



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
2022**

April 2023



MANAGEMENT COMMITTEE

Kontovazainitis Theodoros

Chairman

Apostolou Ilias

Alternate Chairman

Kougioumoutzis Konstantinos

Member

Mamoulakis Georgios

Member

Alberto Berti

Member

Address

2-4 Sina Street, 7th floor
Postcode 10672 Athens

Website

www.pligf.gr

Telephone

+30 210 3203428

Fax

+30 210 3204063

Email

info@pligf.gr



List of the Register of Member–Insurance Undertakings participating in the Private Life Insurance Guarantee Fund as at 31.12.2022

I. INSURANCE UNDERTAKINGS REGISTERED IN GREECE	
1	THE ETHNIKI HELLENIC GEN. INS. CO. S.A.
2	ATLANTIC UNION S.A.
3	EUROPEAN RELIANCE GEN. INS. CO. SINGLE MEMBER S.A.
4	INTERAMERICAN HELLENIC LIFE INS. CO. S.A.
5	INTERSALONICA INSURANCE COMPANY S.A.
6	MINETTA S.A.
7	HORIZON INSURANCE SINGLE MEMBER COMPANY SA
8	SYNETERISTIKI INS. CO. INC.
9	ALLIANZ HELLAS SINGLE MEMBER INSURANCE S.A.
10	ALPHALIFE S.A.
11	CNP ZOIS S.M.S.A.
12	CREDIT AGRICOLE LIFE INSURANCE SINGLE MEMBER S.A.
13	ERGO INSURANCE CO. SINGLE MEMBER S.A.
14	EUROLIFE FFH LIFE INSURANCE CO. SINGLE MEMBER S.A.
15	GENERALI HELLAS INSURANCE COMPANY S.A.
16	GROUPAMA PHOENIX HELLENIC INS. CO. S.A.
17	NN HELLENIC LIFE INSURANCE CO. SINGLE MEMBER S.A.
II. UNDERTAKINGS OPERATING UNDER FREEDOM OF SERVICES	
18	ANCORIA INSURANCE PUBLIC LIMITED
19	CARDIF LUX VIE
20	CNP CYPRIALIFE LTD
21	LOMBARD INTERNATIONAL ASSURANCE S.A.*
22	METLIFE EUROPE LTD
23	PRUDENTIAL INTERNATIONAL ASSURANCE PLC
24	RED SANDS LIFE ASSURANCE COMPANY LTD
25	SOCIETA REALE MUTUA DI ASSICURAZIONI
26	SWISS LIFE LUXEMBOURG SA
27	THE ONELIFE COMPANY S.A.
28	UNIQA OSTERREICH VERSICHERUNGEN AG
29	UTMOST PANEUROPE DESIGNATED ACTIVITY COMPANY
III. INSURANCE UNDERTAKINGS WITH BRANCHES IN GREECE	
30	ALLIANZ GLOBAL LIFE DESIGNATED ACTIVITY COMPANY
31	EUROLIFE LTD – CYPRUS LIFE INSURANCE

Notes: Undertakings are classified by alphabetical order
 “OCTIUM LIFE DESIGNED ACTIVITY COMPANY” joined in March 2023.

* New member, joined in April 2022



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A. ANNUAL REPORT 2022

Introduction

The period from 01.01.2022 to 31.12.2022 is the thirteenth (13th) management period of the legal entity in private law "Private Life Insurance Guarantee Fund" (the "Life Guarantee Fund").

2022 was a year characterised at global level by intense economic uncertainty, with continuous interest rate increases, while the geopolitical and energy crisis contributed to a significant increase in the cost of living. The Greek economy showed resilience, achieving a high GDP growth rate (5.9%)¹.

The domestic insurance market followed suit, especially life insurance premium production, which recorded a 2.4%² increase compared to 2021.

In the context of this generalised phenomenon, the insurance sector has been called upon to face significant structural changes as a result of the major developments and trends that have intensified particularly in recent times. In particular, intense competition and the costs of the necessary digital transformation, coupled with the changes in consumer needs and behaviour brought about by the pandemic, are leading insurance companies to adjust and rethink certain aspects of their strategy.

As regards the insurance undertakings-Members of the Guarantee Fund, the trend of mobility characterised by the repositioning of large insurance groups on the Greek market, mainly through acquisitions, has continued in 2022. These developments contributed to further concentration in the industry, with the aim of creating larger organisations, economies of scale and resistance to the expected intense competition.

Developments and events relating to the Life Guarantee Fund

a) Legal framework

The operation of the Legal Entity in Private Law is governed by the provisions of Law 3867/2010 (the "Law"), as currently in force, as well as the relevant decisions of the Bank of Greece, issued on the basis of delegating provisions of the Law in the context of its supervisory role.

Advance payment by the Life Guarantee Fund to Aspis Pronoia Anonymi Etaireia Genikon Asfaleion under insurance liquidation in the context of implementation of article 139 of Law 4972/2022

In September 2022, article 139 of Law 4972/2022 amended article 2 of Law 3867/2010 by adding paragraph 5b, which provides for an increase in the advance payment set out in paragraph 5a by twenty-five million euro (EUR 25 million), bringing it to a total of forty-five million euro (EUR 45 million). It is recalled that the above provisions allow the Guarantee Fund to grant, under certain conditions, an amount from its available funds as an advance to satisfy claims of insurance undertakings³ whose authorisation was withdrawn before the establishment of the Guarantee Fund⁴ (the "Undertakings"). The advance shall be paid before the Undertakings' insurance liquidation ends, which remains a necessary condition for the activation of the Guarantee Fund's liability vis-à-vis insurance liabilities in these cases. Moreover, the interim distribution to each beneficiary using the funds of the advance payment is made exclusively under the responsibility of the insurance liquidator and is paid against the total liability of the Life Guarantee Fund to these Undertakings pursuant to Article 2(5) of Law 3867/2010, which cannot be finalised as the liquidation and distribution of the Undertakings' assets has not been completed.

¹ Source: Annual Report 2022, Bank of Greece.

² Source: 2022 Report, Hellenic Association of Insurance Companies.

³ Claims which are not contested in court or which have been settled by a non-appealable court judgment and have been recognised during the period up to the entry into force of the relevant provision.

⁴ It concerns the undertakings under insurance liquidation, Aspis Pronoia Anonymi Etaireia Genikon Asfaleion (liquidation began on 21.09.2009) and Commercial Value SA (liquidation began on 26.10.2010) and is related to article 2(5) of Law 3867/2010, whereby the Life Guarantee Fund satisfies 70% of the part of the life insurance claim of these undertakings, which is not satisfied by the proceeds of the insurance liquidation.

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It should be noted that the relevant legal provisions specify the procedure under which the respective liquidations transmit to the Life Guarantee Fund data confirmed by a certified auditor, showing that the assets to be distributed per type of insurance placement, relating to statutory life insurance classes, are at least 50% below the total claim of the beneficiaries, respectively per type and class. A special resolution by the Meeting of the Members of the Life Guarantee Fund is then required.

It is recalled that this advance payment was initially enacted by article 92 of Law 4714/2020 and was applied to the life insurance claims of Aspis Pronoia Anonymi Etaireia Genikon Asfaleion under insurance liquidation, which met the requirements of the law and the individual amounts were disbursed in 2021 and 2023.

This advocates the role of the Life Guarantee Fund as a pillar of support for the insurance market, regaining the confidence of policyholders who have suffered financial loss due to the withdrawal of an insurance undertaking's authorisation.

Shielding the institution

Furthermore, in the context of the above procedure for the disbursement of advance payments, in order to accelerate the procedure for the satisfaction of life insurance claims, a new paragraph 6 was added to article 10 of Law 3867/2010, which establishes the protection of the Life Guarantee Fund's assets by suspending any enforcement action, either in the hands of the Life Guarantee Fund or in the hands of third parties, until 31.12.2025.

b) Information on existing insurance undertakings under insurance liquidation

b1) International Life-Life Insurance Company SA under insurance liquidation

The insurance liquidation of International Life-Insurance Company SA is continuing for the fifth (5th) year. It is recalled that the undertaking's authorisation was withdrawn by decision no. 230/15.05.2017 of the Credit and Insurance Committee (CIC) of the Bank of Greece and the undertaking has been under insurance liquidation since 15.05.2017.

With regard to the coverage provided by the Life Guarantee Fund to the undertaking's life insurance beneficiaries, in 2019 the insurance liquidator forwarded to the Life Guarantee Fund⁵ a detailed list of the confirmed life insurance claims (Delivery and Acceptance Protocol), as well as a list of persons covered by article 8 of Law 3867/2010. The Life Guarantee Fund identified life insurance claims by collecting data and reports by both the liquidator and a prestigious external consultant. As of 31.12.2022, 5,018 unique confirmed life insurance claims, corresponding to EUR 24.263 million, were delivered to the Guarantee Fund for indemnification, based on the Delivery and Acceptance Protocol, as last updated and in force. In particular, in 2022 the Delivery and Acceptance Protocol was increased by 16 claims for indemnification, corresponding to EUR 180.5 thousand to be paid.

The Life Guarantee Fund, by carrying out the claims payment process, with funds from its accumulated resources, has satisfied the largest part of life insurance claims at a very satisfactory rate, having paid by 31.12.2022 a total of 23.752 million euro, corresponding to 4,830 life insurance claims, thus bringing the coverage rate of total recognised liability to 98%. In particular, in 2022 the amount payable to beneficiaries of International Life, Life Insurance Company under insurance liquidation came to EUR 332.1 thousand.

It should be noted that the Delivery and Acceptance Protocol is updated by the liquidator, by adding claims to the List of Insurance Beneficiaries (LIB), mainly due to the issuance of final court judgments on appeals against the latter. The appeals relate to cases of beneficiary claims which were either not included in the LIB or were included by an amount which was disputed and therefore not delivered to the Life Guarantee Fund with the original Delivery and Acceptance Protocol. For these claims the Guarantee Fund has made a relevant provision, which at the end of the financial year amounted to EUR 1.2 million.

⁵ In implementation of article 3 of decision no. 262/3/23.2.2018 of the Credit and Insurance Committee of the Bank of Greece, which abrogated and replaced decision no. 12/3/13.7.2011 of the Credit and Insurance Committee (CIC).

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b2) VDV Leben International AEAZ under insurance liquidation

The insurance liquidation of VDV Leben International AEAZ (VDV) is in its twelfth (12th) year of operation.⁶ As of 31.12.2022, compensation has been paid by the Guarantee Fund for most of the claims, i.e. a total amount of EUR 30.237 million, corresponding to 5,807 recognised claims of life insurance beneficiaries, as derived from the records of the insurance company and calculated in accordance with the Law and the relevant delegating decisions, and corresponding to a coverage rate of 99% of the recognised liability. With regard to the liquidation procedures, there are significant delays due to lack of financial resources, mainly related to the completion of the verification of claims notifications and the preparation of the List of Insurance Beneficiaries (LIB) by the liquidation. The completion of this process may result in new liabilities for the Life Guarantee Fund.

