SOLVENCY AND FINANCIAL CONDITION REPORT

2023

OMNIASIG
VIENNA INSURANCE GROUP

SUMMARY

SUMMARY

EXECUTIVE SUMMARY

INTRO

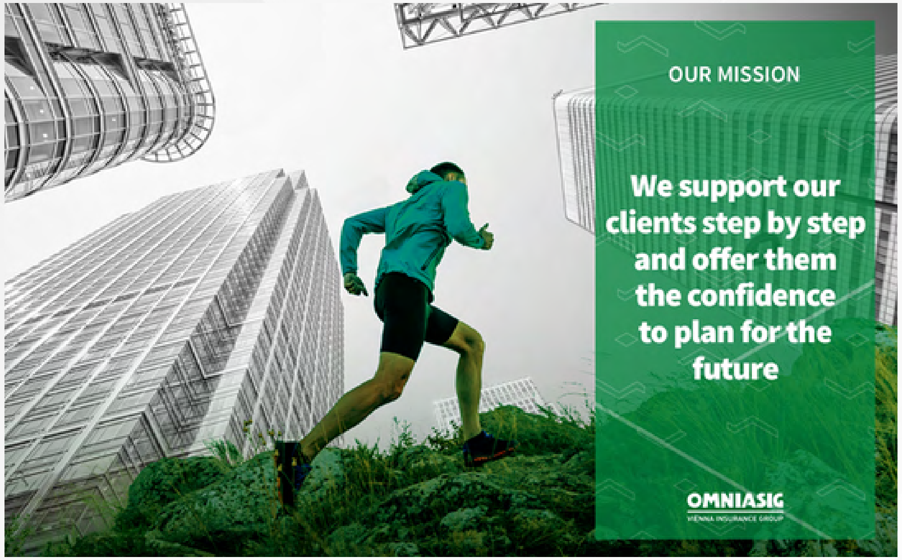
We have been present on the Romanian market since 1995 and since 2005 we have been part of Vienna Insurance Group (Wiener Viersicherung Gruppe), the main expert on the insurance market in Austria, as well as in Central and Eastern Europe.

Vienna Insurance Group (VIG) which has a longstanding tradition and a portfolio of strong brands and a close relationship with the customers, consists of about 50 companies from 30 countries. More than 29.000 employees take care of the daily needs of more than 28 million customers.

COMPANY PROFILE

For 29 Years, OMNIASIG takes care of its customers through its portfolio of over 100 Products, covering all Non-Life Insurance categories necessary to protect their health, property and business. As well, the Company has been actively involved in the responsible development of the communities in which it is present.

The diversity of the product and service portfolio, the guarantee of claims services, as well as its membership to the VIG GROUP, secured the top position that OMNIASIG has today on the Romanian insurance market.


OUR MISSION
We support our clients step by step and offer them the confidence to plan for the future
OMNIASIG


OUR VISION
A safer Romania where we grow together
OMNIASIG


OUR PURPOSE
OMNIASIG for BETTER: care and responsibility for the future
OMNIASIG


OUR VALUES
INTEGRITY
PROFESSIONALISM & PASSION
RESPECT
TRUST
RESPONSIBILITY
OMNIASIG

THE PURPOSE OF THE REPORT

OMNIASIG VIENNA INSURANCE GROUP S.A., hereinafter referred as "OMNIASIG" or "the Company" has prepared its own Solvency and Financial Condition Report, in accordance with Delegated Regulation 2015/35/EC, Law no. 237/2015 and ASF Rules in force.

OMNIASIG in 2023

In 2023 we aim with

Total number of insurance policies concluded in 2023: 1.6 million

Gross Written Premiums aprox. 2,4 billion lei.

Cumulative NPS in 2023 was 89.45%.

The total amount of paid claims increased compared to the previous year, reaching a value of approximately 1.2 billion lei.

OMNIASIG Vienna Insurance Group ended 2023 with solid results in its main lines of business. The company's strategy of sustainable growth through continuous improvement and adaptation of products and services led to an increase in gross written premiums of approx. 12% compared to 2022. Last year we strengthened our strategy for a reliable business, which will further meet today's needs, committing also in the coming years to implement measures that will optimize important aspects of our business.

MIHAI TECAU
PRESEDINTE DIRECTORAT

Business vision in 2024

Continuation of digitisation and process automation projects.

Developing the employer brand and leveraging employees to attract new talent and be even more prepared for the future.

Constantly building a digital customer experience in relation to the services offered and the sales and claims processes.

A. ACTIVITY AND PERFORMANCE

HEADQUARTER

OMNIASIG VIENNA
INSURANCE GROUP
No.51, Alexandru Alley,
District 1, Bucharest +4021
405 74 20

FINANCIAL SUPERVISORY AUTHORITY

No. 15, Splaiul Independentei,
District 5, Postal Code 050092,
Bucharest, Romania
Fax: 021.659.60.51
E-mail: office@asfromania.ro

EXTERNAL AUDITOR

KPMG Audit SRL
Soseaua Bucuresti-Ploiesti 89A,
Bucharest, 013685
0372 377 800

FINANCIAL MARKET SUPERVISION IN AUSTRIA

Otto Wagner Platz 5, 1090 Vienna, Austria

SHAREHOLDING STRUCTURE

The majority shareholder of OMNIASIG Vienna Insurance Group S.A. is VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe having headquarters in Viena, Austria which holdeld on 31 December 2022 a number of 144.010.945 shares representing 99,54299% of the share capital. VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe has a share capital of 132.887.468,20 EURO, divided into 128.000.000 voting no-par value bearer shares that each represents an equal portion of the share capital. Bearer shares are made out in the name of the shareholder. The holder is not registered in a share register.

The majority shareholder of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe is Wiener Stäedtische Wechselseitige Versicherungsverein-Vermogensverwaltung-Vienna Insurance Group, a company based in Vienna, Austria, which owns about 72% of its shares. The remaining 28% are bearer shares held by natural persons that do not exceed, separately or together, 5% of the share capital. The bearer's shares are registered in the bearer's name and are not registered in a register of shareholders.

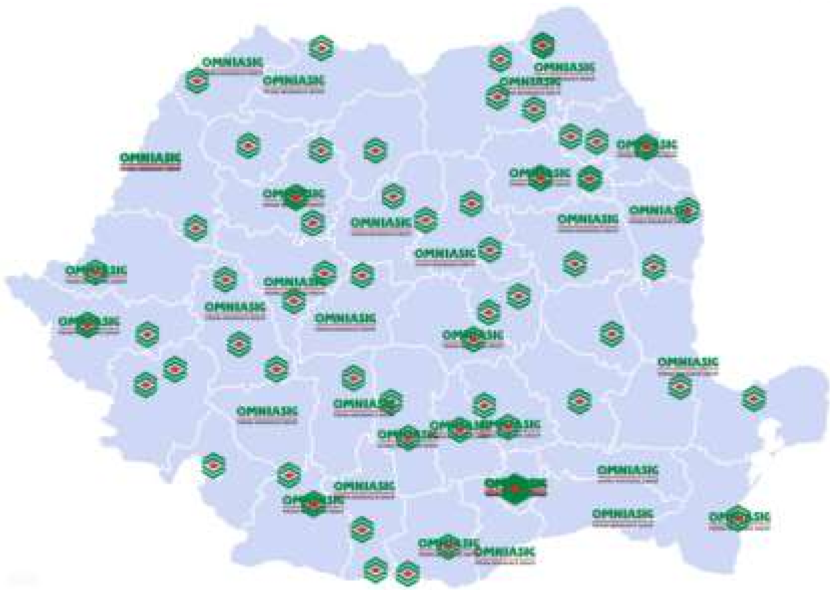
On 31 December 2023 OMNIASIG's list of significant affiliated companies is as follows:

Crt.no.	Company's Name	Legal form	Country	Share of participation
1.	Autosig	LLC	Romania	100%
2.	Global Assistance Services	LLC	Romania	25%
3.	VIG MS	LLC	Romania	18%

TERRITORIAL NETWORK

OMNIASIG operates through an extensive national network, structured as follows:

- **6 regions**
    - **Iasi** (Bacau, Botosani, Iasi, Neamt, Suceava, Vaslui);
    - **Timis** (Arad, Bihor, Hunedoara, Sibiu, Timis);
    - **Arges** (Arges, Dambovita, Dolj, Olt, Valcea, Gorj);
    - **Cluj** (Alba, Cluj, Maramures, Mures, Satu Mare);
    - **Constanta** (Calarasi, Constanta,Galati);
    - **Prahova** (Brasov, Giurgiu, Harghita, Prahova, Teleorman);
- **33 branches**;
- **63 agencies**



In Bucharest, OMNIASIG has **3 Branches** (Bucuresti Branch, Aviatorilor Branch and Unirea Branch) **which have 10 subordonated agencies**.

LINES OF ACTIVITY

OMNIASIG practices all types of insurance and has a portfolio of over 100 products, offering its customers optimum protection for the most important elements in their lives: health, family, property and businesses.

Insurance Lines:

- Personal Accidents
- Health insurance
- Land transportation vehicles insurance - other than railway
- Railway transportation insurance
- Air transportation insurance
- Naval transportation insurance (sea, river, lake, waterways)
- Insurance of goods in transit, including merchandise, luggage and all other goods
- Fire and natural disaster insurance
- Property damage insurance
- Motor third party liability insurance (compulsory motor liability and green card)
- Civil liability insurance of air transport
- Civil liability insurance for naval transportation
- General liability insurance
- Loan insurance
- Guarantee insurance
- Financial loss insurance
- Legal protection insurance
- Assistance insurance for persons in difficulty

A.2 UNDERWRITING PERFORMANCE

Underwriting represents insurance itself being a process of evaluation, selection of risks in accordance with their insurability, acceptance or rejection of risks, classification of those selected and their quantification in order to establish the optimal insurance scenario and the adequate insurance premium.

