

ANNUAL REPORT 2018- SUMMARIZED VERSION ONIX ASIGURARI S.A.

The annual report is drawn up in accordance with Rule no. 41/2015 approving the Accounting Regulations Concerning the Individual and Consolidated Annual Financial Statements of Entities active in the Insurance and/or Reinsurance Business.

Company name: ONIX ASIGURARI S.A.

Legal status: Joint-stock company

Order number in the Registry of Insurers: RA - 31/10.04.2003

Trade Registry Office number (Incorporation number): J40/7361/2012

Fiscal Registration Number: 10509908

LEI Code: 213800TOAW5GTMZ1BL19

Registration number of the notification for the personal data processing: 25821

Registered office: Bucharest, Daniel Danielopolu Street, no.2, 3rd Floor, District 1

Shareholders Structure as at 31 December 2018:

1. Egadi Company S.R.L. : 99.993360 %
2. Lentini Simone : 0.006640 %

The share capital in the amount of 50,000,000 RON is divided into 500,000 registered shares with a nominal value of 100 RON/share.

The Company management and administration:

During the period 1 January 2018 - 31 December 2018, the company was managed by:

- ❖ The General Shareholders Assembly;
- ❖ The Managing Board;
- ❖ The Executive Management.

The Managing Board on 31 December 2018 was composed of the following persons:

- | | |
|-------------------|--------------|
| Delia Arsenie | – President; |
| Costina Niculae | – Member; |
| Florentina Stoian | – Member. |

The Executive Management on 31 December 2018 was ensured by:

- | | |
|-----------------|--------------------------|
| Delia Arsenie | – General Manager |
| Adriana Cirstei | – Deputy General Manager |

Concise management report on 31 December 2018

ONIX ASIGURARI SA is a joint-stock company, authorized for non-life insurance activities, as per CAEN Number 6512 and it is functioning at its registered office in Bucharest, Daniel Danielopolu Street, no.2, 3rd Floor, District 1, Romania.

Based on the freedom to provide services in the EU, the Company is authorized to underwrite insurance policies from class no. A.13 - General Liability, no. A 14 - Credit; no. A 15 - Suretyship and no. A 16 - Miscellaneous financial losses in Austria, Bulgaria, France, Germany, Italy, Portugal, Spain.

As regard the Company's request for extension of its insurance activity based on the freedom of services for class A.15, the undertaking received the ASF Decision no. 401/27.03.2018 for the following member states: Croatia, Greece, Poland, Slovenia and Hungary and ASF Decision no. 794/28.06.2018, for United Kingdom of Great Britain and Northern Ireland.

Based on the right of establishment, the Company was granted with the authorization for its Italian branch for insurance classes: no. A 14 – Credit, no. A 15 - Suretyship and no. A 16 - Miscellaneous financial losses, but the branch was not operational during 2018.

On 9 February 2018, Italian State Council issued the final and irrevocable decision no. 00837 to dismiss IVASS decision no. 51-13-000856 from 20.12.2013.

From May 2018 the Company has restarted the underwriting activity on the Italian market based on freedom of services right.

General information:

During 2018, the Company issued a number of 432 new suretyship insurance policies, the value of the gross premiums written was RON 64,156,291 and the value of gross premiums cancelled was RON 6,627,368 corresponding to 14 canceled policies.

The Company complied with all legal provisions concerning the acceptable categories to cover the technical provisions and the assets evaluations criteria as well.

The main economic-financial indicators for the year ended on 31 December 2018 (amounts in RON):

Total Income	60,356,101
Total Expenses	51,195,567
The Yearly Gross Result	9,160,534
Profit Tax	1,363,544
The Yearly Net Result	7,796,990
Total Balance-sheet Assets	160,193,395
Gross Claims Paid	972,479

Solvency ratios as at 31 December 2018 (amounts in RON- not yet audited):

Own Funds	91,179,177
Solvency Capital Requirements	45,529,613
Minimum Capital Requirements	17,267,160

As regard to the reinsurance as risk- reduction measure, in 2018, the Company signed a reinsurance contract „quota share” type, aiming to ensure a better protection from loss risk. The contract has been extended also for 2019.

Insurance Categories and Classes for which the Company is authorized to underwrite:

The Company is authorized to practice the following insurance classes as they are provided by ASF decision no. 1819/ 14.12.2017:

- A.1.** Accidents, including industrial injury and occupational diseases;
- A.3.** Land vehicles, other than railway rolling stock; covering all damage or loss of: motor vehicles and other vehicles;
- A.7.** Goods in transit, irrespective of the form of transport; covering all damage or loss of: merchandise, baggage or other goods;
- A.8.** Fire and natural forces, covering all damage or loss of property, other than property included in Classes A3 through A7 due to: fire, explosion, storm and natural forces, nuclear energy and land subsidence and landslide;
- A.9.** Other damage or loss of property other than property included in Classes A3 through A7 due to: hail, frost, theft and other events not covered by Class 8;
- A.10.** Motor vehicle liability, the use of motor vehicles operating on the land, including carrier's liability;
- A.13.** General Liability, other than those referred to in Classes A10 through A12;
- A.14.** Credit covering: insolvency, in general, export credit, instalment credit, mortgages, agricultural credit;
- A.15.** Suretyship: direct or indirect;
- A.16.** Miscellaneous financial loss: unemployment, insufficiency of income- in general, bad weather, loss of benefits, continuing general expenses, unforeseen trading expenses, loss of market value, rent and other revenues, other indirect trading loss, other non-trading financial loss, other forms of financial loss;
- A.18.** Assistance for persons who get into difficulties while travelling, while away from their home or their habitual residence.

