

Annual report published according to:

Order of the President of the Insurance Supervisory Commission (ISC) no. 113.119/2006, for the enforcement of the rules on minimum information annually published by insurers.

Name and legal form of the insurer:

GOTHAER Asigurări Reasigurări S.A. (formerly PLATINUM Asigurări Reasigurări S.A., name changed starting with February the 8th 2013, due to the fact that the Company became a member of GOTHAER group)

Headquarters:

6A Barbu Delavrancea Str., District 1, Bucharest, Romania

Trade Register Number:

J40/12276/2006

Company Sole Registration Code:

18892336

Number and date of authorization by ISC:

114146/05.12.2006

Insurers Registration Number:

RA-057 / 06.12.2006

OVERVIEW

GOTHAER Asigurari Reasigurari is a general insurance company, part of GOTHAER Group, that provides its clients and partners with a wide range of high quality products and services, customized to meet various needs of insurance, with lines of development that start both from the types of insurance specific to the insurance market and from innovative products that bring added value and coverage to its clients.

GOTHAER is an insurer with over 230 employees and over 154 mio RON gross written premiums in 2018.

GOTHAER Group, holds 100% of the company shares. With nearly 200 years of experience, GOTHAER is one of the largest insurance groups in Germany and one of the largest mutual insurance companies in the region.

GOTHAER products are available through its offices from Bucharest and other large cities in Romania, via direct agents and authorized brokers and also online, at www.gothaer.ro.

Our vision

With accountability, integrity and innovation to achieve excellence in service and customer care, we want to be the preferred first choice insurer for our clients and partners.

Our mission

We want to protect and improve the lives of our clients, their families and their business, by offering quality insurance solutions that go beyond traditional insurance boundaries and expectations.

Hence the positioning of GOTHAER - "Insurance and a little extra" - which translates into added value both to our products and services, being also what recommends us and precisely represents the business model that we follow in all our actions.

Our values

- ✓ **Safety.** Rely on GOTHAER's support in many aspects of our long-term partnership.
- ✓ **Trust.** We promise what we can offer you and we offer you more than we promised.
- ✓ **Experience.** Trust our long and historical expertise and presence in the insurance area.
- ✓ **Flexibility.** We are able to professionally adapt to new circumstances.
- ✓ **Innovation.** We are one step ahead to develop products and services that meet our clients' current and future needs.
- ✓ **Passion.** We are fully committed to our clients.

We are a strong supporter of the importance and benefits of home insurance, that is why GOTHAER is one of the main founders of PAID, Pool of Insurance Against Natural Disaster, participating with 15% in the capital of PAID, the maximum participation rate allowed by law.

Contact data

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garantii.gothaer.ro.

SHARE CAPITAL of the Company as of December 31st 2018 is 80,894,230 RON and it is represented by 197,303 shares with a nominal value of 410 RON/ share.

Since entering the company, the Group investments into GOTHAER Asigurări Reasigurări exceeded 54 mio EUR, out of which 9.5 mio EUR in 2018, contributing to its development and financial stability.

SHAREHOLDING STRUCTURE as of December 31st 2018:

GOTHAER Finanzholding AG – 99.999493%
GOTHAER Pensionskasse AG – 0.000507%

COMPANY'S MANAGEMENT as of December 31st 2018:

The company is organized in a unitary system. The Board of Directors as of December 31st 2017 consisted of:

- CHRISTOPHER LOHMANN
- KLAUS-CHRISTOPHER REICHERT
- ANNA KATARZYNA WLODACZYK MOCZKOWSKA
- MAXIM EVTUSCHENKO

THE EXECUTIVE MANAGEMENT as of December 31st 2018 consisted of:

- ANCA BĂBĂNEAȚĂ – CEO;
- IONUȚ BACIU – Deputy CEO
- COSMIN ANGHELUȚĂ – Deputy CEO



OVERVIEW OF THE MOST RELEVANT FINANCIAL INDICATORS:

- Gross Written Premiums in 2018 reached 154.4 Mio RON versus 119.07 Mio RON in 2017;
- The gross claims ratio in 2018 attained 69.1% versus 39.9% in 2017;
- On 31st of December 2018, the Company reports a 2.19 liquidity ratio and 129% Solvency II margin (SCR).

