee Fund has announced a claim subject to payment versus the company VDV Leben International Life Ins.CO.SA under liquidation amounting to € 35.7 million; after the prescription of claims amounting to € 5.2 million and the addition of a claim from a final court judgment stood at € 30.4 million at the end of the closing year. Until the preparation of financial statements a total amount of € 30.2 million has been paid and therefore, for this amount, the condition of payment is fulfilled. According to the Balance Sheet of the above insurance company under liquidation the Life Guarantee Fund has at its disposal (year 2015), its total Assets amount to €60.2 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 €56.9 million. Moreover, the company's assets (transferable securities and deposits) are under seizure and are blocked in Germany; due to the shortage of financial resources, claiming those assets at German courts becomes particularly difficult. It is noted that so far, the company VDV Leben International Life Ins.CO.SA under liquidation, has not distributed any liquidation product.

The Life Guarantee Fund claims against the insurance companies under liquidation, the accumulated impairment and the accumulated collections per insurance undertaking until 31.12.2020 are displayed in the following table:



Claims from insurance undertakings under liquidation						
Company under insurance liquidation	Claims	Additions	Impairment provisions	Reversal of impairment	Collections/Distributions	Closing balance
International Life Ins.CO. SA	23,938,776.26	0.00	(23,938,776.26)	7,560,000.00	(1,858,754.40)	5,701,245.60
VDV Leben International Life Ins.CO.SA	30,475,415.00	0.00	(30,475,415.00)	0.00	0.00	0.00
Total	54,414,191.26	0	(54,414,191.26)	7,560,000.00	(1,858,754.40)	5,701,245.60

Note 30 Coverage of liabilities with collaterals, indicating the nature and form of collaterals

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

Note 31 Other legal issues

There exist outstanding court cases until 31.12.2020 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 is noted that claims of an amount of approximately €3.3 million, out of the above, 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 fiscal 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.

In application of article 92, L.4714/2020, at the beginning of 2021 (January) the General Meeting of the Guarantee Fund members was extraordinarily convened; having examined whether the prerequisites of Law 4714/2020 are met, it approved the granting of a down payment of € 20 million to the liquidator of Aspis Pronia General Insurance S.A under liquidation in order to distribute, on its responsibility, as laid down by the law, amounts to satisfy the life insurance claims against the above company, for which there is no court contestation against the Statement of Life Insurance Claims Beneficiaries or was resolved by way of a court ruling not subject to any legal remedy. This down payment exhausts the Fund's liability at the current stage of liquidations, as the latter is not anyhow involved in the works and any outstanding issues related to the liquidation. Note that this down payment is granted versus the total liability of the Guarantee Fund according to article 2, para. 5, Law 3867/2010. Finally, to fulfill the specific purpose, the down payment will be drawn from the Guarantee Fund's accumulated available capital.

Note 36 Risks related to the Covid-19 pandemic

Since the beginning of 2020, Greece, like most of the countries worldwide, has been subject to the negative impact from the Covid-19 pandemic. In addition to its severe health and social impact, the persisting pandemic has sustained a significant blow on economic activity, despite the numerous support measures put in place to curb its spread on the one hand and to mitigate its impact on the economy on the other hand.

Economic uncertainty mounted significantly in 2020 due to the above impact, in a period when the sensitivity of economic activity is important. However, the implementation of fiscal policy support measures by the Greek government and accommodative monetary policy by the Eurosystem impacted positively as they seem to drive to a gradual de-escalation of the economic uncertainty caused by the pandemic.

The potentially risk sectors due to the pandemic in the Fund's financial statements regard mainly the progress of registered premiums in the life sector because the operation of insurance undertakings in remote work conditions due to the restrictive measures for coping with the pandemic is likely to affect their turnover. Nevertheless, in an environment of increased uncertainty, forecasting economic developments is cumbersome despite the positive recovery perspectives of the Greek economy. It should be underscored that the Covid-19 pandemic did not directly and substantially affected the Guarantee Fund activities (adherence to the foreseen safety measures and remote work by the personnel).

The Guarantee Fund monitors the developments primarily focusing on its employees' health, taking a series of measures (remote work, equipment infrastructure) in order to protect employees' health and secure smooth performance of its daily operational activities.

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