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# Independent Auditors' Report on the relevant elements of the Solvency and Financial Condition Report

(free translation<sup>1</sup>)

## To the Shareholders of Omiasig Vienna Insurance Group SA

### Opinion

We have audited the following quantitative reporting templates of Omiasig Vienna Insurance Group SA ("the Company") as at 31 December 2020:

- S.02.01.02 - Balance sheet
- S.23.01.01 - Own funds
- S.25.02.21 - Solvency Capital Requirement — calculated using the standard formula and a partial internal model
- S.28.01.01 - Minimum Capital Requirement — for insurance undertakings engaged in only life or only non-life insurance or reinsurance activity

referred to as "the relevant elements of the Solvency and Financial Condition Report".

In our opinion, the information subject to audit included in the relevant elements of the Solvency and Financial Condition Report of the Company as at 31 December 2020, is prepared, in all material respects, in accordance with the financial reporting provisions of the Law 237/2015 regarding the authorization and supervision of the insurance-reinsurance activity with related amendments and Financial Supervisory Authority Norm 21/2016 regarding insurance-reinsurance activity reporting with related amendments.

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<sup>1</sup> TRANSLATOR'S EXPLANATORY NOTE: The above translation of the auditors' report is provided as a free translation from Romanian which is the official and binding version and refers to the Romanian official version of the relevant elements of the Solvency and Financial Condition Report.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report section of our report. We are independent of the Company in accordance with *International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the relevant elements of the Solvency and Financial Condition Report in Romania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Emphasis of Matter - Basis of Preparation

We draw attention to the 'Valuation for solvency purposes' and 'Capital Management' sections of the Solvency and Financial Condition Report, which describes the basis of preparation. The Solvency and Financial Condition Report is prepared in compliance with the financial reporting provisions of the Law 237/2015 regarding authorization and supervision of the insurance-reinsurance activity with related amendments and with Financial Supervisory Authority Norm 21/2016 regarding insurance-reinsurance activity reporting with related amendments, and therefore in accordance with a special purpose financial reporting framework. The Solvency and Financial Condition Report is required to be published, and intended users include but are not limited to the Financial Supervisory Authority. As a result, the Solvency and Financial Condition Report may not be suitable for another purpose. Our opinion is not modified in respect of these matters.

## Other Information

Management is responsible for the Other Information. Other information comprises the following sections from the Solvency and Financial Condition Report:

- Business and performance
- System of governance
- Risk profile
- Valuation for solvency purposes
- Capital management
- Template S.05.01.02 Premiums, claims and expenses by line of business
- Template S.05.02.01 Premiums, claims and expenses by country
- Template S.12.01.02 Technical Provisions for life and health insurance SLT
- Template S.17.01.02 Non-life Technical Provisions
- Template S.19.01.21 Non-life insurance claims
- Template S.22.01.21 Impact of long term guarantees measures and transitionals
- Template S.25.01.21 Solvency Capital Requirement – calculated using the standard formula
- Template S.28.02.01 Minimum Capital Requirement – for insurance undertakings engaged in life and non-life insurance or reinsurance activity

but does not include the relevant elements of the Solvency and Financial Condition Report and our audit report thereon.



Our opinion on the relevant elements of the Solvency and Financial Condition Report does not cover the Other Information and, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the relevant elements of the Solvency and Financial Condition Report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the relevant elements of the Solvency and Financial Condition Report, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the relevant elements of the Solvency and Financial Condition Report or a material misstatement of the Other Information. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Solvency and Financial Condition Report**

Management is responsible for the preparation of the Solvency and Financial Condition Report in accordance with the financial reporting provisions of the Law 237/2015 regarding authorization and supervision of the insurance-reinsurance activity with related amendments and Financial Supervisory Authority Norm 21/2016 regarding insurance-reinsurance activity reporting with related amendments, and for such internal control as management determines is necessary to enable the preparation of a Solvency and Financial Condition Report that is free from material misstatement, whether due to fraud or error.

In preparing the Solvency and Financial Condition Report, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the relevant elements of the Solvency and Financial Condition Report**

It is our responsibility to form an independent opinion as to whether the relevant elements of the Solvency and Financial Condition Report are prepared, in all material respects, with financial reporting provisions of the Law 237/2015 regarding authorization and supervision of the insurance-reinsurance activity with related amendments and Financial Supervisory Authority Norm 21/2016 regarding insurance-reinsurance activity reporting with related amendments on which they are based.

Our objectives are to obtain reasonable assurance about whether the relevant elements of the Solvency and Financial Condition Report are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decision making or the judgment of the users taken on the basis of the Solvency and Financial Condition Report.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the relevant elements of the Solvency and Financial Condition Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting



from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness and the reasonableness of the relevant elements of the Solvency and Financial Condition Report and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the relevant elements of the Solvency and Financial Condition Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**For and on behalf of KPMG Audit S.R.L.:**

**Refer to the original signed  
Romanian version**

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Romanian version**

**FURTUNA CEZAR-GABRIEL**

**KPMG Audit SRL**

registered in the electronic public register of financial auditors and audit firms under no AF1526

registered in the electronic public register of financial auditors and audit firms under no FA9

Bucharest, 7 April 2021