Therefore, the product portfolio is constantly developed, aiming to protect the rights of customers by:
(i) considering Customers' objectives, interests and characteristics (including possible sustainability objectives);
(ii) preventing and/or mitigating prejudices to Customers;
(iii) the proper management of conflicts of interest,
without deviating from the concept of profitability which guides the activity of the underwriter.

An important element in achieving the main objective of underwriting activity, profitability, is to minimize the effects of adverse selection. Underwriters try to avoid this situation through a adequate selection process and setting of relevant risk factors in order to correctly identify the level of risk.

ACTIVITIES AND PRINCIPLES TO BE FOLLOWED INUNDERWRITING

1. **Product development and commercial approach strategy**

- a very wide portfolio of competitive products, able to respond to market trends and to clients' specific needs;
- optimizing underwriting/distribution processes using digital tools;
- streamline the product and tariff development process by involving all stakeholders (product management, underwriting, sales, marketing, claims, legal, actuarial, etc.);

2. Portfolio Analysis

- constant monitoring and analysis of technical underwriting indicators (per clients, risks segments, distribution channels, LoBs and products);
- maintaining a balanced portfolio - from risk quality point of view;
- improving the quality of the data base in order to allow more correct technical analysis at the necessary granularity level.

3. Risk management –component of underwriting process

- identifying and implementing efficient measures of improving risk factors, having as final goal the building of a balanced and profitable portfolio;
- improving risks selection policy by collecting information as real and complete as possible on risks, prior to bidding (lack of sufficient information will lead to "worst case scenario" to be applied);
- monitoring and permanent improvement of procedures and risk inspection activity; Providing added value services to our clients

by offering technical assistance in order to improve the risk quality;

- maintaining discipline in underwriting by implementing appropriate controls.

4. Reinsurance

- complying with reinsurance treaties conditions and underwriting limits for each Line of Business.
- using VIG Group capacity as first option (e.g. through co-insurance between local companies or facultative reinsurance within VIG), before approaching external markets
- group facultative reinsurance using VIG Holding and VIG Re capacities.
- "simultaneous payment clause" (or equivalent) to be implemented in all external fronting
- reinsurers used for facultative reinsurance and their respective ceded limits to comply with "VIG Reinsurance Security Rules" or approved by VIG Security Committee prior to placement.

OMNIASIG is a flexible company concerning market dynamics, constantly developing and diversifying its product portfolio, targeting differently client segments through demand driven products and services optimization.

Within the company, profitability KPI are permanently followed and tracked at different levels – company, branch/agency, line of business (product or product family), client, intermediary, policy/account.

During 2023, OMNIASIG underwritten a volume of 2.381,7 million lei, increase of 12,4% against same period last year, split by main line of business, as follows:

Detaliu	Line	2022	2023	variation	
H1	Medical expense insurance	78,504,483	86,442,994	7,938,511	10.11%
NL1	Motor vehicle liability insurance	559,438,795	567,101,997	7,663,202	1.37%
NL2	Other motor insurance	948,631,178	1,092,980,806	144,349,628	15.22%
NL3	Marine, aviation and transport insurance	66,322,705	66,834,393	511,688	0.77%
NL4	Fire and other damage to property insurance	316,317,077	372,263,385	55,946,308	17.69%
NL5	General liability insurance	106,080,741	126,008,504	19,927,763	18.79%
NL6	Credit and suretyship insurance	12,168,048	17,388,961	5,220,913	42.91%
NL8	Assistance	13,855,507	19,693,839	5,838,332	42.14%
NL9	Miscellaneous financial loss	18,296,903	33,011,650	14,714,748	80.42%
	Total	**2,119,615,437**	**2,381,726,531**	**262,111,093**	**12.37%**

As it could be seen, the increase is mainly due Casco and Property lines.

Motor vehicle liability insurance (NL1)

Motor vehicle liability insurance represents 23,8% from company activity, being a line of business where company position is reserved considering its negative development. Company increased by 1,4%, slightly above the market increase 0.89% Q3 2023 vs 2022).

Motor Casco (NL2)

Casco insurance represents 45,9% from company activity, being the line of business with the highest weight in company portfolio. The increase of 15,2% is below market increase (17.40% Q3 2023 vs 2022), due on one hand to the measures implemented by the company in order to improve its client services and on the other hand to the leasing market where company holds leading position.

Property insurance (NL4)

Property insurance represents 15,6% from company activity, the increase of 17,7% being below the market evolution cca cca 18.80 % Q3 2023 vs 2022. OMNIASIG is considered to be a benchmark in Corporate Market.

Regarding the evolution of the underwriting performance in the year, motor portfolio shows favorable performance, as follows:

Nr. crt.	KPI	2022			2023		
		NL1	NL2	NL4	NL1	NL2	NL4
1	**Income from premiums, net of reinsurance**	244,237,494	868,452,456	185,802,818	243,332,791	993,102,781	213,105,822
2	**Expenses with occurred claims, net of reinsurance**	201,507,491	662,951,339	59,251,626	188,760,064	695,292,752	88,910,885
3	**Other revenues/expenses**	102,090,420	154,601,891	107,605,033	90,278,117	244,194,045	129,250,554
4	**Result (surplus/deficit) technical= (1)-(2)-(3)**	**-59,360,417**	**50,899,226**	**18,946,159**	**-35,705,390**	**53,615,984**	**-5,055,617**
5	Combined loss ratio, net of reinsurance	124.30%	94.14%	89.80%	114.67%	94.60%	102.37%

Regarding the split of gross written premium by significant territorial areas (regions), development in year 2023, as follows:

Region	2022	2023	variation	
ARGES	138,338,705	167,726,293	29,387,588	21.2%
BUCURESTI	1,317,976,325	1,448,911,613	130,935,288	9.9%
CLUJ	167,931,435	173,396,664	5,465,229	3.3%
CONSTANTA	100,346,681	122,730,029	22,383,348	22.3%
IASI	157,403,164	192,050,481	34,647,317	22.0%
PRAHOVA	89,555,414	111,705,848	22,150,434	24.7%
TIMIS	148,063,713	165,205,603	17,141,890	11.6%
Grand Total	**2,119,615,437**	**2,381,726,531**	**262,111,094**	**12.4%**

As it can be seen, territorial distribution of the premiums follows economic potential of the regions, almost 61% of them being underwritten in Bucharest.

A.3 INVESTMENT PERFORMANCE

Income from the investment activity results from the holding of financial assets during the reporting period, as well as results from sales and provisions established on certain investments or investment categories.

OMNIASIG has earned investment income in the amount of RON 84.6 million.

The financial result was high mainly due to exposure to bonds, with a total income of RON 77.9 million. Income was mainly driven by current holdings, resulting in an income of RON 91.3 million and RON 13.3 million in extraordinary expenses – total return on bonds portfolio reached 4.5% (5.4% without one-offs). During the year 2023, an impairment was recorded in the amount of 5.0 million RON related to the exposure on the bonds issued by the International Investment Bank. The depreciation was registered as a result of the sanctions imposed by OFAC (Office of Foreign Assets Control) on this issuer, the supranational financial institution (majority shareholder Russian Federation) being unable to repay the principal and related interest at maturity. The extraordinary expenses from the bond exposure, additional to the impairment of International Investment Bank exposure, were the result of the portfolio optimization with sales and reinvestments at higher yields that will bring higher current income in the following years. The company had an active management of the investment activity, pursuing besides the main objective of covering the debts also the possible gains resulting from the active management of the portfolio. As a result of the evolution of bond yields in recent years, the market value of the bond portfolio recorded a decline of RON 55.4 million as compared to the accounting value presented.

From the cash and deposit holdings, the company achieved net income of RON 7.6 million, mainly coming from interest income on the money market portfolio. The annualized yield of deposits and cash holdings reached 5.8%, being influenced to a small extent by the exchange rate differences.

From the loans granted by the company, a negative result was obtained in the amount of RON 3.0 million as a result of recording an impairment for the loan granted to Autosig SRL (RON -3.6 million), the loss being partially compensated by the income from interest recorded in the amount of RON 0.6 million.

From the portfolio of listed shares and strategic participations, no revenues were registered during 2023, the company having only strategic participations (VIG Management Service SRL / Global Assistance Services SRL / Autosig SRL) during the analyzed period.

The holding of the insurance undertaking in investment funds is accounted at the cost of the investment. At the reporting date, the company had an exposure of RON 0.7 million in two investment funds with investors solely part of VIG Group (VIG PRIVATE MARKETS FUND SCA SICAV-RAIF. - PRIVATE DEBT - EUR - CLASS A and VIG PRIVATE MARKETS FUND SCA SICAV-RAIF. - PRIVATE EQUITY - EUR - CLASS A).

The real estate portfolio of the company is currently in the process of adjustment. Thus, for locations that no longer have commercial interest (inappropriate location, too much investment needed, locations where there are other centers for representing the insurance undertaking) for OMNIASIG, sale options are analyzed. During the year 2023, two locations were sold with a net result of RON 0.9 million. From the real estate assets classified as investments, a rental income of RON 1.2 million was obtained. Compared to the average accounting level of holdings during 2023, a positive return of 2.0% was registered.