INSURANCE CATEGORIES AND CLASSES

Based on the authorization issued by the Insurance Supervisory Commission, GOTHAER offers the following classes of general insurance:

1. Accident insurance (including occupational accidents and diseases);
2. Health insurance;
3. Insurance for on-land means of transportation (others than on railways);
4. Insurance for on-railway means of transportation;
5. Insurance for on-air means of transportation;
6. Insurance for sea, lake and river means of transportation;
7. Insurance for goods in transit;
8. Arson and Acts of God insurance;
9. Property damage insurance;
10. Insurance for carrier's civil liability;
11. Insurance for civil liability for air means of transportation;
12. Insurance for civil liability for sea, lake and river means of transportation;
13. General civil liability insurance;
14. Loan insurance;
15. Bonds insurance;
16. Financial loss insurance;
17. Legal protection insurance;
18. Assistance insurance of the persons in need while traveling or away from home or from their permanent place of residence.

The company is not authorized to practice Motor Third Party Liability (MTPL).

INSURANCE ACTIVITY

The value of the gross written premiums in 2018 was 154,424,065 RON, and the number of contracts in force at the end of year was 70,904 and the number of new contracts more than 200 thousand.

The volume of paid gross indemnities was 69,970,416 RON, while the value of the approved claims reserves as of December 31st 2018 amounts to 70,066,063 RON.

COVERAGE DISTRIBUTION

As of the 31st of December 2018, the Company conducted its activity through its headquarters in Bucharest and through its network of 3 branches, 1 agency and 3 bias points. The company's distribution network as of December 31st 2018 consists of:

- 112 employees in sales, out of 243 permanent employees of the Company;
- 62 active insurance agents;
- 190 active brokerage companies.

CLAIMS SERVICES AT GOTHAER

In 2018, GOTHAER continued to keep its promise made to Company's clients, i.e.: the payment of claim files correctly and in due time. The Company managed to pay the M.O.D. (Motor on Damage) claims of only 4.8 days in average after the date for submission of the last document.

The implementation of the NPS system ("Net Promoter Score and System"), by which the Company is constantly measuring the satisfaction degree of the clients at claims which helps us adjust consequently our processes to their needs. NPS at the issuance date of this report is 87.

CLAIM CENTERS

The work of finding and prosecuting the cases of claims files is conducted and coordinated centrally by the Company's specialized personnel.

In order to offer its clients quick and prompt services, GOTHAER has a dedicated claims facility in Bucharest at the following address: 319 Splaiul Independentei, District 6, inside the Sema Park.

At national level, the work of finding and prosecuting is conducted by our own representatives in the territorial network of the Company, or via national and international contracts in order to establish the claims.

For the compensation of the insurance for the persons in need while travelling or away from home or from their permanent place of residence, the Company collaborates with APRIL Roumanie international network offices.

REINSURANCE PROGRAM

For year 2018, the Company built complex and comprehensive reinsurance programs with acknowledged reinsurers worldwide such as Gen Re, SCOR, Hannover Re, Sirius, Nationale Borg, Atradius, Transatlantic, Lloyd's Syndicates, Swiss Re, Endurance, Vig Re, R+V, Deutsche Ruck, Mapfre Re and others, thus properly protecting the undertaken liabilities.

The reinsurance program covering all the important portfolios of the Company accounted for the effectiveness of the security by insurance provided by the company. GOTHAER purchased services of reinsurance with proportional and non-proportional coverage and used mandatory and optional reinsurance treaties to limit its risk exposure for the undertaken classes of insurance. The structure and large coverage provided by the reinsurance programs as well as the prudential deductions of the Company thereof support the financial stability of the Company.

The company's exposure to Acts of God hazards is continuously monitored, GOTHAER constituting all the reserves for natural disasters, in accordance with the law in force. The level of the undertaken liabilities for natural disaster hazards is protected by a specific reinsurance contract covering the Company in case of any such catastrophic event.

SOLVENCY II

2018 was a challenging year for GOTHAER Asigurari Reasigurari. On the one hand, it was possible to continue the growth dynamics, on the other hand especially for claims it was a substandard year leading to a not anticipated higher loss and consequently to a delay in reaching the break-even point. As a result, the Company will reshape/redesign its business model and focus on implementing the new business model in 2019. The outlook into 2019 reflects this new challenge as the focus shifts from growth to a sustainable business model.