Claims vis-à-vis insurance undertakings under insurance liquidation

The Guarantee Fund has claims against insurance undertakings under in insurance liquidation b1 and b2 for the amounts it has paid to their policyholders since, according to article 7(1) of Law 3867/2010, it is substituted in their rights against the existing assets of the liquidated companies. The claim is notified to the liquidators so that the Guarantee Fund can be included in the pro rata distribution of their existing assets, whenever this takes place. The Guarantee Fund is subject to the preferential classification also applicable to policyholders under article 240 of Law 4364/2016.

International Life –Life Insurance Company SA under liquidation

Until the end of 2022, the amount of interim distribution from the proceeds of the liquidation of its assets with the Life Guarantee Fund as beneficiary amounts to EUR 1.977 million and the Life Guarantee Fund has received a total of EUR 1.935 million, i.e. 98% of the corresponding amount, of which EUR 31,9 thousand was received during the financial year under review.

Finally, the Life Guarantee Fund also maintains unchanged the provision for the recoverable amount of EUR 5.3 million in relation to the expected amount of the liquidation proceeds.

VDV Leben International AEAZ under liquidation

As regards the undertaking under insurance liquidation VDV Leben International AEAZ, no distribution of liquidation proceeds has been made to date. At the same time, the company's assets relating to deposits and shares are subject to seizure in Germany and are expected to be released once the proceedings before the German authorities have been completed. Due to the slow pace of progress in the liquidation process, because of lack of cash and mainly the uncertainty as to the release of the assets following the completion of the legal proceedings in Germany, the Life Guarantee Fund has not formed a provision for the recoverable amount.

b3) Developments relating to Aspis Pronoia Anonymi Etaireia Genikon Asfaleion and Commercial Value Insurance Company SA under insurance liquidation

Pursuant to decisions no. 156/21.9.2009 and No 176/25.2.2010 of the Private Insurance Supervisory Committee (PISC), the authorisation and licence of Aspis Pronoia Anonymi Etaireia Genikon Asfaleion and Commercial Value Insurance Company SA (the “Companies”) were withdrawn and they were placed under insurance liquidation, as provided for in the then applicable legislative decree 400/1970. In addition, all the assets of the above companies were classified as insurance placements and were frozen for this reason.

In order to determine the Life Guarantee Fund’s liability to pay 70% of the part of the claim that will not be satisfied from the proceeds of the liquidation, the liquidation bodies of the Companies under insurance liquidation will have to liquidate their assets and satisfy the beneficiaries in full out of the proceeds of the liquidation. Regarding the progress of the liquidation process, it is noted for information purposes that on

⁶ The Credit and Insurance Committee of the Bank of Greece decided at its meeting no. 2/05.01.2011 to permanently withdraw the licence of the insurance undertaking “VDV LEBEN INTERNATIONAL AEAZ” and place it under insurance liquidation, pursuant to the provisions of legislative decree 400/1970 (the withdrawal is effective from 10.01.2011).

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20.11.2015 Lists of Insurance Beneficiaries (LIBs) recognizing claims of policyholders of the Companies were published.

At the same time, and in accordance with the provisions of the insurance legislation, the aforementioned LIBs are subject to appeal by the parties concerned. When the appeals become final, the Lists of Insurance Beneficiaries will be finalised and the ultimate liability of the Companies to their policyholders will be established. The Guarantee Fund has intervened in the adjudication of certain appeals, in which it has been invited by the Companies as a third party.

It is recalled that the Meeting of the Members of the Guarantee Fund, in implementation of the provisions of Article 92 of Law 4714/2020 and Article 139 of Law 4972/2022, in 2021 and February 2023 unanimously approved the disbursement of an advance of forty-five million euro and the transfer of the funds to a special account of Aspis Pronoia SA under liquidation. These funds shall be distributed by the liquidator to satisfy life insurance claims of the aforementioned company, for which there is no legal dispute against the List of Insurance Beneficiaries for life insurance claims or such dispute has been resolved by a court judgment not subject to appeal.

It should be noted that, according to the information disclosed in the Guarantee Fund from the liquidation, in the course of 2022, out of the total initial advance of EUR 20 million, funds totaling EUR 15.543 million were used to pay claims, while the beneficiaries have not yet been certified for the remaining unused amount. It is recalled that the advance payment does not create any other obligation for the Guarantee Fund to cover the company's claims at this time and before the completion of the insurance liquidation, as it exhausts its obligation at this stage without in any way entering into the operations and general pending issues of the liquidation.

Taking into account the information disclosed and the data from the liquidations concerning, in particular, the evolution of the List of Insurance Beneficiaries, the progress of the liquidation processes and the overall financial developments, the Life Guarantee Fund has recognised a provision in its financial statements since 2020, which it reviews every year.

The relevant provision item (for both companies) at the end of the financial year under review, based on the institutional framework and the methodology and assumptions used to estimate the amount, came to EUR 149 million after offsetting the advance payment of EUR 20 million and remained unchanged compared to 2021.

It should be noted that, with the adoption of Law 5024/2023 (Government Gazette A 41/24.2.2023), and in particular according to article 35(3), claims included in the LIB of companies under insurance liquidation are automatically written off if, within a write-off period of one year from the last publication of the relevant notice, they do not provide the necessary supporting documents stipulated by the liquidation. The above provision addresses the issue of insurance claims beneficiaries of Companies under insurance liquidation that are dormant and do not participate in the interim distributions of the Companies' liquidations and the advances of the Life Guarantee Fund.

b4) Management of health care providers claims payment procedure

The Life Guarantee Fund, in the context of the implementation of decision no. 2/38576/0026/10.08.2012 of the Ministry of Finance, as currently in force, which appointed the administrator of the public revenue allocated for the payment of health care providers' claims (hospitals and doctors) for hospitalisation of policyholders of the companies under liquidation, kept the relevant procedure activated by submitting to the competent department of the Ministry of Finance a request for the issuance of a decision to commit funds from the budget of the Ministry of Finance for the financial year 2022, amounting to EUR 6.5 thousand. During the financial year under review, a funding request was submitted to the Ministry of Finance for EUR 6.5 thousand, which was allocated for the one-off and full payment of claims of beneficiaries/health care providers certified as beneficiaries. It should be noted that the Life Guarantee Fund has paid to beneficiaries a



total of EUR 3,854.3 thousand, corresponding to 98.6% of the total claims, as confirmed by the Companies' liquidations.

It is stated that the amount of financing and the payment to the beneficiaries are not considered resources or expenses of the Life Guarantee Fund and therefore do not affect its relevant financial figures.

c) Internal matters

Administrative developments

The term of office of the Chairman of the Management Committee expired in January 2022. In the context of the provisions of article 12(2) of Law 3867/2010, the new Chairman was appointed by the Governor of the Bank of Greece for the next three years. In October 2022, elections were held for the four elected members of the Management Committee, three years having elapsed since the commencement of their term of office.

In July 2022, by decision no. 433/1/25.7.2022 of the Credit and Insurance Committee of the Bank of Greece (Government Gazette 113/26.7.2022), the Internal Regulations for the Operation of the Guarantee Fund were approved and published, as provided for in article 11(2)(b) of Law 3867/2010. The Management Committee, through specific decisions, specifies the regulatory framework in terms of procedures and methodology for its implementation.

Also, decision no. 209/1/19.7.2022 of the Executive Committee of the Bank of Greece (Government Gazette B 3951/26.7.2022), which repealed the Governor's Act 2629/04.07.2010 and concerns the determination of the conditions for the convocation, operation and decision-making process of the Meeting of Members and Management Committee of the legal entity.

Investment policy

The provisions of Law 3867/2010¹ define the basic principles governing the investment policy of the Life Guarantee Fund, according to which the criteria for the placement of available funds are the safety of such funds, adequate diversification of the placements and the possibility of immediate liquidation.

The Management Committee implements the investment policy under specific terms and conditions that constitute the Reference Framework. The management of these funds has been entrusted, by means of a specific management agreement, to the Bank of Greece (Financial Activities Division), which acts in accordance with the applicable Reference Framework, as decided by the Management Committee.

The investment policy in 2022 is characterised by a restructuring of the invested funds, by strengthening the securities portfolio compared to investments in credit institutions' deposits, whose interest rates have shown a time lag in increasing. However, it was affected by the fall in the market values of securities, a consequence of the rise in interest rates, bringing the average net return on invested assets to a marginally positive level.

d) Members

The number of insurance companies-Members of the Guarantee Fund for 2022 is thirty-one (31), of which seventeen (17) are based in Greece, twelve (12) operate in Greece under freedom of services and two (2) are branches in Greece of EU insurance undertakings.

In particular, in 2022 the company "LOMBARD INTERNATIONAL ASSURANCE S.A." was registered as a Member of the Life Guarantee Fund, which operates as a company under freedom of services status, while the merger of the companies "NN SA" and "NN II SA (formerly Metlife)" was completed. In the course of the year, the insurance company "ALLIANZ HELLAS SA" proceeded with the acquisition of the insurance undertaking "EUROPEAN RELIANCE GENERAL INSURANCE COMPANY SINGLE MEMBER SA", without the merger of the companies being completed yet. Finally, the company "OCTIUM LIFE DESIGNED ACTIVITY COMPANY", based in Ireland, which operates in Greece under freedom of

¹ The issues concerning the placement and use of the funds are regulated by article 47 of Law 4941/2022.

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services basis, is in the process of integration and registration in the Register of Members of the Guarantee Fund.

A detailed list of the Members participating in the Guarantee Fund is provided on page 3 hereof.

e) International cooperation

Since 2012, the Life Guarantee Fund has been a member of the International Forum of Insurance Guarantee Schemes (IFIGS), which brings together representatives of Insurance Guarantee Schemes from 29 countries around the world. The purpose of IFIGS is to exchange experience on issues relating to the protection of policyholders in the event of withdrawal of an insurance undertaking's licence.

Statement of Revenue, Expenses and Financial results

The financial figures of the Life Guarantee Fund are mainly determined by the development of the following factors:

- the amount of gross written premiums, which is the basis for calculating the annual contribution of insurance undertakings to the Life Guarantee Fund,
- the yields of investments in which the assets of the Life Guarantee Fund are placed and the interest rate applied to its current account with the Bank of Greece,
- the conservative investment policy, to minimize risks and ensure liquidity, under which it invests its assets,
- the operating costs of the Life Guarantee Fund,
- income tax on the assets of the Life Guarantee Fund,
- the recognition of a provision for the coverage of life insurance policies beneficiaries of insurance companies under liquidation before the establishment of the Life Guarantee Fund,
- the distribution out of the liquidation proceeds as well as estimates of the expected proceeds from the realisation of assets of undertakings under insurance liquidation.

In particular, in the course of 2022, the evolution of the financial figures of the Life Guarantee Fund compared to the corresponding figures of the previous year is as follows:

1. Contributions income

A 2.2% increase in gross written premiums compared to the corresponding figure in 2021, mainly due to the change in gross written premiums of Class I and Class VII (Table 7b). In particular, there was a 6.5% increase in the amount of gross written premiums of Class I policies and a 15.5% increase of Class VII, while Class III recorded a -4.9% decrease in production. This development resulted in a corresponding increase in annual premium income. Thus, contributions income amounted to EUR 14,219.3 thousand compared to EUR 14,080.7 thousand in 2021, recording a positive change of 1% (Tables 4 & 8). The index derived from the ratio of contribution income to gross written premiums came to 0.76%, compared to 0.77% in 2021 (Table 8a).