The total annualized yield in 2023 reached 4.2% or 5.1% if one-offs are excluded, higher than planned 4.9% in 2023.

As far as the company's financial expenses are concerned, they have reached RON 39.9 million. On categories of financial expenditures, they are divided into: interest and foreign exchange differences on subordinated loans, interest and foreign exchange interest charges on loans, interest on deposits from reinsurers and amortization of real estate.

Investment income [mil RON]	December 2023
Bonds	77.9
Deposits and cash	7.6
Loans	-3.1
Derivatives	-
Shares and participations	-
Investment funds	-
Real estate	2.2
Total gross investments income	**84.6**

Investment return [%]	December 2023
Bonds	4.5%
Deposits and cash	5.8%
Loans	-40.0%
Derivatives	-
Shares and participations	-
Investment funds	-
Real estate	2.0%
Portfolio return	**4.2%**

Investment expenses [mil RON]	December 2023
Subordinated loans	-8.4
Other loans	-
Interest on RI deposit	-21.6
Depreciation	-3.6
Asset management costs	-
Total investment cost	**-33.6**
Net investment income	**51.1**

A.4 OTHER ACTIVITIES PERFORMANCE

Other income and expenses – non-technical

The company performs and records in the financial statements the income and expenses related to other activities than the technical or investment.

The main types of income and expenses are as follows:

Income:

- from rental and royalties;
- favorable rate differences in balance sheet items other than technical or investment;
- revenues from the release of non-technical provisions.

Expenses:

- unfavorable rate differences in balance sheet items other than technical or investment;
- expenses from non-technical provisioning;
- Lease.

Comparative value of other income and non-technical expenses is presented below:

Other non-technical income	2022	2023
Income from utilities and rent	354.551	348.698
Income from revaluation differences	691.726	346.198
Other non-technical income	9.598	7.158
Total Other non-technical income	**1.055.875**	**702.053**

Other non-technical expenses	2022	2023
Expenses for disposed assets, other than financial investments	17.731	9.494
Other non-technical expenses *(i)*	28.653.269	34.098.224
Expenses from revaluation differences	1.756.547	1.543.315
Expenses from interest subordinated loan *(ii)*	3.894.396	7.728.000
Total Other non-technical expenses	**34.321.943**	**43.379.033**

(i) The increase in other non-technical expenses is represented by the constitution of provisions for depreciation over time of BAAR and FGA receivables (special contributions implemented to insurance companies). At the same time, during the year 2023, fines were paid to the Competition Council (Aviation investigation: 4,716,332 RON and Acodaren investigation: 11,161,986 RON).

(ii) In 2022, the company contracted a subordinated loan (in the amount of EUR 22,250,000) from the majority shareholder Vienna Insurance Group Wienner Versicherung Grouppe AG, for a period of 10 years, with an interest rate of 6.92%.

Leasing and rental contracts

According to IFRS 16, all rentals and leasing contracts are booked into accounting. Thus, each lease is evidenced by the registration of an asset in the balance sheet, called “Right of use assets”, as well as of a related debt, called “Lease liabilities”. The assets related to the right of use will be amortized.

Exception from the rules introduced by IFRS 16 are the leasing/rental contracts with a duration of less than 12 months, as well as the low value goods, for which the previous rules are applied (only the recognition of an expense for the paid rent).

The Company has signed operational leasing contracts only for vehicles used to ensure the activity in good conditions.

The value of future installments for operational leasing and rental contracts is presented in the two positions specified above.

A.5 OTHER INFORMATION

The information presented in section A provides a complete view of the business and performance of the reported period.

B. SISTEM OF GOVERNANCE

B.1 GENERAL INFORMATION REGARDING GOVERNANCE SYSTEM

B.1.1 ORGANIZATIONAL STRUCTURE

OMNIASIG Vienna Insurance Group S.A. is organized on the basis of territoriality, on the following hierarchical levels:

a) The Central Administration is situated in Bucharest, where the headquarters of OMNIASIG Vienna Insurance Group S.A. is located (The Central Administration of OMNIASIG manages and coordinates the company's entire business).

b) Regional Branches

c) Branches located in Bucharest and county seats

d) Agencies and working points

The company can open agencies, working points or other forms of representation abroad, with the approval of the lawful bodies, in order to conclude insurance-reinsurance or other operations related to the objectives set.

OMNIASIG Vienna Insurance Group S.A collaborates and distributes products through other trading agents too.

According to the company's charter the company has adopted the following governance structure:

1. The General Assembly of the Shareholders;
2. The Supervisory Board;
3. Management Board.

1. The General Meeting of Shareholders is the supreme governing body of the Company, which decides on the overall activity of the Company and its economic and commercial policies. General Meetings of Shareholders are Ordinary or Extraordinary, according to the legislation in force.

2. The Supervisory Board is responsible for the strategical management of the Company and to this purpose, supervises, manages and coordinates the activity of the Management Board and compliance with the applicable legislation, the Articles of Association and the resolutions of the GSM, also having basic responsibilities regarding the implementation and observance of the principles of corporate governance and has the following main duties:

- permanent control over the management of the Company by the Management Board;
- appoints and revokes the members of the Management Board, in accordance with the recruitment policy of the Management Board, establishes the powers and responsibilities of the Management Board, including the allocation of departments subordinated to the members of the Management Board and the approval of the corresponding organizational chart, based on the proposal from the Management Board, terms and conditions of the mandate of the members of the Management Board and negotiates the mandate contracts, approves the remuneration of the members of the Management Board and the additional benefits in accordance with the remuneration policy;
- assesses in advance the fulfilment of legal requirements of individual suitability by the persons proposed to be approved as members of the Management Board, as well as the fulfilment of

legal requirements of collective suitability at the level of the entire Management Board in case of the appointment of persons that will be submitted for approval as members of the Management Board;

- after appointing and approving the members of the Management Board, annually assesses their activity and their compliance with the legal applicable requirements regarding the individual suitability , as well as the fulfilment of collective suitability requirements at the level of the entire Management Board;
- appoints and revokes the President and vice-presidents of the Management Board;
- verifies the compliance of the Company's management operations with the applicable legislation, Articles of Association and with the GSM resolutions;
- reports, at least once a year, to the GSM with regards to the carried out supervisory activity;
- proposes to the GSM the appointment of the financial auditor, in accordance with the recommandations of the audit committee.

The Supervisory Board has the following main responsibilities regarding the implementation and compliance with the principles of corporate governance:

- Analyses at least once a year the activities carried out by the Company, development perspectives and its financial position, based on the report prepared by the Management Board;
- Coordinates the drawing up of internal by laws, approves and periodically reviews and checks if written policies are applied regarding:
  - Risk management, and analyses the adequacy, efficiency and appropriateness of the risk management system and of the instruments, technics and mechanisms used for identification and management of the risks to which the Company is exposed;
  - Internal control, and regularly analyses the efficiency of the internal control system and the means used to update the system to ensure a rigorous management of the risks to which the Company is exposed;
  - Internal audit;
  - Financial reporting;
  - Outsourcing of some functions, if necessary;
  - Remuneration policy within the Company, in accordance with the business strategy, the long terms objectives and interests of the Company and ensures that the remuneration policies are consistent and have an efficient risk management and do not create conflict of interests;
  - Recruiting and selecting members of the Management Board;
  - Identification and management of conflicts of interest, as well as minimization of thereof;
  - Information flow channelling the carrying out the key functions within the Company;
  - Appropriate warnings for the employees to report real and material suspicions regarding the management of business
  - the adequacy at the Company level, including regarding the initial and continuous adequacy of the members of the Supervisory Board, the Management Board and the persons holding key functions as well as the collective level adequacy of the Supervisory Board, respectively, of the Supervisory Board.
  - other written policies for the good performance of activity.

Written policies are revised by the Supervisory Board at least annually and are adapted depending on the material changes to the governance system:

- ensures that there is an adequate framework to check the flow of mandatory reporting to FSA, as well as the information sent to FSA, and supervises their implementation;
- ensures the development and implementation of the professional and ethical standards within the Company;

- half annually assesses the efficiency of the risk management system based on the risk report, as well as on the policies and procedures and internal inspections carried out;
- approves the report on the solvability and the financial standing after its approval by the Management Board of the Company;
- assesses on a semi-annual basis the contingency and emergency plans and
- signs off on the business plan prepared by the Management Board.
- implements the Adequacy Policy, and is responsible for its monitoring, effectiveness and modification;
- implements the Policy on promoting diversity and the Policy on integration and improvement

The Supervisory Board also has the following powers and special duties:

- represents the Company in relation to the Management Board;
- appoints and revokes the President of the Supervisory Board and the Vice- Presidents;
- signs off on the annual financial statements and the annual report of the Management Board, prepared and approved by the Management Board, and prepares the annual report of the Supervisory Board;
- creates consultative committees consisting of at least 2 (two) members of the Supervisory Board, whose duties include the carrying out of investigations and preparing recommendations for the Supervisory Board;
- approves the Bylaws of the Supervisory Board and the Bylaws of the consultative committees created by the Supervisory Board;
- approves the Bylaws of the Management Board;
- any other powers expressly set out by the Bylaws of the Supervisory Board

In the period first of January 2023 - June 30, 2023 the Supervisory Board of the Company was formed by 8 members:

- Mr. Peter Franz Höfinger -President
- Mr. Peter Thirring - Vice-president
- Mr. Franz Fuchs–Vice-president
- Mr .Werner Matula– Member
- Mr. Harald Josef Londer – Member
- Mr. Klaus Muehleder – Member
- Mr .Bogdan Ionut Speteanu- Member
- Mr. Marian Nicolae Ignat -Member

