

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 140 employees and over 90 mio RON gross written premiums in 2019.

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

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

SHARE CAPITAL of the Company as of December 31st 2019 is 84,789,230 RON and it is represented by 206,803 shares with a nominal value of 410 RON/ share.

Since entering the company, the Group investments into GOTHAER Asigurări Reasigurări exceeded 57 mio EUR, out of which 3.5 mio EUR in 2019, contributing to its development and financial stability.

SHAREHOLDING STRUCTURE as of December 31st 2019:

GOTHAER Finanzholding AG – 99.999516%

GOTHAER Pensionskasse AG – 0.000484%

COMPANY'S MANAGEMENT as of December 31st 2019:

The company is organized in a unitary system. The Board of Directors as of December 31st 2018 consisted of:

- DR.CHRISTOPHER LOHMANN
- KLAUS-CHRISTOPHER REICHERT
- Dr. GERHARD WALTER WEIDENFELD MAXIM EVTUSCHENKO
- POPESCU PĂUNICA GEORGINA



THE EXECUTIVE MANAGEMENT as of December 31st 2019 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 2019 reached 90 Mio RON versus 154 Mio RON in 2018;
- The gross claims ratio in 2019 attained 51.6% versus 69.1% in 2018;
- On 31st of December 2019, the Company reports a 2.15 liquidity ratio and 167% 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 2019 was 90,179,976 RON, and the number of contracts in force at the

end of year was more than 50 thousands and the number of new contracts more than 135 thousands.

The volume of paid gross indemnities was 99,665,255 RON, while the value of the approved claims reserves as of December 31st 2019 amounts to 56,685,426 RON.

COVERAGE. DISTRIBUTION

As of the 31st of December 2019, 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 2019 consists of:

- 61 employees in sales, out of 146 permanent employees of the Company;
- 33 active insurance agents;
- 187 active brokerage companies.

CLAIMS SERVICES AT GOTHAER

In 2019, 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 5.1 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 2019, the Company built complex and comprehensive reinsurance programs with acknowledged reinsurers worldwide, rated at least A- by Standard & Poor's, 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

In 2019, the Company has reshaped/redesigned and implemented a new business model, the focus being shifted from growth to a more sustainable and less volatile business model. On 19.02.2019, the Extraordinary Shareholders Meeting adopted a Resolution deciding to reshape the Company's business on a going-concern basis and requesting and delegating to the Board of Administration to develop and approve the New Business Plan. The New Business Plan was approved by the Board of Administration by decision no. 14 of 19.03.2019, by the shareholder by decision 4/27.03.2019 and was submitted to FSA on 29.03.2019.

The process of reshaping the strategy was fixed in the New Business Plan and focused on reducing more risky LoB's with low frequency but high claims and to increase efficiency by reducing the cost structure mainly but not limited to personnel cost by reducing staff in order to improve results on a medium term perspective. After many years of following a more risky growth strategy, the shareholders revised certain lines of business (LoB). This changes were mainly for the following LoB's:

- Cessation / limitation of particularly volatile Lines of Business (cessation of Agro, re-orientation of Bonds);
- Stricter rules applicable to multiannual contracts;
- Increased focus on technical profitability, particularly for Casco business; this also brings about a reduction of premium volumes for Casco;
- Conscious growth in profitable Lines of Business;
- Property and other corporate lines with revised risk appetite.



In a full Solvency II compliant environment, the Company, through support from its shareholders, improved its solvency ratios to 167% SCR and 356% MCR as at end of 2019, these results being already audited at the moment of writing the report.

The 2019 GOTHAER Asigurări Reasigurări Solvency and Financial Condition Report (SFCR) - is the fourth annual reporting prepared under the Solvency II Pillar 3 reporting requirements.

The 2019 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 2019 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 as at 31.12.2019

TECHNICAL ACCOUNT	RON
Net written premiums (rd.5)	68,420,208
Other technical revenues - net of reinsurance (rd.7)	21,051,777
Claims paid net of reinsurance (rd.8)	42,268,231
Change in gross claims provisions net of reinsurance (rd.12)	-178,385
Change in other technical reserve, net of reinsurance (rd.16+rd. 17)	-421,575
Net operating expenses (rd.22)	53,810,682
Other operating expenses net of reinsurance (rd.23)	16,399,561
Result of technical account (rd. 24/25)	-22,406,529

NON-TECHNICAL ACCOUNT	RON
Investments income (rd.12)	3,155,543
Expenses with assets investment (rd.15)	10,295
Other non-technical incomes (rd.21)	1,553,069
Other non-technical expenses, including provisions and	585,386

impairments for depreciation (rd.22)	
Gross result (rd.35)	-18,293,598
Income tax (rd.37)	-
Net result (rd.39)	-18,293,598

Short version of Balance sheet as at 31.12.2019

ASSETS	RON
Intangible assets	2,626,768
Tangible assets	1,004,696
Investments	65,114,195
Technical reserves - ceded	43,376,995
Insurance receivables	23,677,449
Other receivables	33,787,706
Raw materials	11,049
Expenses in advance	18,344,948
Petty cash and bank accounts	41,003,687
Other assets	645,260
TOTAL ASSETS	229,592,753

LIABILITIES	RON
Share capital, of which:	84,789,230
Paid in share capital	84,789,230
Share premium account	144,312,068
Reserve	14,793
Retained earnings (Debit balance)	178,784,113
Current result (Debit balance)	18,293,598
Technical reserves	131,188,325
Provisions	6,417,945
Reinsurance liabilities	33,869,914
Deposits received from reinsurers	-
Other liabilities	21,105,800
Deferred income	4,972,389
TOTAL LIABILITIES	229,592,753

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, 2019.

The short form of the financial statements includes the short form of the balance sheet as at December 31st, 2019 and the short form of the profit and loss account relevant for the financial year ended on December 31st, 2019, was retrieved in the aggregate, unaltered, from the financial statements relevant for the financial year ended on December 31st, 2019, 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.