2. Capital income

Capital income, which relates to interest on the placement of funds for investment, amounted to EUR 114 thousand, compared to the negative amount of EUR 0.4 thousand in 2021. It should be noted that, in 2022, the yields on the securities provided for in the reference framework changed from the previous year, in which they were negative, to positive levels. The Guarantee Fund restructured its investment policy, increasing its holdings of European Reference Framework securities against investments in deposit accounts with a marginally positive interest rate.



3. Operating costs and coverage provided for the purposes of the Life Guarantee Fund

The total expenses of the year (operating costs and expenses for the realization of the purpose of the Guarantee Fund) came to EUR 310.5 thousand, compared to EUR 296.4 thousand in 2021, up by 5% (Tables 1 & 5). Specifically:

- i. Operating expenses (staff's salaries and third party remuneration, third party benefits, other operating expenses, bank charges, depreciation and provisions) amounted to EUR 298.2 thousand, increased by 2% compared to EUR 292.9 thousand in 2021. This is mainly related to the salary maturities and the evolution of staff salaries related to the implementation of the new remuneration framework, as well as to the cost adjustments due to inflationary pressures and the rise in energy costs. It should be noted that the Life Guarantee Fund does not incur any costs for the use of real estate (e.g. rent, shared and utility costs) due to the free use of offices owned by the Bank of Greece.
- ii. The coverage provided (compensation payments under article 7 of Law 3867/2010 to life insurance beneficiaries) and related costs in 2022 amounted to EUR 12.2 thousand, compared to EUR 3.5 thousand in 2021, and exclusively concern related costs, in particular fees for the representation of the Guarantee Fund in court proceedings and general management expenses for the fulfilment of its purpose.

4. Income tax

The income tax of the legal entity for the year 2022 amounts to EUR 19.7 thousand and is shown as a deduction in the profit and loss account. The tax calculation affects the taxable outturns for the year based on the transactions and events recognised in the financial statements.

5. Extraordinary revenue

The extraordinary revenue item amounts to EUR 10.5 thousand and concerns the settlement of a past expenditure for which, in 2022, a discount on the original agreed cost was granted.

6. Provisions for coverage provided

The item "Provision for future coverage" relates to the provision established to satisfy, in accordance with article 2(5) of Law 3867/2010, life insurance policy beneficiaries of insurance companies under liquidation before the establishment of the Life Guarantee Fund (this concerns Aspis Pronoia Anonymi Etaireia Genikon Asfaleion and Commercial Value Insurance Company SA, which are under insurance liquidation). It is noted that, as from 2020, when, pursuant to article 92 of Law 4714/2020, data and information relating to the relevant LIBs and estimates of the realisable value of their assets were communicated by the liquidators, the Life Guarantee Fund established a provision of EUR 153 million (at present value), charging an equal amount to its results. An additional provision of EUR 16 million in total was recognised in 2021 for both companies. With regard to the closing fiscal year (2022), the accumulated provision was not restated as the enactment of article 35(3) of Law 5024/2023 was taken into consideration, which indicates a serious possibility of writing off part of the claims.

It is stated that the Life Guarantee Fund monitors developments and the progress of the liquidations and will reassess the amount of the provision each year so that the latter reflects the actual amount of its liability.

7. Financial result - accumulated funds

The financial result for the financial year was a EUR 14,013.5 thousand surplus, compared to a EUR 2,215.7 thousand deficit in 2021.

The accumulated funds (accounting presentation of Equity), which includes the founding capital, the surplus of the current financial year plus the difference in the fair value of debt securities and the accumulated



outturn of previous years, corresponds to a **deficit** of EUR 63,505.1 thousand (Table 3), against an accumulated deficit of EUR 77,407 thousand in 2021.

8. Available funds

The funds available for investment at the end of 2022 amounted to EUR 78.9 million; 51% concerned placements in short-term European government securities and 49% placements in deposit accounts (term deposits, sight deposits and current account with the Bank of Greece). Available funds in 2022 increased by 20% compared to 2021 (Table 2), a change that incorporates the use of funds from the EUR twenty million advance to Aspis Pronoia SA under insurance liquidation, for distributions of advances to beneficiaries.

The difference between the amount of accumulated funds and the amount of funds available for investment is mainly due to the time lag between accounting presentation and the collection of contribution receipts, as well as to the establishment of provisions for coverage provided, which are expected to be settled in the medium to long term. In addition, it is also due to the accounting recognition of the entire liability for compensation as it arises, which may be different from the time of certification and payment.



REPORT TABLES (compared to 2021 figures)

Amounts in
EUR

TABLE 1: FINANCIAL RESULT			
	2021	2022	
	Actual figures		Deviation 2022/2021 (%)
i. Revenue	14,080,284	14,333,349	2
ii. Expenses	(296,477)	(310,524)	5
Operating costs	292,958	298,274	2
Coverage provided and related costs & provisions	3,519	12,250	-
iii. Income tax	-	(19,738)	-
iv. Extraordinary expenses	432	10,503	-
v. Provisions for coverage provided*	(16,000,000)	-	-
Financial results (i+ii+iii+iv+v)	(2,215,761)	14,013,591	-
	Deficit	Surplus	
Notes			
* The item "provisions for coverage provided" concerns the recognition in 2020 of provisions for coverage of life insurance beneficiaries of insurance undertakings under liquidation before the establishment of the Life Guarantee Fund.			

TABLE 2: ANALYSIS OF AVAILABLE FUNDS AND INVESTMENT (end of year)			
	2021	2022	
	Actual figures		Deviation 2022/2021 (%)
Portfolio securities	15,708,585	40,196,665	156
Deposits in credit institutions (time/sight)	50,198,038	38,763,929	(23)
Total	65,906,623	78,960,594	20

TABLE 3: ACCUMULATED FUNDS CAPITAL			
	2021	2022	
	Actual figures		Deviation 2022/2021 (%)
i. Previous balance	(75,197,998)	(77,413,759)	-
ii. Financial result (surplus/ (deficit))	(2,215,761)	14,013,591	-
iii. Fair value reserve	6,754	(105,004)	-
New balance (i+ii+iii)	(77,407,005)	(63,505,172)	(18)

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



TABLE 4: BREAKDOWN OF RESOURCES

	2021	2022	
	Actual figures		Deviation 2022/2021 (%)
REVENUE	14,080,284	14,333,349	2
Members' contributions	14,080,715	14,219,277	1
Capital income	(431)	114,072	-
- Interest on debt securities	(20,174)	100,318	-
- Interest on deposit accounts (time/sight)	19,743	13,754	(30)

TABLE 5: BREAKDOWN OF EXPENSES

	2021	2022	
	Actual figures		Deviation 2022/2021 (%)
EXPENSES	296,477	310,524	5
<i>Operating costs</i>	292,958	298,274	2
Staff costs and expenses	153,128	196,940	29
Third party fees and expenses	83,719	29,720	(65)
Third party service fees	38,391	43,096	12
Other operating expenses	9,140	12,937	42
Banking charges	3,517	3,851	9
Depreciation	-	139	-
Provisions (except compensations)	3,800	11,591	205
Taxes/Stampduties	1,263	-	-
<i>Coverage provided-related costs and provisions</i>	3,519	12,250	248

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

	2021	2022	
	Actual figures		
Financing from the Ministry of Finance	-	6,585	
Payments to beneficiary healthcare providers	-	6,585	
Balance	-	-	

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



Table 7a:

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

Life Insurance Class	Insurance Business	Contribution rate % (periodical and lump sum payment)
I1.	Survival, Death, Mixed	1.50
I2.	Annuities	1.00
I3.*	Supplementary insurance in classes I1,I2,I3	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 relates to non-supplementary hospital coverage.

** Insurance business included in the life insurance class IV.2 are classified as non-life insurance (article 4 of Law 4364/2016).



Table 7b : Evolution of gross written premiums per life insurance class (in the past 5 years)

(EUR thousands)

Years	Class I1	Class I2	Class I3	Class III	Class IV	Class VI	Class VII	Total
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
2021	490,880	71,159	70,226	914,434	-	0.4	291,887	1,838,586
2022	522,670	64,969	85,442	869,351	-	-1	337,027	1,879,459
Change (%)	6.5%	- 8.7%	21.7%	- 4.9%	-	- 300.0%	15.5%	2.2%

Class change 6.5 %

Table 8: Evolution of annual contributions per life insurance class (in the past 5 years)

(EUR thousands)

Years	Class I1	Class I2	Class I3	Class III	Class IV	Class VI	Class VII	Total
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
2021	6,107	620	1,052	5,425	-	0.006	876	14,081
2022	6,486	569	1,041	5,113	-	-0.012	1,010	14,219
Change %	6.2%	- 8.3%	-1.1%	- 5.7%	-	- 300.0%	15.2%	1.0%

Class I change 4.1 %



Table 8a:

Evolution of the ratio of contributions to gross written premiums
(in the past 5 years)

Year	2018	2019	2020	2021	2022
Percentage	0.84%	0.83%	0.80%	0.77%	0.76%

Athens, 25 April 2023

THE CHAIRMAN OF THE
MANAGEMENT
COMMITTEE

THEODOROS CH.
KONTOVAZAINITIS
ID AH 623617

THE ALTERNATE
CHAIRMAN OF THE
MANAGEMENT
COMMITTEE

ILIAS N. APOSTOLOU
ID AB 511644

THE HEAD OF FINANCE
AND ACCOUNTING UNIT

DIMITRIOS I. THOMAS
ID AK 147757
Class A Licence no. 14176

CERTIFICATE

It is hereby certified that this Annual Report of the Management Committee, consisting of 43 pages, is the one referred to in the Audit Report dated 26 April 2023.

Athens, 26 April 2023
The Certified Auditor Accountant

Andreas Diamantopoulos
SOEL (Institute of Certified Public Accountants of Greece) Registration no.25021
SOL SA



Associated Certified Auditors SA
Member of Crowe Global
3 Fok. Negri Str, 11 257 Athens
SOEL Registration No 125



PRIVATE LIFE INSURANCE GUARANTEE FUND

PRIVATE LIFE INSURANCE GUARANTEE FUND

Legal entity in Private Law; Law 3867/2010

Tax registration no : 997866734

B. ANNUAL FINANCIAL STATEMENTS

13th FINANCIAL YEAR 01.01.2022 -31.12.2022

prepared in accordance with the Greek Accounting Standards (GAS)

(Law 4308/2014;Government Gazette 251/24.11.2014)



1) Independent Auditor's Report

To the members of the Private Life Insurance Guarantee Fund

Audit Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of the Private Law Entity "Private Life Insurance Guarantee Fund" ("Guarantee Fund"), which comprise the statement of financial position dated 31st December 2022, the statement of income and changes in equity for the year then ended, as well as the Notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the true financial position of the Private Law Entity "Private Life Insurance Guarantee Fund" as of 31st December 2022 and its financial performance and its cash flows for the year then ended in compliance with the applicable provisions of Law 4308/2014.