In the period July 1st, 2023- September 14 , 2023 the Supervisory Board of the Company was formed by 6 members:

- Mr. Peter Franz Höfinger – President
- Mr. Franz Fuchs–Vice-president
- Mr. Werner Matula– Member
- Mr. Harald Josef Londer – Member
- Mr. Klaus Muehleder – Member
- Mr. Marian Nicolae Ignat -Member

In the period September 15th 2023- December 3rd 2023 the Supervisory Board of the Company was formed by 5 members:

- Mr. Peter Franz Höfinger – President
- Mr. Franz Fuchs–Vice-president
- Mr. Werner Matula– Member
- Mr. Harald Josef Londer – Member
- Mr. Klaus Muehleder – Member

From December 4th, until the reference date - December 31,2023 the Supervisory Board of the Company was formed by 7 members:

- Mr. Peter Franz Höfinger – President
- Mr. Franz Fuchs–Vice-president
- Mrs. Liane Maria Hirner -Vice-president

- Mr.Werner Matula– Member
- Mr. Harald Josef Londer – Member
- Mr. Klaus Muehleder – Member
- Mrs. Andreea Voinea – Member

There are 3 committees set-up at the level of the Supervisory Board, each composed of 3 members:

(A) The audit committee - whose main duties and responsibilities are:

- oversees the internal and the financial auditors of the Company and the financial reporting process within the Company and makes recommendations to the Supervisory Board;
- oversees the effectiveness of and makes recommendations on the internal control, internal audit and risk management systems within the Company;
- reviews and submits for the approval by the Supervisory Board the Company's annual individual and/or consolidated financial statements, the Executive Board's report, and the proposal for the distribution of profits;
- recommends to the Supervisory Board or to the shareholders the appointment and dismissal/replacement of the financial auditor and the terms and conditions of its remuneration;
- verifies and monitors the independence of the financial auditor and particularly of the audit key-partner and analyses together with the financial auditor the measures needed to be undertaken to decrease any threats to the financial auditor's independence;
- supervises the financial audit process within the Company and of the annual individual/consolidated financial statements of the Company and receives and reviews the auditors' report and the auditor's opinion, particularly on the material aspects resulting from the audit engagement and on the material deficiencies in the internal control of the Company;
- endorses the audit scope and the frequency of audit engagements;
- discusses and endorses the internal audit reports and submits such reports for the approval of the Supervisory Board through the committee's activity report;
- checks whether the Management Board takes necessary corrective actions to address the deficiencies identified in the control and compliance area, as well as issues identified by the internal and/or financial auditor;
- endorses Company's internal audit function policy and manual and submits such documents with the Supervisory Board for approval;
- endorses the Company's annual and multiannual internal audit plan and recommends the approval thereof to the Supervisory Board;
- if there are differences in opinion between the internal auditors and the Company's executive management, examines the differences in opinion and issues opinions and recommendations.

B) compensation and nomination comittee, whose main duties and responsibilities are :

- is in charge of the personnel issues of the Management Board members, including succession planning which should ensure the continuity of decision making and prevent, where possible, the majority of the members of the Supervisory Board and of the Management Board having to be replaced simultaneously;
- prepares the remuneration policy and ensure that the remuneration policy:
  - is grounded on a thorough analysis;
  - captures both the fixed component and the variable component;
  - is correlated with the business strategy, the objectives and the long term interests of the Company;
  - includes measures aimed at preventing conflicts of interest;

- promotes an efficient risk management and is correlated with the Company's overall risk tolerance;
- considers clearly defined key individual performance indicators established in accordance with the activity carried out which are correlated with the collective performance of the Company;

- reviews at least annually the remuneration policy and updates it according to the legislative amendments or as a result of certain internal adjustment needs, if the case;
- negotiates, prepares, drafts and, if the case, amends the content of management contracts to be entered into with management board members and the remuneration of such management board members and presents them to the President of the Supervisory Board;
- drafts and negotiates the management contracts to be executed with the newly appointed /prolonged members of the Management Board and presents them to the President of the Supervisory Board;
- submits to the Management Board for endorsement and to the Supervisory Board for approval the remuneration policy;
- revises the remuneration scheme of the Management Board to assure that this remains appropriate to the changes occurred at operational or business environment of the company;
- recommends to the Supervisory Board appropriate candidates: (a) for positions of members of the Supervisory Board, to be proposed by the Supervisory Board at the general shareholders meeting of the Company and (b) for positions of members of the Management Board.
- recommends to the Supervisory Board appropriate candidates that fulfill the legal requirements regarding knowledge, competency, professional expertise, integrity, honesty, good reputation and governance requirements;
- evaluates and sets the variable remuneration for the Management Board Members, according to the Group Policies;
- identifies potential conflicts of interests of the Management Board Members;
- submits to the Supervisory Board, annually or whenever appropriate, reports with respect to the activity carried out.

C) committee for urgent matters – the main responsability is to advise the Supervisory Board on the urgent matters that are subject to the approval of the Supervisory Board.

The composition of the Audit Committee set up at the level of the Supervisory Board during 2023, is the following:
In the period first of January - June 30, 2023 the composition of the Audit Committee was the following:

- Mr. Peter THIRRING – President
- Mr. Franz FUCHS – Vice-President
- Mr. Peter Franz HÖFINGER– Member
- Mr. Werner MATULA – Member
- DI. Klaus MÜHLEDER – Member

In the period July 1st - December 3rd, 2023 the composition of the Audit Committee was the following:

- DI. DI. Klaus MÜHLEDER- – President
- DI. Franz FUCHS- Vice-President
- DI. Peter Franz HÖFINGER - Member
- DI. Werner MATULA -Member
- DI. Harald LONDER - Member

In the period December 4th - until the reference date - December 31,2023, the composition of the Audit Committee was the following:

-
- Mrs. Liane Maria HIRNER – President
- Mr. Franz FUCHS – Vice-President
- Mr. Peter Franz HÖFINGER– Member
- Mr. Werner MATULA – Member
- Mr. Klaus MÜHLEDER – Member

The composition of the Nomination and Compensation Committee set up at the level of the Supervisory Board during 2023, is the following:

In the period first of January- June 30, 2023 the composition of the Nomination and Compensation Committee was the following:

- Mr. Peter THIRRING – President
- Mr. Franz FUCHS – Vice-President
- Mr. Peter Franz HÖFINGER– Member
- Mr. Werner MATULA – Member
- Mr. Klaus MÜHLEDER – Member

In the period July 1st - December 3rd , 2023 the composition of the Nomination and Compensation Committee was the following:

- Mr. Franz FUCHS – President
- Mr. Klaus MÜHLEDER – Vice-president
- Mr. Peter Franz HÖFINGER- Member
- Mr. Werner MATULA – Member

In the period December 4th - until the reference date - December 31,2023, the composition of the Nomination and Compensation Committee was the following:

- Mrs. Liane Maria HIRNER – President
- Mr. Franz FUCHS – Vice-President
- Mr. Peter Franz HÖFINGER– Member
- Mr. Werner MATULA – Member
- Mr. Klaus MÜHLEDER – Member

The composition of the Committee for Urgent Matters set up at the level of the Supervisory Board during 2023, is the following

In the period first of January - June 30, 2023 the composition of the Committee for Urgent Matters was the following:

- Ms. Peter THIRRING – President
- Mr. Franz FUCHS – Vice-President
- Dl. Peter Franz HÖFINGER– Member
- Dl. Werner MATULA – Member
- Dl. Klaus MÜHLEDER – Member

In the period July 1st - December 3rd, 2023 the composition of the Committee for Urgent Matters was the following:

- Mr. Franz FUCHS – President
- Mr. Klaus MÜHLEDER – Vice-president
- Mr. Peter Franz HÖFINGER- Member
- Mr. Werner MATULA – Member

In the period December 4th, 2023-until the reference date December 31, 2023 the composition of the Committee for Urgent Matters was the following:

- Mrs. Liane Maria HIRNER– President
- Mr. Franz FUCHS – Vice-President
- Mr. Peter Franz HÖFINGER– Member
- Mr. Werner MATULA – Member
- Mr. Klaus MÜHLEDER – Member

3. The Management Board is the statutory body that conducts the business of the Company and acts on its behalf , engages the liability of the company, according to legislation, to the statute and its bylaws, under the management of a president.