In a full Solvency II compliant environment, the Company, through own efforts and support from its shareholders, ensures a comfortable solvency ratio of 129% SCR and 338% MCR as at end of 2018, these results being already audited at the moment of writing the report.

The 2018 GOTHAER Asigurări Reasigurări Solvency and Financial Condition Report (SFCR) - is the third annual reporting prepared under the Solvency II Pillar 3 reporting requirements.

The 2018 GOTHAER Asigurări Reasigurări SFCR has been prepared in compliance with EIOPA Guidelines on Reporting and Public Disclosure and local legal requirements, as stipulated in the Law 237/2015 on the authorization and supervision of insurance and reinsurance undertakings and Norm 21/2016 regarding reporting, with subsequent amendments and completion.

The SFCR Report relevant for the year 2018 was reviewed and approved by the Company's Board of Directors and is published on the Company's website, www.gothaer.ro.



Short version of Profit and Loss Statement as at 31.12.2018

TECHNICAL ACCOUNT	RON
Net written premiums (rd.5)	76,997,321
Part of net income transferred from non-technical account	-
Other technical revenues - net of reinsurance (rd.7)	13,590,035
Claims paid net of reinsurance (rd.8)	37,399,561
Change in gross claims provisions net of reinsurance (rd.12)	22,405,269
Change in other technical reserve , net of reinsurance (rd.16)	4,291,158
Net operating expenses (rd.22)	67,069,475
Other operating expenses net of reinsurance (rd.23)	12,080,376
Result of technical account (rd. 24/25)	-52,658,483

NON-TECHNICAL ACCOUNT	RON
Investments income (rd.12)	2,102,828
Expenses with assets investment (rd.15)	16,645
Part of net income transferred to technical account	-
Other non-technical incomes (rd.21)	1,160,428
Other non-technical expenses, including provisions and impairments for depreciation (rd.22)	906,784
Gross result (rd.35)	-50,318,656
Income tax (rd.37)	-
Net result (rd.39)	-50,318,656

Short version of Balance sheet as at 31.12.2018

ASSETS	RON
Intangible assets	2,989,349
Tangible assets	1,424,840
Investments	59,711,243
Technical reserves - ceded	6,414,565
Insurance receivables	41,406,431
Other receivables	21,256,934
Raw materials	16,491
Expenses in advance	25,401,328
Petty cash and bank accounts	65,511,588
Other assets	527,062
TOTAL ASSETS	284,132,769

LIABILITIES	RON
Share capital, of which:	80,894,230
Paid in share capital	80,894,230
Share premium account	138,707,068
Reserve	14,793
Retained earnings (Debit balance)	128,465,457
Current result (Debit balance)	50,318,656
Technical reserves	170,253,345
Provizions	10,678,681
Reinsurance liabilities	36,030,784
Deposits received from reinsurers	-
Other liabilities	19,268,946
Deffered income	7,069,035
TOTAL LIABILITIES	284,132,769

Note - Drafting the short form of the financial statements pursuant to FSA Rule No. 6/2017

In implementing the provisions of FSA Rule no. 6/2017 amending and supplementing the Accounting Regulations on the individual annual financial statements and the consolidated annual financial statements of the undertakings carrying on the business of insurance and/or reinsurance, approved by the Financial Supervisory Authority Rule No. 41/2015, the Company's management retrieved the information from the financial statements relevant for the financial year ended on December 31st, 2018.

The short form of the financial statements includes the short form of the balance sheet as at December 31st, 2018 and the short form of the profit and loss account relevant for the financial year ended on December 31st, 2018, was retrieved in the aggregate, unaltered, from the financial statements relevant for the financial year ended on December 31st, 2018, and was drawn up in accordance with FSA Rule no. 41/2015 approving the Accounting Regulations on the individual annual financial statements and the consolidated annual financial statements of the undertakings carrying on the business of insurance and/or reinsurance ("Rule 41/2015"). The short form of the financial statements is consistent therewith and also includes an explanatory note, which has not been retrieved from the financial statements.

The short form of the financial statements does not include all presentations as required by Rule 41/2015. Thus, reading the short form of the financial statements is not a substitute for reading the Company's audited financial statements.