Basis for Opinion

We conducted our audit in accordance with International Audit Standards (IAS) as incorporated into the Greek Legislation. Our responsibilities under those standards are further described in "Auditor's responsibilities for the Audit of Financial Statements" section of our report. We are independent of the Company and throughout our appointment in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Auditors (IESBA Code), as incorporated into the Greek Legislation and the ethical requirements that are relevant to the audit of financial statements in Greece, and we have fulfilled our other ethical responsibilities in accordance with the requirements of the current legislation and the above-mentioned IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis on Matters

We draw attention to the following matters: 1) Note 10 of the appendix "Equity" mentions that despite the existence of negative equity, the Guarantee Fund's ongoing concern is not affected given that the determination and collection of annual contributions from its member companies are defined by the establishment Law, therefore preserving a continued inflow of resources. Furthermore, according to the possibilities allowed by virtue of the establishment law (last sections of indent i, para. 3 of article 2, Law 3867/2010), there is a relevant provision for possible ways of additional funding. It is also highlighted that the working capital on 31.12.2022 amounts to EUR 81.88 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"; it is thereby mentioned that the provision of a total amount of EUR 149 million for claims to life insurance beneficiaries from companies whose license had been revoked prior to the publication of Law 3867/2010 was calculated on the basis of assumptions (e.g. discount rate, timing of the liability) that are reviewed on each reference date of the financial accounts in order to recognise the current estimate of the liability, taking into account the information submitted by liquidations, in implementation of article 92 of Law 4714/31.7.2020, as well as article 2(5) of Law 3867/2010 where it is laid down that the Guarantee Fund shall pay to policyholders 70% of the claim from insurance that is not satisfied by the proceeds of liquidation.

Our opinion is not qualified in respect of these matters.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report of the Management Committee, for which reference is made to the "Report on other Legal and Regulatory Requirements".

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

Annual Report 2022 has been written in Greek and translated in English, with the Greek text prevailing over the English in case of any doubt.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, on the basis of our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Law 4308/2014, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with IAS, as incorporated into the Greek Legislation, we exercise professional judgement and maintain professional skepticism throughout the audit. We also

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



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

Report on other Legal and Regulatory Requirements

Taking into consideration that management is responsible for the preparation of the Annual Report of the private law entity “Private Life Insurance Guarantee Fund”, in accordance with the provisions of paragraph 5 of Article 2 (Part B) of Law 4336/2015, we note that: a) In our opinion, the Annual Report of the private law entity “Private Life Insurance Guarantee Fund” has been prepared in accordance with the applicable legal requirements of articles of Law 3867/2010 and its content corresponds with the accompanying financial statements for the year ended 31.12.2022. b) Based on the knowledge we obtained during our audit of the private law entity “Private Life Insurance Guarantee Fund” and its environment, we have not identified any material misstatements in the Annual Report of its Management Committee.

Athens, 26 April 2023

The Certified Auditor Accountant

Andreas Diamantopoulos

SOEL Registration no. 25021



Associated Certified Auditors SA
Member of Crowe Global
3 Fok. Negri Street, 11 257 Athens
SOEL Registration no.125



2) Financial Position Statement

PRIVATE LIFE INSURANCE GUARANTEE FUND Private Law Entity

STATE OF FINANCIAL POSITION on 31st DECEMBER 2022 13th FINANCIAL YEAR (01.01.2022 - 31.12.2022)

ASSETS				LIABILITIES			
	Note	2022	2021		Note	2022	2021
Non-current assets				Equity			
<i>Assets</i>				Primary Insurance Cover Fund			
Fixed Assets		0.08	0.07	Equity			
				Start-up capital	10	1,505,431.37	1,505,431.37
	Sub-total 4	0.08	0.07				
<i>Other non-current assets</i>				Sub-total		1,505,431.37	1,505,431.37
Claims from insurance companies under liquidation	5	8,815,653.98	8,884,934.33				
	Sub-total	8,815,653.98	8,884,934.33	Results carried forward (Surplus/(Deficit))			
				from previous financial years		(78,919,189.91)	(76,703,429.27)
				in the current year	26	14,013,590.61	(2,215,760.64)
Total non-current assets		8,815,654.06	8,884,934.40	Fair value reserve		(105,003.57)	6,753.95
				Sub-total 10		(65,010,602.87)	(78,912,435.96)
Current assets				Total equity		(63,505,171.50)	(77,407,004.59)
<i>Financial and other assets</i>							
Claims from insurance companies under liquidation	5	1,266,478.24	2,700,000.00				
Claims from contributions	6	2,847,504.92	2,291,265.31				
Other claims	7	122,803.35	120,833.71				
Debt securities	8	40,196,664.79	15,708,584.71				
	Sub-total	44,443,451.39	20,820,683.73				
<i>Financial assets and down payments</i>							
Accrued income/expenses of the period		5,476.79	5,078.45				
Cash and cash equivalents	9	38,763,929.07	50,198,037.97				
	Sub-total	38,769,405.86	50,203,116.42				
				Provisions			
	Total			Provisions for employee benefits	11	29,165.41	17,574.12
Total current assets		83,202,857.16	71,023,800.15	Provisions for benefits coverage to beneficiaries under L.3867/2010	12,13	150,986,195.60	151,318,251.18
						0.00	0.00
				Total provisions		151,015,361.01	151,335,825.30
				Liabilities			
				<i>Long term liabilities</i>			
				Beneficiaries of offered coverage under para. 5 article 2, L.3867/2010	13	3,190,895.07	3,228,293.70
				<i>Short term liabilities</i>			
				Suppliers	18	3,237.98	148.70
				Income tax	15	17,531.03	0.00
				Other taxes and duties	14	8,066.02	4,023.24
				Social security organizations	16	9,235.42	6,509.13
				Beneficiaries of offered coverage under para. 5 article 2, L.3867/2010	12,13	1,266,478.24	2,700,000.00
				Accrued financial year expenses	17	12,877.95	40,939.07
				Total		1,317,426.64	2,751,620.14
				Total liabilities		4,508,321.71	5,979,913.84
TOTAL ASSETS		92,018,511.22	79,908,734.55	TOTAL EQUITY, PROVISIONS AND LIABILITIES		92,018,511.22	79,908,734.55

Annual Report 2022 has been written in Greek and translated in English, with the Greek text prevailing over the English in case of any doubt.

3) **Income Statement****STATEMENT OF COMPEHENSIVE INCOME on 31 December 2022**
(01.01.2022 to 31.12.2022)

INCOME STATEMENT dated 31 DECEMBER 2022			
<i>(01.01.2022 to 31.12.2022)</i>			
	Note	2022	2021
Income (Contributions)	19	14,219,277.27	14,080,715.36
Other income	20	10,502.94	418.54
Staff and third-party Benefits	21	(250,473.41)	(244,146.80)
Depreciations	4	(138.99)	0.00
Other expenses and losses	22	(56,033.14)	(48,793.36)
Provision for beneficiaries' claims coverage	12	0.00	(16,000,000.00)
<i>Surplus / (deficit) before Interest and tax</i>		<i>13,923,134.67</i>	<i>(2,211,806.26)</i>
Credit interest & similar income	23	114,072.07	(431.01)
Debit interest & similar expenses	24	(3,878.28)	(3,523.37)
<i>Surplus / (deficit) before tax</i>		<i>14,033,328.46</i>	<i>(2,215,760.64)</i>
Income tax	15	(19,737.85)	0.00
<i>Surplus / (deficit) after tax</i>	27	<i>14,013,590.61</i>	<i>(2,215,760.64)</i>



4) Statement of Changes in Equity

	Start-up capital	Results carried forward	Fair value differences	Total
Balance 01.01.2021	1,505,431.37	(76,703,429.27)	0.00	(75,197,977.90)
Changes in the period	0.00	0.00	6,753.95	6,753.95
Results (Surplus/(Deficit)) of the period		(2,215,760.64)	0.00	(2,215,760.64)
Changes in accounting policies	0.00	0.00	0.00	0.00
Balance 31.12.2021	1,505,431.37	(78,919,189.91)	6,753.95	(77,407,004.59)
Changes in the period	0.00	0.00	(111,757.52)	(111,757.52)
Results (Surplus/ (Deficit)) of the period		14,013,590.61	0.00	14,013,590.61
Balance 31.12.2022	1,505,431.37	(64,905,599.30)	(105,003.57)	(63,505,171.50)

*Notes and tables on pages 26 up to 43 are an integral part of these annual financial statements.



5) Appendix - Notes to the Financial Statements for the period ended on 31 December 2022

Note 1 General Information

The private law entity “PRIVATE LIFE INSURANCE GUARANTEE FUND”, abbreviated name (distinctive title) “Life Guarantee Fund”, was established in August 2010 in accordance with the provisions of Law 3867/2010, as in force (the “Law”), is a nonprofit legal entity in private law and is supervised and controlled by the Bank of Greece and not of any Greek State agency. The Life Guarantee Fund is located in Athens (Bank of Greece property, 2-4 Sina Street, 7th floor, P.O. Box 10672).

The legal entity may be dissolved pursuant to Article 13 of the Law may be carried out by law, which shall also determine matters relating to liquidation and distribution of its assets.

All life insurance undertakings must become members of the Life Guarantee Fund automatically as from entry of the Law into force, pursuant to article 13(2) of Law 400/1970, as replaced and currently in force according to Law 4364/2016, provided that:

a) they have their registered office in Greece, b) they are branches in Greece of third-country insurance undertakings, c) they are branches in Greece of EU and EEA insurance undertakings, if they are not already covered by corresponding guarantee schemes in their country of establishment, and d) they operate in Greece under free provision of services, if they are not covered by corresponding guarantee schemes in their country of establishment.

The Life Guarantee Fund, as defined by the Law, is activated in the event of withdrawal of the licence of an insurance undertaking operating in the life insurance sectors. Its purpose is to provide coverage against outstanding claims and benefits payable and to manage the attempted transfer of all or part of the life portfolio of the undertaking whose licence has been withdrawn to other insurance undertaking(s). If the transfer is not possible, the Life Guarantee Fund shall pay money against claims on the life portfolio which have not been transferred. The compensation shall be equal to 100% of the claim under life insurance policies, up to a maximum of EUR 30 thousand for maturity benefits and redemptions and up to a maximum of EUR 60 thousand in case of death and permanent total disability. The coverage extends to all life classes, with the exception of claims relating to (a) supplementary hospital care coverage and (b) persons expressly defined in Article 8 of the Act.

At the same time, the Law also establishes the coverage of life insurance beneficiaries of insurance companies liquidated before the establishment of the Fund. In particular, Article 2 of the Law regulates matters of insurance companies whose license has been withdrawn before the publication of the Law, namely Aspis Pronoia SA and Commercial Value SA. Specifically, it is provided that, upon completion of the liquidation of the aforementioned companies, the Guarantee Fund will pay to policyholders 70% of the balance of the claim from insurance policies not satisfied by the proceeds of the liquidation.