The Management Board has the following main duties:

- convenes the GSM, according to the law and these Articles of Association;
- decides upon: (i) setting up, dissolution or changes to the name or the registered seat of the braches, agencies and working points or other such secondary offices of the Company, with no legal personality, in any location in or outside Romania, in accordance with the provisions of these Articles of Association and the Romanian legislation in force; the Management Board's

decision with respect to setting up or closing of the branches can be enforced only with the Supervisory Board's prior approval; (ii) appointing and revoking the representatives of secondary offices;

- approves the annual financial statements and the annual report, including the annual report on the Company's solvency and financial standing, in accordance with FSA regulations;
- presents the annual financial statements and the annual report to the Supervisory Board immediately after these documents have been approved by the Management Board; presents at least once every 3 (three) months a written report to the Supervisory Board regarding the Company's business and potential evolution;
- submits proposals on setting dividends;
- drafts the organizational chart, job descriptions files, payrolls and establishes additional benefits for the Company's employees, within the limits set out by the remuneration policy;
- hires and dismisses the Company's employees, in compliance with the personnel recruitment and hiring policy;
- negotiates, approves and signs the collective bargaining agreement in the name of the Company;
- approves the Internal Regulation and the Regulation for the functioning and organization of the Company, as well as the Code of ethics and compliance for the employees;
- provides qualitative and quantitative information to the Supervisory Board in due time, at its request or on their own initiative, to allow the Supervisory Board to perform its duties in an efficient and operative manner;
- timely communicates to the Supervisory Board any information regarding events that could have a significant impact upon the Company's situation;
- informs the Supervisory Board regarding all misconducts discovered during performance of its duties, including with respect to conflicts of interest, should such conflicts appear;
- ensures that the information conveyed towards FSA are available in accordance with the legislation in force and that the reporting deadline is observed;
- issues procedures regarding the identification and management of conflicts of interest and submits such procedures to the Supervisory Board for approval;
- assesses the plans for business continuity and for emergency situations each semester;
- establishes actions and measures to be undertaken to streamline the business, based on the findings and recommendations from the internal audit function;
- approves the submission with the FSA of the application to use an internal model/ partially internal model and submitting further applications regarding material changes of the respective model;
- orders the establishment of certain systems that ensure the adequate and continuous functioning of the internal model/ partially internal model;
- ensures that the structure and functioning of the internal model/ partially internal model are permanently adequate to reflect the risk profile;
- makes a prior assessment that the persons who are to be appointed in key and critical positions by the Supervisory Board meet the legal requirements;
- following the appointment and approval of persons in key and critical positions, annually assesses their activity and whether or not they meet the legal requirements in force.
- responsibilities for establishing measures to prevent and combat money laundering (ML) and terrorist financing (TF).

In the period January First -October first, 2023, OMNIASIG's Management Board was the following:

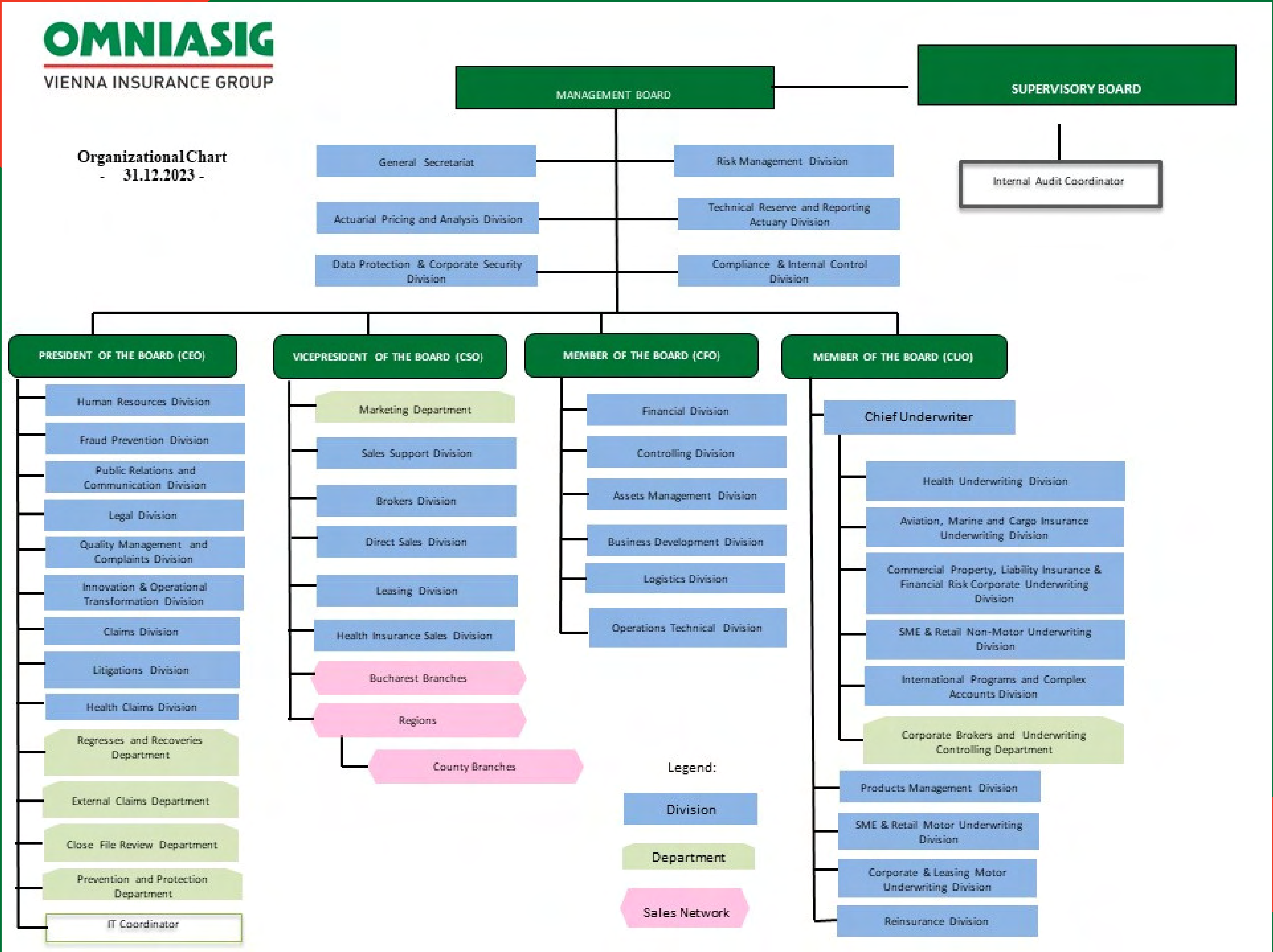
- Mihail Tecau – President of the Management Board (CEO)

- Costinel Silviu Stratnic- Vice-President of the Management Board (CSO)
- Madalin Rosu – Member of the Management Board (CCO)
- Elena-Ancuta Ifrim – Member of the Management Board (CUO)
- Michal Krzysztof Leja – Member of the Management Board (CFO)

In the period October 2nd -December 31, 2023 OMNIASIG's Management Board was the following:

- Mihail Tecau – President of the Management Board (CEO)
- Costinel Silviu Stratnic- Vice-President of the Management Board (CSO)
- Michal Krzysztof Leja – Member of the Management Board (CFO)
- Elena-Ancuta Ifrim Member of the Management Board (CUO)

In view of the resignation of Mr. Madalin Rosu as Member of the Management Board (CCO), the areas have been reallocated between the members of the Management Bord of OMNIASIG, starting from November 1st, 2023 and until the appointment and approval by the FSA of a new Member of the Management Board, according to the ORGANIZATION CHART below.


OMNIASIG
VIENNA INSURANCE GROUP
Organizational Chart
- 31.12.2023 -
MANAGEMENT BOARD
SUPERVISORY BOARD
Internal Audit Coordinator
General Secretariat
Risk Management Division
Actuarial Pricing and Analysis Division
Technical Reserve and Reporting Actuary Division
Data Protection & Corporate Security Division
Compliance & Internal Control Division
PRESIDENT OF THE BOARD (CEO)
Human Resources Division
Fraud Prevention Division
Public Relations and Communication Division
Legal Division
Quality Management and Complaints Division
Innovation & Operational Transformation Division
Claims Division
Litigations Division
Health Claims Division
Regresses and Recoveries Department
External Claims Department
Close File Review Department
Prevention and Protection Department
IT Coordinator
VICEPRESIDENT OF THE BOARD (CSO)
Marketing Department
Sales Support Division
Brokers Division
Direct Sales Division
Leasing Division
Health Insurance Sales Division
Bucharest Branches
Regions
County Branches
MEMBER OF THE BOARD (CFO)
Financial Division
Controlling Division
Assets Management Division
Business Development Division
Logistics Division
Operations Technical Division
MEMBER OF THE BOARD (CUO)
Chief Underwriter
Health Underwriting Division
Aviation, Marine and Cargo Insurance Underwriting Division
Commercial Property, Liability Insurance & Financial Risk Corporate Underwriting Division
SME & Retail Non-Motor Underwriting Division
International Programs and Complex Accounts Division
Corporate Brokers and Underwriting Controlling Department
Products Management Division
SME & Retail Motor Underwriting Division
Corporate & Leasing Motor Underwriting Division
Reinsurance Division
Legend:
Division
Department
Sales Network

Members of the Board

MIHAIL TECAU

PRESIDENT OF THE BOARD

COSTINEL STRATNIC

VICE-PRESIDENT OF THE BOARD

ANCUTA IFRIM

MEMBER OF THE BOARD

MICHAL LEJA

MEMBER OF THE BOARD

Committees Established at the level of The Management Board

At the level of the Management Board, the following committees are set-up:

1. THE RISK MANAGEMENT COMMITTEE (RMC) is established upon decision of the Supervisory Board of OMNIASIG. RMC shall foster the awareness and regular communication regarding risk management within OMNIASIG between the risk manager and risk owners within divisions/departments. The general aims of the RMC are:

- to define the framework of risks analysis
- to set a communication flow between risk owners and risk manager
- integration risk owners in risk management activities
- information on the risks identified by risk owners to the Risk Management Division
- proposal on risk mitigating measures.

