

## **1) INDEPENDENT AUDITOR'S REPORT**

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**To the members of the Private Life Insurance Guarantee Fund**

### **Audit Report on the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of the Private Law Entity 'Private Life Insurance Guarantee Fund', which comprise the statement of financial position as of 31st December, 2020, the income statement and the statement of changes in equity and the statement of cash flows for the year ended on that date, as well as the Notes section annexed thereto.

In our opinion, the accompanying financial statements give, in all material respects, a true and fair financial position of the Private Law Entity 'Private Life Insurance Guarantee Fund' as of 31st December, 2020 and its financial performance and cash flows for the year then ended, in compliance with the applicable provisions of Law 4308/2014.

#### **Basis for Opinion**

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

#### **Emphasis of matters**

We draw attention to the following issues: 1) Note 10 of the appendix 'Equity' mentions that the Life Guarantee Fund going concern is not affected given that the determination and collection of annual contributions from its companies - members are defined by the founding law, therefore preserving a continued inflow of resources. Furthermore, according to the possibilities allowed by virtue of the founding law (last sections of case h', para. 3 of article 2, L.3867/2010), there is a relevant provision for possible ways of additional funding. It is also highlighted that the working capital on 31.12.2020 amounts to € 54.949 million and is sufficient to cover the Guarantee Fund's short-term liabilities. 2) Note 12 of the appendix 'Provisions for beneficiaries' claims from life insurance of insurance companies under liquidation', where it is mentioned that the provision of a total amount of €153 million for claims to beneficiaries of life insurance from companies whose license had been revoked prior to the Guarantee Fund's founding law publication, was determined considering the submitted data from the liquidations, in application of article 92, Law 4714/31.7.2020, as well as article 2, para. 5 of Law 3867/2010 where it is laid down that the Life Guarantee Fund shall pay to policyholders a 70% of the claim balance from insurance that is not satisfied by the production of liquidation. 3) In note 31 of the appendix "Other legal issues", which describes the existence of pending court cases against the PLIGF, for claims of approximately €9 million, by insured persons mainly in a liquidated insurance company, for the outcome of which a safe forecast cannot be made. According to the legal service and its external partners, third party lawsuits are unlikely to succeed. It is noted that claims of an amount of approximately €3.3 million, out of the above, have been rejected at first instance.

Our opinion is not qualified in respect of these matters.

### **Other information**

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

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

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

### **Management's Responsibilities for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

statements or, if such disclosures are insufficient, to differentiate our opinion. Our conclusions are based on audit evidence obtained by the date of the auditor's report. However, future events or conditions may result in the NPID ceasing to operate as a going concern.

- We evaluate the overall presentation, structure, and content of the financial statements, including disclosures, and whether the financial statements reflect the underlying transactions and facts in a manner achieving fair presentation.

Among other matters, we notify the management of the planned extent and schedule of the audit, as well as significant audit findings, including any substantial deficiencies in internal control that we identify during our audit.

#### **Report on other Legal and Regulatory Requirements**

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

a) In our opinion, the Annual Report of PLIGF has been prepared in accordance with the applicable legal requirements of articles of Law 3867/2010, as in force, and its content corresponds to the attached financial statements of the fiscal year ended on 31.12.2020.

b) On the basis of the knowledge we have acquired during our audit on the Private Life Insurance Guarantee Fund (PLIGF) and its environment, we have not identified any material misstatements in the Annual Report of its Management Committee.

Athens, May 19, 2020

The Certified Auditor Accountant

Ilias Kalinderis

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



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## 2) FINANCIAL POSITION STATEMENT

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

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

Balance Sheet 2020 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

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

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

#### 4) STATEMENT OF CHANGES IN EQUITY

##### Statement of Changes in Equity for the period

	Start up capital	Results carried forward	Fair value differences	Total
<b>Balance on 01.01.2019</b>	<b>1,505,431.37</b>	<b>42,625,976.32</b>	<b>0.00</b>	<b>44,131,407.69</b>
Changes of assets in the period	0.00	0.00	0.00	0.00
Results (Surplus/(Deficit)) of the period		13,695,361.00	0.00	13,695,361.00
Changes in accounting policies	0.00	0.00	0.00	0.00
<b>Balance on 31.12.2019</b>	<b>1,505,431.37</b>	<b>56,321,337.32</b>	<b>0.00</b>	<b>57,826,768.69</b>
Changes of assets in the period	0.00	0.00	37,379.00	0.00
Results (Surplus/(Deficit)) of the period		(133,024,766.59)	0.00	(133,024,766.59)
<b>Balance on 31.12.2020</b>	<b>1,505,431.37</b>	<b>(76,703,429.27)</b>	<b>37,379.00</b>	<b>(75,160,618.90)</b>

Athens, May 18, 2021

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OF THE MANAGEMENT  
COMMITTEE

VICE-CHAIRMAN OF THE  
MANAGEMENT COMMITTEE

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