In addition, with the adoption of Law 4972/2022, the provisions of Article 139 were introduced, pursuant to which amendments were made to Law 3867/2010 (addition of paragraph 5b to Article 2 and addition of paragraph 6 to Article 10). The amendments relate to the increase in the amount of the advance payment under paragraph 5a of the Law by the Life Guarantee Fund to Aspis Pronoia SA and Commercial Value SA under insurance liquidation by EUR twenty-five million, the amount now coming to a total of EUR forty-five million. It should be noted that this advance payment shall be made by the Life Guarantee Fund after the conditions and overall terms set out in Article 2(5)(a) have been met.

The composition of the Life Guarantee Fund Management Committee is as follows:

The Chairman, Mr. Kontovazainitis Theodoros, Lawyer of the Bank of Greece, who according to article 12(2) of Law 3867/2010, was appointed by the Bank of Greece on the basis of the Governor's Act no. 51/31.01.2022; his three-year term of office began on 1 February 2022.

The Alternate Chairman, Mr. Ilias Apostolou, from EUROLIFE FFH SA, and the four Members, Mr. Konstantinos Kougioumoutzis, Mr. Georgios Mamoulakis, Mr. Alberto Berti from NN SA, ETHNIKI SA and INTERAMERIKAN LIFE SA, respectively, were re-elected on 6 October 2022.

It is noted that the term of office of the elected Members expires on 6 October 2025.



Note 2 Financial Reporting Framework

The financial statements as at 31 December 2022, covering the period from 1 January 2022 to 31 December 2022 (13th financial year), have been prepared by the Management of the Life Guarantee Fund in full compliance with the Greek Accounting Standards (Law 4308/2014) following the historical cost convention, with the exception of financial assets carried at fair value through equity, and its classification as a medium entity. Furthermore, the form, content and nomenclature of the items and accounts in the financial statements are appropriately adapted to the specific nature of the activity and purpose of the Life Guarantee Fund.

The Life Guarantee Fund, for the preparation of the financial statements as at 31 December 2022, was based on the ongoing concern principle. In applying this principle, it takes into account the institutional framework that defines its purpose and operation, as well as current developments in the insurance market and the general economic environment in Greece.

In summary, the accounting policies followed by the Life Guarantee Fund in preparing its financial statements are as follows:

Note 3 Summary of significant accounting principles

3.1. Tangible and intangible fixed assets

These items are initially recognised at cost and subsequently measured at depreciated cost. Depreciation commences when the asset is ready for its intended use and is calculated on the basis of its estimated useful economic life. Note that land, works of art, antiques, jewelry and other fixed assets that are not subject to wear and tear or disrepair are not depreciated. However, improvements on land with a limited useful life are subject to depreciation.

Fixed assets are subject to an impairment test when there are indications of impairment. Impairment losses arise when the recoverable amount of a fixed asset becomes less than its carrying amount. An impairment loss is recognised when it is estimated that the impairment is of a permanent nature. Impairment losses are recognised in profit or loss as an expense and reversed when the circumstances that gave rise to them cease to exist. In particular, goodwill impairment is not reversed. There have been no impairment losses.

A fixed asset is derecognized in the balance sheet when the asset is disposed of or when the future economic benefits associated with its use or disposal are no longer expected to arise from its use or disposal.

Depreciation is calculated using the straight-line method based on the applicable tax rates which, at the management's discretion, correspond to the estimated useful economic life of the asset and are as follows:

Description	Depreciation rate (%)
Computer equipment, main - peripheral and software	20
Equipment other than computers and software	10
Other fixed assets	10

3.2. Advances - other non-financial assets

Advances are initially recognised at cost. They are subsequently measured at original cost less amounts used on an accruals basis and any impairment losses.

Other non-financial assets are initially recognised at cost. Subsequently they are measured at the lower of cost and recoverable amount.

3.3. Financial assets

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

These financial assets are initially recognised at cost. Subsequent to initial recognition, financial assets are measured at cost less impairment losses if there is evidence of impairment and an assessment that the impairment is permanent (in the case of classification as a non-current asset).



Impairment losses are recognised in the income statement and reversed as gains in the income statement when the circumstances that caused them cease to exist. Reversal is up to the amount that the asset would have been worth if no impairment loss had been recognised.

A financial asset shall be derecognised when, and only when: (a) the contractual rights to the cash flows from the asset expire; or (b) substantially all the risks and rewards of ownership of the asset are transferred. The derecognition of a financial asset is recognised as a gain or loss in profit or loss.

3.4. Measurement of Financial Assets

Interest-bearing financial assets are measured at amortised cost using the effective interest rate method or the constant method if the application of this method has a significant effect on the amounts in the financial statements. In particular:

Contributions receivable are measured, on initial recognition, at the amount expected to be received, being the nominal amount of the receivable at the dates of recovery of the receivable.

Cash and cash equivalents relate to the balances of deposit accounts with credit institutions. Cash and cash equivalents are generally held in deposit accounts or invested in low-risk financial assets, as decided by the Management Committee.

3.5. Financial assets measured at fair value

A financial asset is measured at fair value if it is designated as "available for sale" or as a trading portfolio item.

The Life Guarantee Fund has financial assets classified as "Available for sale". The financial assets classified in this category relate to fixed income securities.

The fair values of securities traded in a reputable active market are determined from current market prices at the date of the financial statements.

Subsequent to initial recognition, financial assets are measured at fair value in the statement of financial position and unrealized fair value gains and losses are recognised as a component (difference) of equity in the period in which they arise. On derecognition, accumulated gains or losses previously recognised in equity are transferred to profit or loss and the line item "Interest and similar income".

3.6. Equity

The equity item recognises the paid-up start-up capital and the related accumulated and period gains (surpluses) or losses (deficits), as well as differences arising from the measurement of available- for-sale financial assets at fair value.

3.7. Provisions

- Provisions for employee benefits

Provisions for post-employment benefits are recognised and measured at the nominal amounts arising from legislation at the balance sheet date. In particular, these provisions are measured on the basis of Laws 2112/1920 and 3198/1955 in conjunction with Laws 3899/2010, 4093/2012 and 4194/2013 (Lawyers' Code) and amount to 40% of the compensation entitled at the balance sheet date.

- Other provisions

The Life Guarantee Fund makes provisions for contingent liabilities and risks when there is a liability present (legal or presumed) as a result of past events and it is highly probable that it will have to set aside resources to settle it.



Provisions are recognised initially and measured subsequently at the nominal amount expected to be required to settle them, unless measurement at present value is expected to have a material effect on the amounts recognised in the financial statements as compared with measurement at nominal value. In this case, initial recognition and subsequent measurement shall be at present value.

Differences arising either on revaluation or on settlement of provisions are recognised as gains or losses in the period in which they arise.

3.8. Income tax and deferred tax

The income tax shown in the income statement is calculated on the taxable results for the year and is determined on the basis of the transactions and events recognised in the financial statements. The Life Guarantee Fund, as a nonprofit legal entity, is subject to tax in accordance with the provisions of Article 45(c) of Law 4172/2013 and has not recognised deferred income tax in the financial statements.

3.9. Liabilities (breakdown of financial and non-financial liabilities)

- Financial liabilities

Financial liabilities are recognised initially and subsequently at their outstanding amount. Interest arising on financial liabilities shall be recognised as an expense in profit or loss unless it is charged to the cost of assets.

A financial liability shall be derecognised when, and only when, the contractual obligation is discharged or cancelled or expires. A modification of the terms of an existing financial liability (whether or not due to the debtor's financial difficulty) is treated as an extinguishment of the original financial liability and the recognition of a new financial liability.

- Non-financial liabilities

Non-financial liabilities are recognised initially and measured subsequently at the nominal amount expected to be required to settle them. Differences arising either on remeasurement or on settlement of non-financial liabilities are recognised as gains or losses in the period in which they arise.

3.10. Income and expenses recognition

Income and expenses are recognised in the financial year to which they relate, regardless of when they are received or paid. Contribution income is recognised in the period in which it is accrued, i.e. when it arises, not when it is settled in cash.

Interest income and expenses are recognised in the income statement on an accrual basis.

3.11. Fair value

Fair value is the estimated price at which an asset can be sold or a liability settled in an orderly transaction to a third party under current market conditions.

In particular, a reliable indicator of fair value is the quoted market prices of its financial assets traded in active markets. Accordingly, fair value is determined from published prices that are current at the date of the financial statements.

Fixed income securities held by the Life Guarantee Fund and classified as "Available for sale" were subsequently measured at fair value after initial recognition (Note 3.5).

3.12. Receivables from insurance undertakings under insurance liquidation

The Life Guarantee Fund, under Article 7(1) of Law 3867/2010, substitutes the rights of policyholders for the sums of money paid thereto, having claims for these amounts against the companies under insurance liquidation. The above claims have absolute preferential treatment over any other claim against the insurance undertaking, in accordance with the provisions of Article 240 of Law 4364/2016. Insurance liquidators are



appointed by the Bank of Greece and are subject to its control and supervision. The Life Guarantee Fund therefore has no involvement or control over the liquidation processes and is confined to monitoring the progress of the liquidations in order to be notified on the expected liquidation proceeds of the liquidation assets. In this context, the Life Guarantee Fund estimates the recoverability of the amounts of its claims on the liquidation processes by recognising claims from the insurance undertakings under liquidation and the expected recoverable amount corresponding thereto. The methodology and assumptions used to estimate the amounts are reviewed at each financial statement date. Estimates are made on the basis of reliable information coming to the attention of the Life Guarantee Fund or objective evidence as a result of one or more events that have occurred and whose effect can be reliably estimated.

Impairment of claims from insurance undertakings under insurance liquidation

The Life Guarantee Fund examines at each financial statement date whether there is objective evidence that the assets of an insurance undertaking under liquidation are impaired. Such a claim is presumed to be impaired if and when there is objective evidence of impairment as a result of one or more events that have occurred that affect the estimated future cash flows and the effects can be reliably estimated. Objective evidence that claims from an undertaking under insurance liquidation have been impaired is observable information that comes to the attention of the Life Guarantee Fund about loss events, including, but not limited to, (a) adverse economic and financial developments in the undertaking under insurance liquidation, (b) the financial life cycle of the liquidation; (c) current economic conditions; (d) the presence of any notes in the auditor's certificate of the insurance companies under insurance liquidation which may have an adverse effect on such claim; and (e) changes in the legal framework which may affect the recoverable amount from liquidations in progress.

Impairment provisions are recognised in the income statement as a charge to the income statement under the heading "Impairment of receivables from insurance companies under insurance liquidation".

Reversal of the provision for impairment of claims from insurance undertakings under insurance liquidation

If, in a subsequent period, the amount of the impairment provision decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment provision is offset by that amount and the amount of the provision is consequently restated. The offsetting amount is entered in the income statement as a credit to the profit and loss account "Reversal of impairment of receivables from an insurance undertaking under insurance liquidation".