2. ASSET LIABILITY COMMITTEE – OBLIGATIONS (ALCO)
ALCO has the authority to express opinions within the following areas:

- Investment Management
- Asset and Liability Management
- Market Risk
- Credit Risk
- Insurance reserves
- Other assets
- Other liabilities
- Liquidity
- Investment profit performance

3. CLAIMS COMMITTEE
Comitetul are urmatoarele competente si atributii:

- analyses and approves the payments of the claims files in the material competencies limits attached to ROF;
- analysis and proposes measures in order to diminish the claim ratio for the assumed risks or for the risks that will be assumes, in order to ensure a proper risk management;
- proposes changes to the claims procedures or in other areas that impact the activity of the Committee;

4. DEMAND CHALLENGE COMMITTEE (DCC)
The Demand Challenge Committee main responsibilities are:

- to provide support, on the management's request, for finding optimal budget allocation solutions within the framework of general policies approved by the Management Board;
- to examine the management's recommendations on specific projects, business initiatives whose internal and external expenditures exceed the limits of the material competencies granted according to the applicable competence policy, sends the recommendations to the Management Board for the approval or not of such expenditures.

- to undertake such other responsibilities as may be delegated by the Management Board from time to time in relation to appropriate budget allocation

5. COMMITTEE FOR ANALYSIS AND COMMERCIAL POLITICS

This Committee is an analytical and decision-making body that, within the limits of the authority established by internal regulations, is competent to decide on the granting of facilities / exemptions to the business activity of the company.

In addition to the afore mentioned Committees, through the Executive Board's decision, the following committees are also set up at the company level:

- The Labor Security and Health Committee,
- The Petitions Analysis and Solving Committee,
- The Commission for the evaluation of the Repair Units,
- Commission of evaluation regarding the conflict of interest
- Investment Committee set up at VIG Group level.

B.1.2 FINANCIAL AUDITOR

The financial auditor's responsibility is to form an opinionindependent opinion on the preparation of the relevant elements of the

Report on Solvency and Financial Condition ("S.02.01.02 -Balance Sheet", "S.23.01.01 - Own Funds", "S.25.02.21 - Capital Requirement solvency capital - for companies using the standard formula and partial internal model", "S.28.01.01- Minimum capital requirement – Only life insurance or reinsurance activity or only for general insurance or reinsurance activity"), in accordance with financial reporting requirements of Law No 237/2015 on authorisation and supervision of insurance and reinsurance activity with subsequent amendments and additions and the Regulation of the Insurance and Financial Supervision Authority No 21/2016 on the reporting of insurance and/or reinsurance activity, as amended and supplemented subsequent amendments and supplements. The financial auditor is an audit firm with internationally reputed, authorised by the Authority for the Supervision ofof Statutory Audit Activities ("ASPAAS") approved by the ASF, appointed by the Supervisory Board on the recommendation of the Audit Committee of the Supervisory Board.

The financial auditor contracted to audit the relevant elements of the Solvency and Financial Condition Report is KPMG Audit SRL.

B.1.3 ROLES AND RESPONSABILITIES OF KEY FUNCTIONS WITHIN THE COMPANY

The persons who run the company as well as those who hold key positions within the organization must meet the requirements of competence and professional experience, integrity and good reputation as well as governance, as set out in the company's internal policies / procedures and legal regulations in force.

The key functions within the company are: Internal Audit, Actuarial, Compliance and Internal Control, Risk Management, the person designated in the application of SB / FT.

Internal Audit Function

Objective examination of the manner in which the risk management, the internal control system and the management processes are carried out, in order to provide a reasonable assurance that they function properly and will allow the achievement of the company's objectives;

Actuarial Function:

The main responsibilities: evaluation of the technical indicators of portfolio and damage, solving technical problems regarding the calculation of the following: obligations of the company (technical reserves), premium rates and technical indicators of portfolio and damage; Considering the complexity of the company's activities, the legislative provisions regarding the insurance distribution, the importance of the actuarial calculations in carrying out the activity and taking into account the provisions of the ASF norms, for the actuarial activity, within the company, are two key actuarial functions, respectively: Technical reservations and reporting and Actuarial Pricing and Analysis Function. Thus, the main responsibilities for each of these key functions are as follows:

• The actuarial function Technical reserves and reporting is responsible for:

- The activity of evaluating and ensuring the adequacy of the technical reserves;
- Reporting activity to the Supervisory Board, Management, group (VIG), ASF, auditors, other entities;
- The activity of estimating the technical indicators

• The Actuarial Pricing and Analysis function is responsible for:

- The activity of estimating the risk premiums and the tariff premiums
- The activity of estimating the necessary parameters for the evaluation of the underwriting risk with the partial internal model
- Actuarial activity regarding Solvency II, including the reports related to the actuarial area and requested according to the Solvency II regime.

Risk Management Function:

The main responsibility of this key function is to identify, analyze, evaluate, monitor and report on existing or new risks (generated by internal and external factors) that have or could have a negative impact on the company's activity and / or financial results.

Compliance function

The main responsibilities of this key function are: ensure the establishment of policies and procedures necessary to conduct business. The holder of the compliance function is also the person designated for international sanctions and, in this capacity, coordinates the applicable legal provisions, advise the company's management in order to implement the legal provisions, assess the impact of legislative changes on the company's business, coordinate the implementation of internal procedures for international sanctions, verifies the updating of information held by the company on the international sanctions regimes in force, manages together with the AML appointed person the alerts received from ASF, update and endorse the internal documents on international sanctions.

The person appointed in the application of SB / FT (who are responsible for the application of Law No 129/2019 and the regulations issued for its application, i.e. the directly responsible SB/FT manager and the SB/FT compliance officer): coordinates the activities regarding the prevention of money laundering and the fight against the financing of terrorism; draws up and reviews the operational policy and procedure on preventing and combating money laundering and terrorist financing; proposes, for the approval of the company's management, the necessary measures to ensure compliance with the applicable legal requirements; ensures compliance with legal requirements for preventing and combating money laundering and terrorist financing; performs employee training in order to know the applicable legal requirements; collaborates and ensures the interface with the Romanian authorities, in the field of preventing and combating money laundering and terrorist financing.

B.1.4 CHANGES OF THE GOVERNANCE SYSTEM IN THE REPORTED PERIOD

During 2023, there were changes in the composition of the Supervisory Board, the composition of the committees set up at Supervisory Board level, the composition of the Company’s Management Board and the areas coordinated by the members of the Management Board, as structured above.

Also, during 2023, the existing policies and procedures within the Company were reviewed in line with the legislative changes that have occurred and the business objectives.

B.1.5 REMUNERATION PRACTICES

At the organization’s level, there is a Remuneration Policy whose main purpose is to establish, implement and maintain remuneration practices according to the business strategy and risk management practices, as well as the long-term interests and performance, including avoiding the conflicts of interests and excessive risk-taking for the company.

The principles on which this policy is based are:

- supervising the application of clear, transparent and efficient remuneration rules, according to the internal and international law in force;
- respecting the business strategy, the values and long-term objectives of the company, considering the internal organization and the nature and complexity of inherent risks;
- avoiding certain excessive risks for the company and implicitly for the shareholding;
- developing remuneration practices meant to avoid potential conflicts of interests.

The entire remuneration system for the employees/mandated persons, in accordance with the law in force and the remuneration policy, is established as follows:

- the remuneration of the Supervisory Board by General Assembly of Shareholders;
- the remuneration of the Management Board by the Supervisory Board, at the recommendation of the Nomination and Compensation Committee;
- the remuneration of the employees based on the decision of the Management Board members.

The Remuneration Policy establishes the fixed and variable remuneration where:

- the fixed component is a predefined, negotiated amount of money in the form of a base salary (given on a monthly basis)
- the variable component which represent an amount of money given on the basis of performance

The performance objectives that determine the value of the variable remuneration will be transparent, updated each year and will be clearly communicated to the employee concerned:

- are established in compliance with the regulations of the Internal Regulation and/or the decision of the company's board
- are transparent
- are updated periodically
- are clearly communicated to the employees together with the evaluation method

Therefore, the variable component is established in line with:

- the individual performance, related to the fulfillment and quality of the specified tasks, taking into account the responsible management of the risks and the compliance with the laws, internal norms and practices of risk management;
- the performance of the business area for which the person has attributions, taking into account the contribution to the fulfillment of the business strategy of the company, the risk profile and its objectives;
- the general performance of the company during a certain period.

The variable component of the remuneration is established by decision of the Administrative Management/Management Board of the company, and/or the Internal Regulation, according to the principles of the remuneration policy.

There is no pension fund within OMNIASIG. The Collective Labour Agreement of the company regulates the granting of benefits for all employees, under various forms (i.e. allowances for legal holidays, various categories of allowances for special events, retirement allowances).

B.2 FIT AND PROPER

As regards the skills, knowledge and experience applicable to persons appointed in management positions or in key functions, OMNIASIG applies:

- Suitability Policy
- Procedure regarding the Suitability, Recruitment, Training and Integration of the members of the management structure and for the holders of the key/critical functions;

The OMNIASIG's Supervisory Board is responsible for controlling the compliance of the Board members according to the company's policies and national legal regulations.

The responsability for verifying the compliance with fit and proper requirements of the members of the Supervisory Board of OMNIASIG rests to the General Meeting of OMNIASIG Shareholders.
The Board Members identify and evaluate the key functions holders and other employees exercising critical functions positions for establishing the requirements of competence and professional experience, integrity and good reputation.

The competence standards and professional experience, integrity and good reputation must be permanently fulfilled by the Board members, the key functions and other persons who have a major impact on the decisional process. The company's management is responsible for the communication to the Supervisory Authority of the situations in which the persons who manage the company or have key functions are considered non-compliant in terms of competence and professional experience, integrity and good reputation.

