

## **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 31 December, 2019, the statement of income and the statement of changes in equity and the statement of cash flows for the year ended on that date, as well as the Notes section annexed thereto.

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

##### **Basis for Opinion**

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

##### **Emphasis of Matters**

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Insurance Guarantee Fund to pay compensations to the policyholders of two (2) insurance companies whose license has been revoked, before the publication of Law 3867/2010.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

Our opinion is not qualified in respect of these matters.

##### **Other information**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Athens, 19 May, 2020

The Certified Auditor

Andreas G. Diamantopoulos

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## 2) FINANCIAL POSITION STATEMENT

### PRIVATE LIFE INSURANCE GUARANTEE FUND, Private Law Entity BALANCE SHEET dated DECEMBER 31ST 2019 10TH FINANCIAL YEAR (01.01.2019 - 31.12.2019)

PRIVATE LIFE INSURANCE GUARANTEE FUND, Private Law Entity							
BALANCE SHEET dated DECEMBER 31ST 2019							
10TH FINANCIAL YEAR (01.01.2019 - 31.12.2019)							
ASSETS	Note	2019	2018	LIABILITIES	Note	2019	2018
				<i>Amounts in euro</i>			
<b>Non-Current Assets</b>				<b>Equity</b>			
Assets		0,05	0,04	Primary Insurance Cover Fund Equity			
				Start up capital	9	1.505.431,37	1.505.431,37
	Total	0,05	0,04		Total	1.505.431,37	1.505.431,37
<b>Total non-current assets</b>	4	0,05	0,04	Surplus /(Deficit) carried forward	10		
				from previous financial years		42.625.976,32	56.550.323,57
<b>Current assets</b>				in the current year	25	13.695.361,00	(13.924.347,25)
Financial Assets					Total	56.321.337,32	42.625.976,32
Claims from contributions	6	2.226.508,83	2.115.770,02	<b>Total equity</b>		<b>57.826.768,69</b>	<b>44.131.407,69</b>
Accrued income/expenses of the period		712,49	0,00	<b>Provisions</b>			
Other claims	5	124.990,43	118.133,80	Provisions for employees benefits	11	16.110,26	16.110,26
Other financial assets	7	50.291.361,02	50.414.213,22	Other provisions	12	12.767.740,49	25.737.980,00
Cash and cash equivalents	8	18.046.524,36	17.275.758,07	Revaluation accounts		0,00	0,00
	Total	70.690.097,13	69.923.875,11	<b>Total</b>		<b>12.783.850,75</b>	<b>25.754.090,26</b>
<b>Total current assets</b>		<b>70.690.097,13</b>	<b>69.923.875,11</b>	<b>Liabilities</b>			
				<i>Short term liabilities</i>			
				Suppliers		48.417,09	5.357,32
				Income tax	14	0,00	7.058,68
				Other taxes and duties	13	4.264,19	3.811,66
				Social security organizations	15	7.041,69	6.648,69
				Beneficiaries of offered coverage	12	14.240,81	10.540,85
				(article.7 L.3867/10)			
				Accrued financial year expenses	16	5.513,96	4.960,00
					Total	79.477,74	38.377,20
				<b>Total liabilities</b>		<b>79.477,74</b>	<b>38.377,20</b>
<b>Total assets</b>		<b>70.690.097,18</b>	<b>69.923.875,15</b>	<b>Total equity, provisions and liabilities</b>		<b>70.690.097,18</b>	<b>69.923.875,15</b>

### 3) INCOME STATEMENT

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

INCOME STATEMENT dated DECEMBER 31st 2019 (01.01.2019 to 31.12.2019)			
	Note	2019	2018
Contribution	17	14.088.478,67	11.812.105,80
Other income	18	980,43	4.387,40
Benefits to employees	19	(156.457,67)	(158.569,99)
Depreciations	4	(298,99)	0,00
Other expenses and losses	20	(178.416,02)	(126.337,03)
Provision to beneficiaries of offered coverage under article 7 L.3867/10	12	(8.822,00)	(25.500.000,00)
<b>Earnings Before Interest and Taxes, (EBIT)</b>		<b>13.745.464,42</b>	<b>(13.968.413,82)</b>
Credit interest & similar income	21	(44.059,57)	56.195,47
Debit interest & similar expenses	22	(6.043,85)	(5.067,04)
<b>Results before tax</b>		<b>13.695.361,00</b>	<b>(13.917.285,39)</b>
Income taxes		0,00	(7.061,86)
<b>Result of the period after tax</b>		<b>13.695.361,00</b>	<b>(13.924.347,25)</b>

#### 4) STATEMENT OF CHANGES IN EQUITY

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

	Capital	Retained earnings	Total
<b>Balance on 01/01/2018</b>	<b>1.505.431,37</b>	<b>56.550.323,57</b>	<b>58.055.754,94</b>
Changes of assets in the period	0,00	0,00	0,00
Results (Surplus/(Deficit)) of the period		(13.924.347,25)	(13.924.347,25)
Changes in accounting policies	0,00	0,00	0,00
<b>Balance on 31.12.2018</b>	<b>1.505.431,37</b>	<b>42.625.976,32</b>	<b>44.131.407,69</b>
Changes of assets in the period	0,00	0,00	0,00
Results (Surplus/(Deficit)) of the period		13.695.361,00	13.695.361,00
<b>Balance on 31.12.2019</b>	<b>1.505.431,37</b>	<b>56.321.337,32</b>	<b>57.826.768,69</b>

Athens, 18 May, 2020

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