Note 4 Fixed assets

The non-depreciated balance at the end of the financial year amounts to EUR 0.08. It should be noted that the Life Guarantee Fund does not own any real estate as it is housed (by free concession) in premises made available by the Bank of Greece.

Table of Changes in Fixed Assets

	Intangible assets	Tangible assets Furniture, electronic & other equipment
<u>Acquisition cost</u>		
Balance 01.01.2022	1,949.55	6,709.51
Additions	0.00	139.00
Balance 31.12.2022	1,949.55	6,848.51
<u>Accumulated depreciation</u>		
Balance 01.01.2022	(1,949.55)	(6,709.44)
Depreciation for the period	0.00	(138.99)
Balance 31.12.2022	(1,949.55)	(6,848.43)
<u>Net book value</u>	0.00	0.08

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**Note 5 Claims from undertakings under insurance liquidation**

	2022	2021
I. Receivables from International Life-Life Insurance Company SA under insurance liquidation	5,624,758.91	5,656,640.63
II. Receivables from Aspis Pronoia Anonymi Etaireia Genikon Asfaleion under insurance liquidation (unused balance of the advance under article 2(5)(a) of Law 3867/2010)	4,457,373.31	5,928,293.70
<i>Receivables from Aspis Pronoia Anonymi Etaireia Genikon Asfaleion under insurance liquidation (settlement within next year)</i>	<i>1,266,478.24</i>	<i>2,700,000.00</i>
<i>Receivables from Aspis Pronoia Anonymi Etaireia Genikon Asfaleion under insurance liquidation (settlement in the future)</i>	<i>3,190,895.07</i>	<i>3,228,293.70</i>
III. Receivables from VDV Leben International AEAZ under insurance liquidation	0.00	0.00
Total (I+II+III)	10,082,132.22	11,584,934.33

In more detail:

- i. Claim for the estimated recoverable amount against Life Guarantee Fund claims from International Life-Life Insurance Company SA under insurance liquidation. The recoverable amount, which is estimated to be collected by the Life Guarantee Fund, includes impairments and recoveries.
- ii. Claim related to the payment of an advance to Aspis Pronoia Anonymi Etaireia Genikon Asfaleion under insurance liquidation. Specifically, it relates to the unused balance of the initial advance of EUR twenty million transferred in February 2021 to Aspis Pronoia Anonymi Etaireia Genikon Asfaleion under insurance liquidation, which is held in a special bank account for the purpose of paying compensation to life insurance beneficiaries. Note that, amounts are separately classified as non-current and current assets based on the timing of settlement (use of amounts for distributions from the liquidation) according to the liquidation estimates. The items relate to cash and cash equivalents.

Development of the amount receivable from Aspis Pronoia Anonymi Etaireia Genikon Asfaleion under insurance liquidation due to the payment of an advance of EUR 20 million under article 92 of Law 4714/2020

Date	Description	Amounts in EUR
01.02.2021	Initial advance amount	20,000,000.00
1.2.2021-31.12.2021	Use of advanced funds to pay compensation/coverage provided to life insurance beneficiaries	(14,071,706.30)
31.12.2021	Unused balance	5,928,293.70
1.2.2022-31.12.2022	Use of advanced funds to pay compensation/coverage provided to life insurance beneficiaries	(1,470,920.39)
31.12.2022	Unused balance*	4,457,373.31

* Part of the balance, approximately EUR 1.3 million, is expected to be settled in 2023.



Note 6 Claims from contributions

Breakdown of claims from contributions per insurance undertaking on 31.12.2022

Insurance undertaking		
1.	THE ETHNIKI HELLENIC GEN. INS. CO. S.A.	303,038.77
2.	ATLANTIC UNION S.A.	1,503.32
3.	EUROPEAN RELIANCE GEN. INS. CO. SINGLE MEMBER S.A.	53,753.61
4.	INTERAMERICAN HELLENIC LIFE INS. CO. S.A.	51,042.40
5.	INTERSALONICA INSURANCE COMPANY S.A.	1,394.70
6.	MINETTA S.A.	684.96
7.	HORIZON INSURANCE SINGLE MEMBER COMPANY SA	197.83
8.	SYNETERISTIKI INS. CO. INC.	7,011.56
9.	ALLIANZ HELLAS SINGLE MEMBER INSURANCE S.A.	50,763.03
10.	ALPHALIFE S.A.	326,119.86
11.	CNP ZOIS S.M.S.A.	1,938.47
12.	CREDIT AGRICOLE LIFE INSURANCE SINGLE MEMBER S.A.	12,078.19
13.	ERGO INSURANCE CO. SINGLE MEMBER S.A.	23,809.91
14.	EUROLIFE FFH LIFE INSURANCE CO. SINGLE MEMBER S.A.	998,458.96
15.	GENERALI HELLAS INSURANCE COMPANY S.A.	123,310.55
16.	GROUPAMA PHOENIX HELLENIC INS. CO. S.A.	54,245.20
17.	NN HELLENIC LIFE INSURANCE CO. SINGLE MEMBER S.A.	585,922.25
18.	NN II HELLENIC LIFE INSURANCE CO. SINGLE MEMBER S.A.	249,810.17
19.	ANCORIA INSURANCE PUBLIC LIMITED	56.58
20.	CARDIF LUX VIE	0.00
21.	CNP CYPRIALIFE LTD	231.22
22.	LOMBARD INTERNATIONAL ASSURANCE S.A.	0.00
23.	METLIFE EUROPE LTD	0.00
24.	PRUDENTIAL INTERNATIONAL ASSURANCE PLC	0.00
25.	RED SANDS LIFE ASSURANCE COMPANY LTD	519.39
26.	SOCIETA REALE MUTUA DI ASSICURAZIONI	0.00
27.	SWISS LIFE LUXEMBOURG S.A.	1,248.42
28.	THE ONELIFE COMPANY S.A	(20.00)
29.	UNIQA OSTERREICH VERSICHERUNGEN AG	0.00
30.	UTMOST PANEUROPE DESIGNATED ACTIVITY COMPANY	190.48
31.	ALLIANZ GLOBAL LIFE DESIGNATED ACTIVITY COMPANY	195.09
32.	EUROLIFE Ltd – CYPRUS LIFE INSURANCE	0.00
	Total	2,847,504.92

The payment of the above claims is mainly related to the sixth instalment of the ordinary

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contribution for 2022 of the insurance companies/members of the Life Guarantee Fund in the last two months of the year, which are settled in the first two months of the following calendar year.

Note 7 Other claims

	2022	2021
Other receivables from an insurance undertaking under insurance liquidation	117,241.00	117,241.00
Payment in advance to employees	3,868.62	0.00
Greek State - Tax withheld	0.00	2,649.23
Prepaid subscriptions	1,004.40	943.48
Expenditure for the following financial year	689.33	0.00
Balances on 31 December	122,803.35	120,833.71

Note 8 Debt securities

According to article 10(2) of the founding law 3867/3.8.2010 of the Life Guarantee Fund, the applicable investment policy is in line with the provisions of article 47 of Law 4941/16.6.2022.

The balance of debt securities at the date of the financial statements, carried at fair value through equity, is broken down as follows:

Portfolio Reference Framework on 31 December	2022	2021
Greek Treasury bills	24,160,659.94	15,708,584.71
Euro area core treasury bills	16,036,004.85	0.00
Total	40,196,664.79	15,708,584.71

Note 9 Cash and cash equivalents

	2022	2021
Treasury (cash)	950.01	3,181.93
Deposit account with the Bank of Greece	90,646.61	5,957.52
Deposit accounts with credit institutions		
• Sight/current accounts	3,012,332.45	10,628,898.524
• Time deposits	35,660,000.00	39,560,000.00
Balances on 31 December	38,763,929.07	50,198,037.97

Note 10 Equity (net position)

(a) Start-up Capital

The start-up capital, in the amount of EUR 1,505,431.37, was established, according to Law 3867/2010 (paragraph 7, article 1), from part (1/10) of the capital resulting from the liquidation of the Private Insurance Supervisory Committee.

(b) Result: Surplus / (Deficit) carried over

The accumulated result is as follows:



PRIVATE LIFE INSURANCE GUARANTEE FUND

	2022	2021
Surplus / (Deficit) from previous years	(78,919,189.91)	(76,703,429.27)
Surplus/(Deficit) for the current year	14,013,590.61	(2,215,706.64)
Fair value reserve (differences)*	(105,003.57)	6,753.95
Total result carried over	(65,010,602.87)	(78,912,435.96)
	<i>Deficit</i>	<i>Deficit</i>

* The amount of differences between the depreciated cost and fair value of debt securities classified as available for sale is recognised as a fair value reserve (difference) in equity.

The financial result for the financial year 2022 is a positive amount (surplus) of EUR 14.013 million, compared to a deficit of EUR - 2.215 million in the previous financial year (2021).

The amount of Equity, including the start-up capital, the result of previous years, the financial result of the closed financial year and the "fair value reserve" account, is negative (accumulated deficit) as at 31.12.2022, in the amount of EUR -63.505 million, compared to the negative amount of EUR -77.407 million as at 31.12.2021.

It is noted that the working capital as at 31.12.2022 comes to a positive amount of EUR 81.885 million (Current Assets of EUR 83.202 million minus Current Liabilities of EUR 1.317 million) and is considered sufficient to cover the short-term liabilities of the Life Guarantee Fund.

In addition, the finalisation of the provisions to cover claims vis-a-vis the beneficiaries of Aspis Pronoia Anonymi Etaireia Genikon Asfaleion and Commercial Value Insurance Company SA under insurance liquidation, is expected to take place in the medium to long term, according to the liquidations.

Furthermore, for the next financial year (year 2023), there are no current liabilities, which the Life Guarantee Fund must satisfy immediately and for which funding must be sought.

Finally, the continuation of the activity of the Life Guarantee Fund is not affected since the determination and collection of the annual contributions from its member companies are defined in the Law, thus maintaining a continuous inflow of resources. Moreover, in accordance with the possibilities given by its founding law (last subparagraphs of indent i of paragraph 3 of Article 2 of Law 3867/2010), there is a relevant provision for possible methods of additional financing.

Note 11 Provisions for employee benefits

	2022	2021
Balances on 1 January	17,574.12	13,773.66
Changes in the period	11,591.29	3,800.46
Balances on 31 December	29,165.41	17,574.12

The Life Guarantee Fund has not adjusted the provision for staff termination indemnity in application of the HAASOB Directive "on the allocation of the cost of Fixed Benefit Schemes in accordance with the Interpretation of IAS 19 by the IFRS Interpretations Committee" (HAASOB Board Decision no. 211/1/27.12.2021), because it has held that the non-application of the aforementioned Decision does not have a material impact on its financial statements.