In order to ensure a cautious and correct management, the company makes sure that the persons in the positions mentioned, fulfill and maintain, throughout the period of their activity, the requirements regarding:

- the competence and professional experience
- integrity and good reputation
- governance requirement

The Policies and Procedures specifying the competence and honourableness of persons managing the company and of persons in key functions within the organization are:

- The Suitability Policy
- Procedure regarding the Suitability, Recruitment, Training and Integration of the members of the management structure and for the holders of the key function/critical/ SB/FT /PDSI functions;
- The Succession Planning Procedure
- Policy of Integration and Training of the members of the management structure;
- Diversity Policy

The evaluation of competence and solvency criteria applies to persons who apply for such a position (management or key functions). This is done previously, annually or at the renewal of the mandate, through the annual performance evaluation process and by documenting the criteria identified in the policies mentioned.

B.3 RISK MANAGEMENT SYSTEM

Risk Management System

The company's risk management system is implemented and submitted to a continuous efficiency process aiming to protecting the organization and its stakeholders, through supporting the organization's objectives by:

- providing a framework for an organization that enables future activity to take place in a consistent and controlled manner;
- establishing an authorizing system for the operations affected by risks;
- establishing an exposure to risks limits system and the way for monitoring these limits, which reflects the assumed risk profile;
- improving decision making, planning and prioritization by comprehensive and structured understanding of business activity, volatility and projects opportunities/threats;
- establishing a reporting system for exposures to risk, as well as other risk-connected aspects;
- contributing to more efficient use/allocation of capital and resources within the organization;
- reducing volatility in the non-essential areas of the business;
- protecting and enhancing assets and company's reputation;
- developing and supporting people and the organization's knowledge base;
- establishing correct criteria for recruiting and remuneration of employees, specifying education, experience and integrity standards;
- optimizing operational efficiency.

Based on its activity as an insurance company, OMNIASIG is exposed to a variety of risks. These include standard underwriting risks resulting from underwriting non-life and health insurance business as well as risks stemming from the investments (market risks) and also general risks such as the counterparty default risk, concentration risk, operational risk or group specific risks such as the contagion risk. Besides that OMNIASIG might be also affected by standard risks of an undertaking, such as reputational risk.

Company's risk management consists of policies, rules and guidelines necessary for identification, measurement, management and reporting of risks which the company is exposed to, taking also into consideration the interdependencies among risks.

Risk Management Organization

OMNIASIG Managing Board

The Managing Board defines the risk principles of the business of OMNIASIG, taking into consideration proposals submitted by divisions and the Risk Committee and other relevant Committees within the company. Regularly the current risk situation is discussed on Board level as an agenda item on the Managing Board meeting. The Risk Manager - with support of Risk Management division, OMNIASIG Risk Committee or the risk owners provide the needed information and each of them could propose measures to be taken. The decision of measures to be implemented rests within OMNIASIG Managing Board. The responsibility for implementation, reporting and coordinating of corrective action could be delegated to OMNIASIG Risk Management division or other divisions/departments involved in the Risk Management System of OMNIASIG or the respective risk owner.

Risk Committee

To strengthen the Risk Management within OMNIASIG and to integrate the operative Risk Owners closer in the Risk Management process, a Risk Management Committee is established and approved by OMNIASIG Managing Board.

OMNIASIG Risk Management Committee is functioning as a supporting body for OMNIASIG Managing Board regarding actual risk topics for further decisions on Board level.

Risk Management Division

OMNIASIG Risk Management Division is established by OMNIASIG Managing Board. The head of this department is defined as the Risk Manager of OMNIASIG and also owner of Risk Management Function.

Organizational set up and reporting lines make sure that independent risk oversight is strictly obeyed.

The Risk Manager is subordinated to OMNIASIG Managing Board as a whole.

Besides the responsibilities of OMNIASIG's VIG Risk Management Division, other risk management activities are directly provided by the different operative risk owners. These include the operative management of the corresponding risk types. The operative risk owners are responsible for identifying, measuring, analysing and limiting risks as well as implementing decided measures in their area of responsibility. Furthermore they have to provide OMNIASIG Risk Management Division with necessary information and reports concerning risk relevant topics.

Risk Management Process

The risk management process consists of the following process steps: risk identification; risk measurement; risk treatment analysis; risk management decision and execution; risk monitoring; risk reporting.

In this context, it is important to note that this is not a strictly sequential process, but a control cycle which involves feedback and forward loops. In addition, a parallel quality assurance and control process to all stages of the risk process is applied.

Risk Identification

Risk identification is the starting point of the risk management process and sets the foundation of the subsequent steps. The aim of risk identification is to expose, detect and document all possible sources of risks which could affect the achievement of the objectives. Risks in this context refer to the risk defined categories. Risk identification itself is a process which is performed on a regular basis, at least once a year. It includes the review of existing risks and sources that might have changed as well as the detection and documentation of new sources of risks that have emerged and additionally have to be taken into account. The results of the risk identification process is recorded and documented. Within OMNIASIG the major element of the risk identification is the risk inventory process.

Risk Measurement

Following the risk identification, an essential prerequisite for the risk handling by the decisions of OMNIASIG Managing Board is the measurement of all risks identified. This includes also the evaluation of the materiality. In this process, the various risks types are classified to the defined risk categories. On this basis different assessment methods for each risk type in line with the proportionality principle are used.

As a central notion, measurement of risk categories and risk factors is based on two different approaches:

- quantitative approach: it applies for all risk categories which can rely on sufficient historic data for statistical analysis such as market risks, credit risks, underwriting risks;
- qualitative approach: it applies for all risk categories, where not sufficient data for valid statistical analysis is available such as operational, strategic, reputation and global risks. A final outcome of the measurement by experts is a frequency / severity estimate or an estimate based on scaling approach (high, middle, low).

Risk Treatment Analysis

After the risk is measured, either quantitatively or qualitatively, and the materiality of risk is stated, an effective risk handling is performed. Therefore measures and mechanisms are assessed for the change of the risk situation. The main possibilities of the risk treatment as part of the risk controlling are: risk avoidance; risk mitigation; risk transfer; risk acceptance.

Each of these risk controlling techniques has different impact on the risk structure and are analysed by the responsible unit, as the risk owner, Risk Management Division or Risk Management Committee. The result of the analysis forms then the fundamental basis for following management decisions.

Management Decision and Execution

In the risk management process a broad range of risk decisions need to be taken and the decision has to be executed by the responsible unit.

Management decisions that substantially affect the risk structure are supported by sufficient analysis regarding the impact on the business and the risk situation. After the decisions on the way to handle the risks, the execution of the decision has to be implemented by the responsible unit in a prompt and efficient manner.

Risk Monitoring and Reporting

Risk monitoring is an essential part of the risk management process and is divided into two different areas. On the one side, risk monitoring refers to the process of ensuring that the risk profile of OMNIASIG remains in line with risk preferences and the risk strategy at all times. This control information is derived from a regular comparison of the target and actual situation using a traffic light system. On the other side risk monitoring refers also to the follow-up process during the implementation of decisions for risk-handling pointed out before. In that case risk monitoring aims to control the effective and timely implementation of action plans that were decided on.

Within risk management of OMNIASIG the following processes support this step: Risk Inventory; ORSA; Risk Committee meetings.

The main steps in risk management processes described previously are addressed in a comprehensive set of reporting products, both ex ante as a basis for decisions and ex post for review / follow-up purposes. Risk reporting is performed by Risk Management Function and risk owners.

The risk reporting includes both regular reports as well as ad hoc reports. While the regular reports are defined out of the standard processes, the ad hoc reports are provided in cases where risks appear suddenly or unexpectedly. Nevertheless ad hoc reports might be transformed to regular reports if their nature was not a once-only situation and will not be included by other reports.

Risk capital and own funds calculation

OMNIASIG calculates its capital requirement and corresponding own funds on a regular basis. The calculation is based on a methodology framework defined by VIG. This methodology is in accordance with Solvency II and mainly based on the standard approach. The inappropriateness of the standard formula in non-life resulted in a partial internal model approach for non-life business.

Documentation regarding methodologies and standards for the calculation as well as a detailed scope definition of the partial internal model are kept within the Risk Management Division of OMNIASIG and are aligned with VIG Enterprise Risk Management documentation.

Own risk and solvency assessment

The Own Risk and Solvency Assessment (ORSA) is one of the central elements of the Risk Management System of OMNIASIG. Within the ORSA the results of several Risk Management Processes are combined and analyzed, challenged against future expectations and reported to the managing board and supervisory authorities. Major elements of the ORSA are among others:

- identification of risks and future scenarios;
- projection of future solvency needs and own funds;
- sensitivity analysis;
- stress testing based on future adverse scenarios;
- reporting to the managing board.

Within OMNIASIG the ORSA is performed in accordance to Solvency II once every year and ad-hoc if necessary. It is based on an ORSA Policy which defines the key principles and rules to conduct the ORSA in a consistent way throughout the group.

Risk Inventory

The Risk Inventory is one of the central elements of OMNIASIG's risk management when it comes to risk identification and measurement. Based on a group guideline the risk inventory is established and performed by OMNIASIG in scope of the Solvency II regime once a year. Clear reporting structures ensure the adequate and up-date information of key stakeholders as the management board.

The risk inventory is based on a group risk catalogue covering the risk categories. The risk management function discusses and analyzes the materiality of risks identified during this process as well as possible risk mitigating measures with the risk owners.

The documentation regarding the risk inventory covering the methodology, process description and the risk catalogue as well as the corresponding reporting is kept within the Risk Management Division.