General Information regarding insurance products and fiscal provisions applied to insurance contracts:
Onix Asigurari S.A. underwrote in 2018 exclusively Class A. 15 – Suretyship, providing the following insurance products:

- ✓ Suretyship insurance for participation to tenders- BID BOND,
- ✓ Suretyship insurance for the advanced payment refund- ADVANCE PAYMENT BOND,
- ✓ Performance bond insurance for the contract- PERFORMANCE BOND,
- ✓ Suretyship insurance for maintenance- MAINTAINANCE BOND,
- ✓ Suretyship insurance for successive retaining- RETENTION BOND.

The insurance and/or reinsurance operations and associated services provisions, performed by brokers are exempted from the value added tax.

Insurance products distribution network and channels:

Onix Asigurari S.A. insurance products are distributed through insurance brokers based on brokerage contracts.

Presentation of the support network and indemnity agencies:

The Company carries out its activity at its registered office in Bucharest, Daniel Danielopolu Street, no. 2, 3rd Floor, District 1.

All insurance applications and claim notifications are received and processed at this location.

Concise report of the external financial auditor:

The 2018 Financial Statements prepared according to up-dated ASF Rule no. 41/2015 were audited by Audit Consulting Legal International SRL, which issued an unqualified audit report, the short form presented below:



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Nr. ord. Reg. Com.: J40/14456/2006
C.I.F.: RO19007891

Report of the independent auditor on the summary financial statements

To the shareholders of ONIX Asigurări S.A.

Audit Opinion

The summary financial statements presented in the attached annual report of ONIX Asigurari S.A. (the "Company"), comprising the summary balance sheet as at 31 December 2018 and the summary profit and loss account for the financial year then ended, are derived from the audited financial statements of the Company prepared by the Company in accordance with the requirements of Norm 41/2015 issued by the Financial Supervisory Authority ("ASF Norm 41/2015"), as subsequently modified.

In our opinion, the summary financial statements derived from the complete financial statements of the Company for the financial year ended on 31 December 2018 are consistent, in all material respects, with those audited financial statements.

The summary financial statements

The summary financial statements do not contain all the disclosures required by ASF Norm 41/2015, as subsequently modified. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon. The summary financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements prepared in accordance with ASF Norm 41/2015, as subsequently modified.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements, prepared in accordance with ASF Norm 41/2015, as subsequently modified, in our audit report dated 18 March 2019.

Management's responsibility for the summary financial statements

The management of the Company is responsible for the preparation of the summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements, based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA 810 Revised) "Engagements to report on summary financial statements".

C. Mihăilescu

Cristian Gabriel Mihăilescu
member of the Romanian Chamber of Auditors with no. 1467

in the name of

Audit Consulting Legal International SRL
authorized by the Romanian Chamber of Auditors with no. 671/2006

18 March 2019



SUMMARIZED FINANCIAL INFORMATION SUMMARIZED BALANCE SHEET AS 31 DECEMBER 2018

ASSETS	RON
Intangible assets	6,113
Financial assets	107,668,208
Technical reserves ceded	4,480,734
Receivables	28,454,450
Prepayments	11,069,202
Other assets	8,514,688
TOTAL ASSETS	160,193,395
LIABILITIES	RON
Equity, out of which:	66,899,782
<i>Share Capital</i>	50,000,000
Technical reserves	58,502,670
Other liabilities	34,699,573
Deferred income	91,370
TOTAL LIABILITIES	160,193,395

SUMMARIZED PROFIT AND LOSS ACCOUNTS FOR THE FINANCIAL YEAR ENDED ON 31 DECEMBER 2018

Technical account of general insurance- short version	RON
Earned premiums, net of reinsurance	24,553,590
Other technical income, net of reinsurance	3,854,900
Claims incurred, net of reinsurance	-972,479
Variation of RBNS, net of reinsurance	-526,091
Variation of URR	-383,749
Operational expenses	-16,478,856
Other technical expenses, net of reinsurance	-2,711,472
Result of the non-life insurance technical account - Profit	7,335,843
Non-technical account- short version	RON
Technical result of non-life insurance (profit)	7,335,843
Income from investments	998,789
Expenses with investments	-6,563
Other non-technical income	2,836,055
Other non-technical expenses	-2,003,590
Gross profit	9,160,534
Profit tax	-1,363,544
Net profit	7,796,990

The basis of the summarized financial statement preparation:

These summarized financial statements consisting of the summarized balance-sheet as at 31 December 2018 and the summarized profit and loss account for the year then ended, were drawn up by the extraction of relevant information from the complete financial statements of Onix Asigurari S.A. The financial statements were prepared in accordance with Rule no. 41/2015 for approving the Accounting Regulations Concerning the Separate and Consolidated Annual Financial Statements of the Entities Pursuing the Insurance and/or Reinsurance Business and they will be available on Company's site: www.onix.eu.com.

Investments:

In 2018, the investments were carried out directly by the Company and the investment policy was oriented solely to investments in bank deposits with negotiated fixed return in order to ensure the prudential coverage of risks undertaken and the Company's solvency and liquidity.

Strategies and perspectives in developing the Company's activity:

For the year 2019, the Company aims to diversify its non-life insurance portfolio of products and services, to become more cost efficient, to raise the products' profitability, to expand the brokers' network, to extend its insurance activity to other EU member states markets according to the established strategy and business plan.

We confirm our commitment to remain competitive at the profit level; the criteria of profitability and healthy management of our portfolio on prudential basis representing the Company's main targets and its development strategy.