**Note 12 Provisions for life insurance claims beneficiaries of insurance undertakings under insurance liquidation**

Category	Description	2022	2021
	Provision for compensation of life insurance beneficiaries under article 7 of Law 3867/2010 <i>VDV Leben International AEAZ</i>	237,980.00	237,980.00
	Provision for compensation of life insurance beneficiaries under article 7 of Law 3867/2010 <i>International Life-Life Insurance Company SA</i>	1,748,215.60	2,080,271.18
	Provision for compensation of life insurance beneficiaries under article 2(5)(a) of Law 3867/2010 (cumulative and impaired by the amount of the EUR 20 million advance payment under the provisions of article 92 of Law 4714/2020) for Aspis Pronoia Anonymi Etaireia Genikon Asfaleion and Commercial Value SA	149,000,000.00	149,000,000.00
	Balances on 31 December	150,986,195.60	151,318,251.18

The Life Guarantee Fund will monitor the developments of the liquidations and reassess the amount of the provision by considering the possibility of its adjustment in the future.

In particular:

- The provision, amounting to EUR 237,980.00, is intended to cover the compensation of VDV Leben International AEAZ. under insurance liquidation and relates to 61 claims (pending court proceedings) from life insurance policies that have not been certified by 31.12.2022. It should be noted that no reliable forecast can be made as to the outcome of the pending litigation of the policyholders of VDV Leben International AEAZ. under insurance liquidation against the Life Guarantee Fund. Furthermore, to date, the process of verifying the claims notified by the policyholders to the liquidator of VDV Leben International AEAZ. has not been completed in order to draw up the List of Insurance Beneficiaries in accordance with insurance legislation. The compilation of the List of Insurance Beneficiaries (LIB) may result in new claims being recognised by the liquidator, for which the Life Guarantee Fund will be called upon to pay compensation. At this stage, it is not possible to predict the timeframe within which the LIB will be completed. In addition, the Life Guarantee Fund may be notified of court judgments recognising claims under VDV's life insurance policies prior to the withdrawal of its licence, which were not notified to the Life Guarantee Fund by the liquidation. If these judgments are proved to be final, the Legal Entity will proceed to determine and pay compensation for these claims.
- The amount of EUR 1.748 million relates to a provision for compensation to beneficiaries of International Life S.A. under insurance liquidation. The amount of the provision was determined taking into account the information initially notified to the Life Guarantee Fund by the liquidator, and is reviewed annually as to the amount of future coverage required. Following the process of collecting and checking the completeness of policyholders' supporting documents, with a view to certification, the relevant provision is transferred to the liabilities in order to pay the amount of the indemnity to the beneficiary. Specifically, in 2022, the amount carried forward amounted to EUR 332 thousand (see Note 30). It is also indicated that claims for which an appeal has been lodged against the List of Life Insurance Beneficiaries are not surrendered by the liquidation and relate to (a) instances where the amount recognised is disputed, and (b) claims that were not recognised and must be included. These claims shall be notified to the Life Guarantee Fund only after a final court judgment has been issued and shall update the originally delivered Delivery and Acceptance Protocol of the list of life insurance claims. It should be noted that claims amounting to EUR 180 thousand were added in the year 2022 as a result of the updating process of the Delivery and Acceptance Protocol. With regard to the establishment of a sufficient provision to cover pending litigation, the Life Guarantee Fund has maintained an unused amount since the original establishment of the provision (2018).

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• *Evolution of the provision for compensation of beneficiaries of International Life –Life Insurance Company SA. under insurance liquidation*

	2022	2021
Provision on 01.01	2,080,271.18	2,558,753.15
Transfer of amount to liability account	(332,055.58)	(478,481.97)
Provision on 31.12	1,748,215.60	2,080,271.18

- In 2022, the Life Guarantee Fund has kept unchanged the provision for claims of life insurance beneficiaries of insurance companies whose license has been withdrawn before the publication of Law 3867/2010, namely for Aspis Pronoia Anonymi Etaireia Genikon Asfaleion under insurance liquidation and Commercial Value SA under insurance liquidation (the “Companies”). The methodology and the assumptions (indicatively, discount rate, duration) used to estimate the amount are reviewed periodically in order to reflect the best current estimate of the expense. However, for the year 2022, the estimate of the amount of the provision took into account, in addition to the methodology and assumptions, the updated data submitted by the Companies' liquidations in application of the provisions of article 92 of Law 4714/2020, article 139 of Law 4972/2022 and article 35 par. 3 of Law 5024/2023, a future event that is particularly significant for the measurement of the provision (Note 36). It is recalled that, according to the provisions of article 2(5) of Law 3867/2010, the Life Guarantee Fund satisfies 70% of the part of the insurance claim that is not satisfied by the insurance liquidation proceeds.

Lists of Insurance Beneficiaries (LIBs) were published 20.11.2015, recognizing claims of policyholders of the Companies. At the same time and in accordance with the provisions of the insurance legislation, the above LIBs are being challenged by the interested parties through appeals. Consequently, when the appeals become final, the LIB will also be finalised and, following the distribution of the proceeds of the insurance liquidation, the final liability of the Life Guarantee Fund to policyholders will be established. The Life Guarantee Fund has intervened in the adjudication of certain proceedings in which it has been called upon by the Companies' liquidations. In the meantime, and following the agreement of the competent Department of the Bank of Greece, the liquidations of the Companies have made provisional distributions against the amount recognised as a claim in the LIB. The amount of provisional distributions is calculated in relation to the available assets of the Companies and taking into account the proceedings pending before the courts.

Evolution of the provision

	2020	2021	2022
Provision on 01.01	0.00	133,000,000.00	149,000,000.00
Adjustment	153,000,000.00	16,000,000.00	0.00
Disbursement of advance payment by virtue of article 92 of Law 4714/2020 to ASPIS Pronoia Anonymi Etaireia Genikon Asfaleion under insurance liquidation	(20,000,000.00)	0.00	0.00
Provision on 31.12	133,000,000.00	149,000,000.00	149,000,000.00

**Note 13 Liabilities for life insurance beneficiaries claims against undertakings under insurance liquidation**

Category	Description	2022	2021
Long-term liabilities	Part of the advance payment of EUR 20 million for Aspis Pronoia Anonymi Etaireia Genikon Asfaleion beneficiaries on the basis of article 92 of Law 4714/2020, under article 2(5) and (5a) of Law 3867/2010	3,190,895.07	3,228,293.70
Short-term liabilities	Part of the advance payment of EUR 20 million for Aspis Pronoia Anonymi Etaireia Genikon Asfaleion SA beneficiaries on the basis of article 92 of Law 4714/2020, under article 2(5) and (5a) of Law 3867/2010	1,266,478.24	2,700,000.00
Balances on 31 December		4,457,373.31	5,928,293.70

The items of the liability accounts (long-term/short-term) relate to the unused balance of the initial advance payment of EUR 20 million disbursed and transferred at the beginning of 2021 to Aspis Pronoia SA under liquidation pursuant to article 92 of Law 4714/2020, which is held in a special liquidation bank account for the purpose of paying compensation against the Life Guarantee Fund liability. It is noted that the amounts are shown separately based on the timing of their settlement, in accordance with the estimates of the liquidation.

Note 14 Other Taxes and Duties

	2022	2021
Employee tax on staff remuneration	7,557.22	3,290.12
Third-party taxes	0.00	224.00
Stamp duty & OGA (third-party fees)	28.80	28.80
Stamp duty & OGA (interest)	0.00	0.32
Tax on third-party fees	480.00	480.00
Balances on 31 December	8,066.02	4,023.24

Note 15 Income Tax

The Life Guarantee Fund, as a nonprofit legal entity, is subject to income tax in accordance with the provisions of article 45(c) of Law 4172/2013. This item concerns the income tax resulting from the provisions of the applicable tax legislation on interest income of securities and deposits and income from capital gains from the transfer of securities. Law 4799/2021 revised article 58(1) of Law 4172/2013 regarding the taxation of profits from business activity acquired by legal persons and entities with double-entry bookkeeping to twenty-two percent (22%) for income in tax year 2022 onwards.

For the year ended, income tax resulted from the positive interest outturn on investments.

**Note 16 Social security organisations**

	2022	2021
EFKA (Unified Social Security Entity)	7,613.98	5,197.33
EFKA (Unified Social Security Entity) (contributions of employed lawyers)	1,621.44	1,311.80
Balances on 31 December	9,235.42	6,509.13

Note 17 Accrued expenses

	2022	2021
Expenses for Decision 2/38576/0026/10.8.2012	3.85	3.85
Accrued fee of the Bank of Greece's manager	2,458.10	1,813.22
Accrued fee of the certified auditor	7,316.00	5,580.00
Accrued fee of the Data Protection Officer	3,100.00	3,100.00
Accrued fee of the consultant for the preparation of internal regulations	0.00	30,442.00
Balances on 31 December	12,877.95	40,939.07

Note 18 Suppliers

	2022	2021
Suppliers	3,237.98	148.70
Balances on 31 December	3,237.98	148.70

Note 19 Income (Contributions)

	2022	2021
Annual contribution from the insurance companies-members of the Guarantee Fund. Contributions are calculated pursuant to article 10(1) of the Law, based on the following rates per insurance branch (Act No. 2636/24.11.2010 of the Governor of the Bank of Greece) and are paid every two months, with the 6 th instalment to be collected at the end of January of the following year.	14,219,277.27	14,080,715.36
Balances on 31 December	14,219,277.27	14,080,715.36

Note 20 Other revenue

	2022	2021
Income tax deduction	0.00	141.65
Member contributions from previous years	0.00	9.40
Default interest	0.00	9.15
Subsidy of EFKA/OAED/LAEK training programme	60.90	322.95

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Settlement of previous year's expenses (discount)	10,442.04	(64.61)
Balances on 31 December	10,502.94	418.54

Note 21 Employee and third-party benefits

Paid staff consists of seven (7) employees:

- Five (5) employees under unfixed-term private law labour contract;
- One (1) in- house lawyer;
- One (1) person with managerial duties.

The relevant costs, by category, are set out in the table below:

	2022	2021
Salaries and employer social Security contributions of salaried staff	164,014.43	148,586.38
Training costs and hospital insurance policy for unfixed-term staff	6,632.28	4,541.80
Provisions for compensation due to retirement (Law 2112/1920)	11,591.29	3,800.46
Third-party fees (The remuneration of the Chairman in the context of performance of his managerial duties and monthly remuneration to elected managerial committee members)	39,493.26	41,124.80
Fees to other freelancers and third parties	28,742.15	46,093.36
Balances on 31 December	250,473.41	244,146.80

Note 22 Other expenses and losses

	2022	2021
Telecommunication & postal charges	1,759.63	810.78
Management civil liability insurance premiums	41,336.70	37,580.01
Other operating expenses	12,936.81	10,402.57
Balances on 31 December	56,033.14	48,793.36

Note 23 Credit interest and related income

	2022	2021
Interest on deposits held with domestic credit institutions	13,754.30	19,742.61
Interest on portfolio securities	100,317.77	(20,173.62)
Balances on 31 December	114,072.07	(431.01)

Note 24 Debit interest and related costs

	2022	2021
Commission for funds management	2,458.10	1,813.22
Commission for banking operations	1,420.18	1,710.15
Balances on 31 December	3,878.28	3,523.37

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Note 25 Associated parties

The four elected members and the Chairman of the Management Committee receive remuneration for their responsibilities in the operation of the Life Guarantee Fund through their active participation in meetings and management respectively. The total remuneration for 2022 amounts to EUR 39,493.26.

