

Annual report published according to:

Financial Supervision Authority (ASF) Norm no. 6/2017, for the amendment and completion of the Accounting Regulations regarding the individual annual financial statements and the consolidated annual financial statements of the entities carrying out insurance and / or reinsurance activity, approved by the Financial Supervisory Authority Norm no. 41/2015

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:

42 Pipera Str., 16th floor and 1st floor, District 2, 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 135 employees and over 77 mio RON gross written premiums in 2020.

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

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

42 Pipera Road, 16th Floor and 1st Floor, district 2, Bucharest, Romania;

Tel. 021.2.000.000; www.gothaer.ro; online.gothaer.ro.

SHARE CAPITAL of the Company as of December 31st 2020 is 32,710,210 RON and it is represented by 79,781 shares with a nominal value of 410 RON/ share.

Since entering the company, the Group investments into GOTHAER Asigurări Reasigurări exceeded 57 mio EUR, contributing to its development and financial stability.

SHAREHOLDING STRUCTURE as of December 31st 2020:

GOTHAER Finanzholding AG – 99.9987%

GOTHAER Pensionskasse AG – 0.0013%

COMPANY'S MANAGEMENT as of December 31st 2020:

The company is organized in a unitary system. The Board of Directors as of December 31st 2020 consisted of:

- KLAUS-CHRISTOPHER REICHERT
- Dr. GERHARD WALTER WEIDENFELD
- POPESCU PĂUNICA GEORGINA

The Executive Management as of December 31st 2020 consisted of:

- LESLIE JONES BREER – CEO;
- REINER TÜRRE – Deputy CEO
- COSMIN ANGHELUȚĂ – Deputy CEO



OVERVIEW OF THE MOST RELEVANT FINANCIAL INDICATORS:

- Gross Written Premiums in 2020 reached 77 Mio RON versus 90 Mio RON in 2019;
- The gross claims ratio in 2020 attained 66.8% versus 51.6% in 2019;
- On 31st of December 2020, the Company reports a 1.62 liquidity ratio and 156% 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 2020 was 77,843,535 RON, and the number of contracts in force at the end of year was more than 42 thousands and the number of new contracts more than 61 thousands.

The volume of paid gross indemnities was 66,881,915 RON, while the value of the approved claims reserves as of December 31st 2020 amounts to 56,977,073 RON.

COVERAGE. DISTRIBUTION

As of the 31st of December 2020, the Company conducted its activity through its headquarters in Bucharest and through its network of 2 branches, 1 agency and 3 bias points. The company's distribution network as of December 31st 2020 consists of:

- 60 employees in sales, out of 136 permanent employees of the Company;
- 28 active insurance agents;
- 178 active brokerage companies.

CLAIMS SERVICES AT GOTHAER

In 2020, 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 8.4 days in average after the date for submission of the last document.

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 2020, the Company built complex and comprehensive reinsurance programs with acknowledged reinsurers worldwide, rated at least A- by Standard & Poor's, thus properly protecting the liabilities assumed.

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 reinsurance services with proportional and non-proportional coverage and used automatic and facultative reinsurance contracts 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 retentions of the Company thereof support the financial stability of the Company. The company's exposure to Natural disaster perils is continuously monitored, GOTHAER constituting all the reserves for natural disasters, in accordance with the applicable law. The level of the undertaken liabilities for natural disaster perils is protected by a specific reinsurance contract covering the Company in case of any such catastrophic event.

SOLVENCY II

Starting 2019 Gothaer performed a major reshaping process with a selective growth and more risk orientated underwriting strategy. Consequently certain lines of business were reviewed and portfolio risk reduction was implemented by closing Agro business, revising the underwriting strategy in Bonds, MOD Leasing and corporate lines. In addition the overall cost structure was analyzed and this has led to substantial cost reductions mainly by reducing staff and other cost with the target to improve medium term results.

Starting with February 2020 the COVID 19 pandemic emerged and became a significant emerging risk taking central stage in the economy and financial markets.