It is noted that, according to the decision of the Meeting of the Members of the Life Guarantee Fund of 16.10.2019, monthly remuneration is paid to the elected members of the Management Committee for their attendance at the meetings.

There are no claims and liabilities from or to members of the Management Committee.

Note 26 Audit

The annual audit of the financial management and the Balance Sheet is entrusted in accordance with article 11(3) of Law 3867/2010 by decision of the Members' Meeting to two certified auditors or a recognised audit firm, who submit a report that is communicated to the Minister of Finance, the Bank of Greece and the Hellenic Association of Insurance Companies. For the current financial year, by the decision of the Meeting of Members dated 31.05.2022, the annual audit was entrusted to the audit firm "ASSOCIATED CERTIFIED AUDITORS SA" whose fee amounts to EUR 5,900.00 (plus VAT 24%).

Note 27 Result for the year

The result for the financial year was a surplus of EUR 14,013,590.61, which was transferred to the Equity account "Surplus for the current financial year".

Note 28 Revenue or expenses of particular amount, frequency or significance

In addition to the regular income from insurance companies' contributions and the compensation paid to the beneficiaries of life insurance claims based on the procedures set out in Law 3867/2010 and decision no. 262/23.2.2018 of the Credit and Insurance Committee, there are no other revenues or expenses of particular importance.

Note 29 Revenue and expenses offsetting

No offsetting was carried out.

Note 30 Developments in the Guarantee Fund's claims against insurance companies under insurance liquidation

a) International Life –Life Insurance Company SA under liquidation

The Life Guarantee Fund has a claim against International Life SA under insurance liquidation, which as of 31.12.2022 amounts to EUR 23.751 million and concerns the total compensation to the beneficiaries, including the amount of the withholding tax, where applicable, to the Greek State.

The Life Guarantee Fund, for the above claims, taking into account observable information from the liquidation of these assets, estimates that the remaining recoverable amount from the liquidation proceedings as at 31.12.2022 is EUR 5.6 million. It is recalled that the Guarantee Fund has collected a total of EUR 1.935 million up to 31.12.2022.



Table showing the evolution of the claims of International Life SA under insurance liquidation
(date of licence withdrawal: 15.5.2017):

Reference date	Recognised claims of compensation beneficiaries		Related costs**	Amounts paid for compensation		Amount covered
	Number of claims	Amount of claims in euro*		Number of claims	Value of claims in euro	
31.12.2019- 31.12.2021	5,002	24,082,321.68	19,242.06	4,780	23,419,728.83	97%
31.12.2022	5,018	24,262,850.94	19,242.06	4,830	23,751,784.41	98%

•Figures are shown cumulatively.
* Excluding the amount of the provision established, coming to €1.5 million, for compensation to beneficiaries of International Life SA under insurance liquidation.
** The related costs are fees to external specialist consultants.

b) VDV Leben International AEAZ under special liquidation

The Life Guarantee Fund has notified a payment-conditional claim against VDV Leben International AEAZ under insurance liquidation for EUR 35.7 million, which, after the write-off of claims of EUR 5.2 million and the addition of a claim by final court judgment in a previous financial year, amounted to EUR 30.5 million at the end of the financial year under review. A total amount of EUR 30.2 million has been paid up to the date of preparation of the financial statements and therefore the condition of payment is met for this amount. According to the Balance Sheet of the above insurance undertaking under liquidation available to the Life Guarantee Fund (2015), its total assets amount to EUR 60.2 million. It should be noted that, according to the liquidator's notes, among other things, no provision for impairment has been made on the balance sheet in the accounts for holdings, debtors and receivables from direct insurance activities, totaling EUR 56.9 million. In addition, the company's assets (securities and deposits) are subject to seizure and are frozen in Germany and the lack of funds makes it extremely difficult to enforce them in German courts. It should also be noted that, to date, no distribution of the liquidation proceeds has been made by the insurance company VDV Leben International SA under liquidation.

Table showing the evolution of the claims of VDV Leben International AEAZ under insurance liquidation
(date of licence withdrawal: 10.1.2011):

Reference date	Recognised claims of compensation beneficiaries		Related costs**	Amounts paid for compensation		Amount covered
	Number of claims	Amount of claims in euro*		Number of claims	Value of claims in euro	
31.12.20113 1.12.2021	5,868	30,475,415	269,223.73	5,807	30,237,435	99%
31.12.2022	5,868	30,475,415	271,751.86	5,807	30,237,435	99%

•Figures are shown cumulatively.

* Excluding the amount for compensation to beneficiaries of the life business of VDV Leben International AEAZ which are time-barred, in implementation of the ad hoc decision of the Guarantee Fund's Management Committee based on a relevant opinion and in the absence of a relevant arrangement on time-barring in Law 3867/2010.

** The related costs mainly include the fees of external consultants and lawyers for litigation.

The receivables of the Life Guarantee Fund from insurance companies under liquidation in the current year, including impairments and recoveries from insurance companies under liquidations during the year ended 31 December 2022 is shown in the following table:



Claims from insurance undertakings under insurance liquidation							
Under insurance liquidation	Claims	Additions	Impairment provisions	Impairment reversal*	Collections / Distributions*	Closing balance	Date
International Life- Life Insurance Company SA	23,938,776.26	0.00	(23,938,776.26)	7,560,000.00	(1,858,754.40)	5,701,245.60	31.12.2020
	23,938,776.26	143,545.34	(24,082,321.60)	7,560,000.00	(1,903,359.37)	5,656,640.63	31.12.2021
	24,082,321.60	180,529.34	(24,262,850.94)	7,560,000.00	(1,935,241.10)	5,624,758.90	31.12.2022
VDV Leben International AEAZ	30,475,415.00	0.00	(30,475,415.00)	0.00	0.00	0.00	31.12.2022

* Figures are shown cumulatively.

In the year ended 31.12.2022, the Life Guarantee Fund did not identify any impairment or reversal of impairment of receivables from companies under insurance liquidation. However, the estimate for the development of recoverable amounts may be different from the final liquidation proceeds, as this depends on the progress of the liquidations and external factors such as the economic environment.

Note 31 Collateralisation of liabilities by nature and form of collateral

There are no debts and therefore no collateral has been provided in relation thereto.

Note 32 Other legal matters

As of 31.12.2022, there are pending legal proceedings against the Life Guarantee Fund from policyholders, mainly from an insurance company under liquidation, amounting to approximately EUR 7.5 million, the outcome of which cannot be predicted with certainty. According to the opinion of the legal department and its external associates, the third-party claims have little chance of success. It should be noted that claims amounting to approximately EUR 4.3 million of the above mentioned claims have been rejected either at first or second instance.

Note 33 Legal entity's liabilities falling due five years after the balance sheet date

There are no settled liabilities on the reporting date of the financial statements that are payable after five (5) years.

Note 34 Changes in accounting policies or accounting estimates or corrections of errors

There have been no changes so as to disclose the event and the reasons for the change or correction, and to adequately disclose the related effects on the financial statements' items.

Note 35 Derogation from the implementation of a provision of Law 4308/2014

No derogation was made from the implementation of a provision of Law 4308/2014 in order to fulfil the obligation of article 16(2) on fair presentation and therefore there is no derogation impact on assets, liabilities, equity and outturn to be fully disclosed in the appendix.

Note 36 Events occurring after the Balance Sheet date

Assets and liabilities are adjusted for events occurring between the end of the financial year and the date of approval of the financial statements if they have a material effect on the financial position of the legal entity at the balance sheet date. In the case of events occurring after the balance sheet date that do not affect the

Annual Report 2022 has been written in Greek and translated in English, with the Greek text prevailing over the English in case of any doubt.



amounts in the balance sheet but are so significant that their non-disclosure would affect the ability of users of the financial statements to make proper evaluations and decisions, those events shall be disclosed in the notes to the financial statements.

- **Decisions by Statutory Bodies**

By the decision made by the Members' Meeting of 28.02.2023, pursuant to article 139 of Law 4972/2022, the disbursement of an additional amount of EUR 25 million, using the available funds of the Life Guarantee Fund, was approved, which increases the advance payment of Article 2(5)(a) of Law 3867/2010, bringing it up to EUR 45 million. It should be noted that the entire capital of the advance payment concerns the beneficiaries of claims of Aspis Pronoia SA under insurance liquidation and for which all the conditions of the law are met. The amount of the advance will be allocated against the liability of the Guarantee Fund, ensuring that the beneficiaries are notified thereof by the liquidation.

- **Institutional framework**

It is noted that Law 5024/2023 (Government Gazette A 41/24.2.2023) ("Law") was adopted in early 2023, whose article 35(3) addresses the matter of the beneficiaries of insurance claims of Aspis Pronoia Anonymi Etaireia Genikon Asfaleion and Commercial Value Insurance Company SA (Companies) under insurance liquidation who are inactive and do not participate in the interim distributions of the liquidations of the Companies and the advances of the Life Guarantee Fund. In particular, it is provided that there shall be an automatic write-off of claims included in the List of Life Insurance Claims Beneficiaries (LIBs) of the Companies under insurance liquidation, which are not contested or for which a court judgment has been published and not subject to appeal by 24 February 2023 (date of publication of the Law) and for which payment is pending due to the non-participation of the beneficiaries in the process of interim distributions and advances of the Life Guarantee Fund, if, within a time-limit of one year from the last publication of a relevant call in accordance with the provisions of the above article, they do not submit the necessary distribution documents, as determined by the liquidation of the Companies.

This one-year time-limit also applies to any claim that is included in the LIB by a final court judgment after the entry into force of the above Law, the starting date of the period being the date of publication of the court judgment that finally amends the LIB. In case the above deadline expires without action taken, the relevant claim of the beneficiary included in the LIB shall be automatically extinguished, i.e. deleted, and the beneficiary will not be satisfied either from the proceeds of the company under insurance liquidation or from the Life Guarantee Fund under Article 2(5) (last sentence), 5(a) and 5(b) of Law 3867/2010. Finally, it is noted that the above provision affects the way of proportional distribution of the forty- five million euro advance payment from the Life Guarantee Fund, since the benefit from the write-off of the claim is distributed by the insurance liquidator proportionally to the other beneficiaries, which only concerns Aspis Pronoia SA under liquidation.

Finally, the Irish-based "OCTIUM LIFE DESIGNED ACTIVITY COMPANY", which operates in Greece on a Freedom of Services basis, is in the process of joining and registering in the Register of Members of the Life Guarantee Fund in March 2023.

Athens, 25 April 2023

THE CHAIRMAN OF THE
MANAGEMENT
COMMITTEE

THEODOROS CH.
KONTOVAZAINITIS
ID card no. AH 623617

THE ALTERNATE
CHAIRMAN OF THE
MANAGEMENT
COMMITTEE

ILIAS N. APOSTOLOU
ID card no. AB 511644

THE HEAD OF FINANCE
AND ACCOUNTING UNIT

DIMITRIOS I. THOMAS
ID card no. AK 147757
Class A Licence no. 14176