Since March 2020 till present, Romania has gone through the state of emergency followed by the state of alert, a situation that already affected the real economy at all levels and continues causing increasing uncertainty and economic risk.

Thus, in order to limit its adverse effects and ensure continuity of activity in the event of the spread of the disease the company has taken a number of measures to raise awareness among employees and business partners about the effects of the pandemic and limit the possible losses caused by this situation. At the time the pandemic emerged, the company already anticipated that it would be affected especially by a decrease in sales caused by the economic slowdown, a potential volatility in claims for certain types of products, a volatile financial market which might affect the company's investments, changes at the organizational level considering the working from home and moving the activity in online environment (perform online surveys, issue online policies, online payments both for new policies and installments for old policies, other facilities implemented in order to make easier the access to company's online services).



Taking into consideration this extraordinary developments, the overall market development and due to the uncertainties caused by the pandemic on the business plan, the business development in 2020, although being behind the plan, was satisfactory. The Company kept its solvency ratios at 156% SCR and 276% MCR as at end of 2020, these results being already audited at the moment of writing the report.

On December 9th, 2020 Gothaer Group and AllianzTiriac announced that they agreed on a sale of Gothaer Asigurari Reasigurari to AllianzTiriac. This transaction is still subject to regulatory approvals and it is assumed to be finalised during 2021. Until this date, Gothaer Asigurari Reasigurari will perform its business as planned and in the ordinary course of business and unaffected by this transaction.

The 2020 GOTHAER Asigurări Reasigurări Solvency and Financial Condition Report (SFCR) - is the fifth annual reporting prepared under the Solvency II Pillar 3 reporting requirements. The 2020 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 2020 was reviewed and approved by the Company's Board of Directors and it is published on the Company's website, www.gothaer.ro.

Short version of Profit and Loss as at 31.12.2020

TECHNICAL ACCOUNT	RON
Net written premiums (rd.5)	48,866,470
Other technical revenues - net of reinsurance (rd.7)	17,469,529
Claims paid net of reinsurance (rd.8)	31,875,332
Change in gross claims provisions net of reinsurance (rd.12)	-979,676
Change in other technical reserve, net of reinsurance (rd.16+rd. 17)	1,605,670
Net operating expenses (rd.22)	42,994,471
Other operating expenses net of reinsurance (rd.23)	16,037,062
Result of technical account (rd. 24/25)	-25,196,860

NON-TECHNICAL ACCOUNT	
Investments income (rd.12)	3,319,595
Expenses with assets investment (rd.15)	10,851
Other non-technical incomes (rd.21)	801,339
Other non-technical expenses, including provisions and impairments for depreciation (rd.22)	465,294
Gross result (rd.35)	-21,552,071
Income tax (rd.37)	-
Net result (rd.39)	-21,552,071

Short version of Balance sheet as at 31.12.2020

ASSETS	RON
Intangible assets	1,684,600
Tangible assets	580,208
Investments	58,392,991
Technical reserves - ceded	38,898,035
Insurance receivables	19,993,845
Other receivables	36,809,230
Raw materials	32,801
Expenses in advance	16,978,074
Petty cash and bank accounts	21,874,972
Other assets	599,505
TOTAL ASSETS	195,844,261

LIABILITIES	RON
Share capital, of which:	32,710,210
Paid in share capital	32,710,210
Share premium account	148,515,818
Reserve	14,793
Retained earnings (Debit balance)	142,077,440
Current result (Debit balance)	21,552,071
Technical reserves	125,548,215
Provisions	3,428,304
Reinsurance liabilities	34,646,501
Deposits received from reinsurers	-
Other liabilities	10,860,425
Deffered income	3,749,506
TOTAL LIABILITIES	195,844,261

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, 2020.

The short form of the financial statements includes the short form of the balance sheet as at December 31st, 2020 and the short form of the profit and loss account relevant for the financial year ended on December 31st, 2020, was retrieved in the aggregate, unaltered, from the financial statements relevant for the financial year ended on December 31st, 2020, 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.