Internal Control System

The internal control idea is widely spread in the risk culture of OMNIASIG. Well established internal controls cover all relevant areas to prevent or minimize operational and financial misstatement risks. In OMNIASIG a group-wide approach to document and report on the internal control system is established. This approach is based on policies and guidelines.

Within the yearly ICS process, OMNIASIG has to identify and document the existing risks and corresponding control infrastructure to these risks. In case of missing or ineffective controls it is required to setup remediation plans to implement new controls or improve the existing controls. The results of the ICS assessment are reported to the board as well as to the group by the director of Internal Control Division.

Risk reporting

The risk management function is responsible for reporting on the actual risk situation to the Managing Board on a regular basis. Besides regular yearly risk reports (risk profile and risk inventory report, ORSA report), the results of the standardized risk management processes are reported to the managing board.

Internal Risk Reporting

The risk management function reports the results of the following processes internally to the management board and to the group: SCR and own funds calculation, ORSA, risk inventory and risk profile, quarterly risk and limit reporting.

Additionally, to the well-defined reporting requirements in the standard risk management processes, OMNIASIG risk management unit is responsible to report to VIG on an ad-hoc basis any finding (e.g. new risks, capital measures) reported to the management or supervisory board that has material impact on the risk profile of the entity.

External Risk Reporting

OMNIASIG is required to provide risk relevant information to supervisory authorities and stakeholders. It includes the following reports: Solvency Financial Condition Report (SFCR), Regular Supervisory Reporting (RSR), Quantitative Reporting Templates (QRT).

Risk strategy

The risk strategy is an integral and essential component of a management framework. OMNIASIG Risk Management provides enhanced capabilities to support OMNIASIG Managing Board in aligning risk appetite and strategy as well as in linking growth, risk and return. Moreover, the risk strategy is an integral part of the overall business strategy concerning capital needs to support strategic growth as well as risk types and categories that are not taken from a strategic point of view.

The risk strategy of OMNIASIG is evaluated within the yearly ORSA process. Based on the results of the ORSA the chosen risk strategy shall be confirmed or adapted according to the findings of the ORSA taking into account the actual business strategy.

The business and risk strategy have to be updated and aligned to each other on a yearly basis. If the business strategy or the risk profile changes significantly during the year, the risk strategy needs to be reviewed and adapted to the new situation.

Business strategy principles

In order to reach its objectives, OMNIASIG defines the four criteria – growth, stability, quality and profitability – as core dimensions for its management.

For the realization of the company's goals OMNIASIG relies on proven management principles, which also form the basis of all material business decisions in the future:

- concentrating on the core business;
- focus on Romania;
- affiliation to VIG;
- multi-channel distribution;
- conservative investment strategy;
- alignment to VIG's principles;
- optimize the processes;
- insurance business development for non-auto LoBs.

Risk Strategy principles

Basically OMNIASIG defines the following overall approach to risks it might be exposed to:

Accepted risks

• OMNIASIG generally accepts those risks that are directly associated with the exercise of its insurance business (underwriting risks, partially market risks).

Conditionally accepted risks

• Operational risks need to be avoided as far as possible, but have to be accepted to a certain degree, as on the one side operational risks cannot be eliminated fully and on the other side expenses for protection against certain risks may exceed the expected loss, which would be economically unreasonable.

• Investment management shall follow the prudent person principle, unreasonable risks need to be avoided, high-risk investment products shall only be held in case of hedging of other risks.

Risk Mitigating measures

• Fostering and promotion of strong risk awareness together with well-defined risk governance in all business areas.

• The calculation of the technical provisions has to be performed in a prudent way, especially to compensate undesirable, but possible fluctuations.

• Reinsurance is a central instrument to hedge against major loss events (tail risks), in particular in the area of non-life business.

• Strict limits for market risks and investments well-matched to the liabilities of OMNIASIG.

Not Accepted Risks

• Risks are not accepted, if either OMNIASIG has not the necessary know-how or not the necessary resources for the management of the risk, or OMNIASIG's capital resources are insufficient for the coverage of the risk.

• OMNIASIG does not accept certain underwriting risks, if they cannot be evaluated and priced.

• Asset Management does not accept risks, if the know-how for the valuation of these risks is not available in an adequate kind.

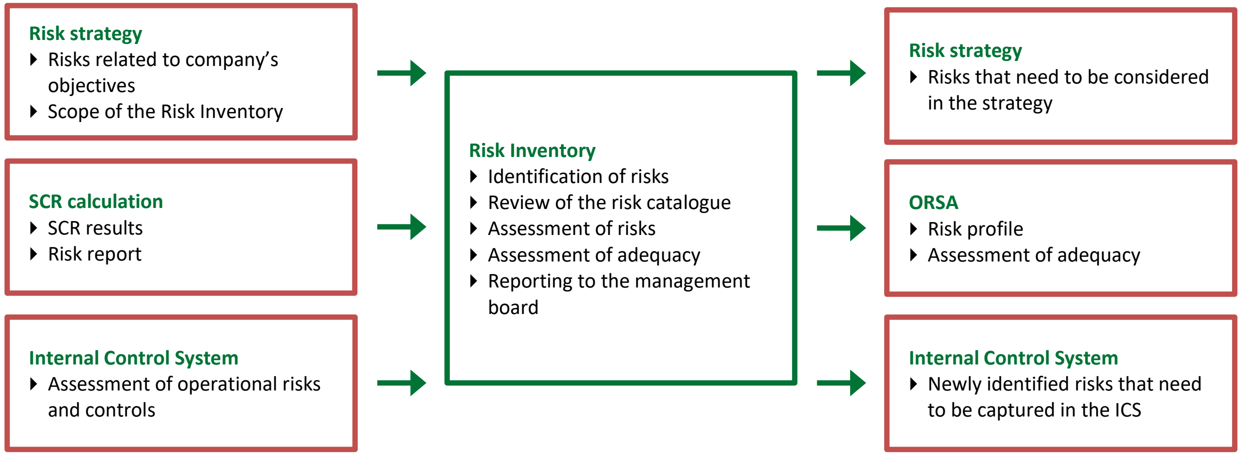
OMNIASIG has defined clear principles and goals to steer risks it is exposed to. The implementation of these principles and the achievement of the goals are supported by a well-defined operational and organizational risk management organization as defined in the risk policy of OMNIASIG.

Area	Principles and goals
Risk management framework	• Overall responsibility of the management board • Clearly defined organizational and operational structure and procedures in risk management • Clear division of tasks between risk taking and risk monitoring
Risk profile	• Adequate solvency ratio • Well-balanced risk profile
Diversification	• Use of diversification effects as risk minimization in investments and reinsurance • Diversification of insurance business across lines of business • Diversification of distribution channels
Adequate time horizon	•Time horizon at least over the duration of assets/products • Assessment of risks at least over the planning horizon ≥3 years
Insurance Business	• Increase non-motor insurance •Monitoring of the business development
Investments	•Pursuit of an investment strategy focused on the portfolio security • Clear limits for investments into highly risky financial instruments • Strict range with respect to the asset allocation
Underwriting & Reserving	• Strict compliance with the underwriting guidelines • Alignment to the group-wide underwriting and reserving policy
Reinsurance	• Pursuit of a conservative reinsurance program • Contracts are not closed without adequate reinsurance coverage • Strictly binding reinsurance principles • Definition of a percentage of the non-life equity as maximum for the net retention per risk and loss
Asset-Liability Management and Liquidity Management	• Alignment to the group-wide ALM and liquidity management guidelines • Regulatory requirements on liquidity always have to be fulfilled
Operational Risk Management	• Internal control system and inspection of establish controls • Business continuity plans have to be present for all critical areas •Cost-benefit-analyses have to be considered whenever measures are implemented • Regular review and measures in case of high operational risks

Limits and measures
VIG Group Management Board defined minimum limits for the solvency coverage ratio for both solo and group level to ensure that the aspired future risk profile and risk situation can be achieved. In case of a solvency ratio below the set level, OMNIASIG has to implement measures with respect to the risk position additionally to the pursuance of the OMNIASIG risk strategy principles and short-term activities.

Identified risks
The consideration of opportunities and risks is a fundamental element of entrepreneurial activity. On the one hand taking risks increases the prospects of higher profits but on the other hand it also increases the danger to suffer major losses. Therefore, it is of great importance for OMNIASIG to completely identify and analyse all risks the company is exposed to and adopt an optimal course of action based on a complete risk profile and the company's risk strategy.

The following figure illustrates the embedding of the Risk Inventory into the risk management system.



The complete identification of all risks OMNIASIG is exposed to is the foundation of the risk inventory. The risks are summarized in a risk catalogue, which is reviewed on an annual basis and updated, if necessary.
The following risks are identified in OMNIASIG: non-life underwriting risk; health non-similar to life underwriting risk; market risk; life longevity and revision risks; counterparty default; liquidity risk; operational risk; reputational risk and strategic risk.

Assessment method – connection to solvency needs

Basically the assessment of the risks showed that the standard formula is an appropriate model for all risks categories where it should be applied (health underwriting, market, counterparty default, longevity, revision, operational) except for non-life risk, where the partial internal model ariSE proved itself more appropriate.
The subcategories of operational risk are evaluated based on estimated frequency-severity, while liquidity, reputational, strategic and global risks are qualitatively assessed by expert judgment.

B.4 ORSA

ORSA is a tool of the risk management system that requires insurance undertakings to properly assess their own short and long term risks and the amount of own funds necessary to cover them. Withal, the ORSA represents an important source of information for the supervisory authorities.
Accordingly, the ORSA can be defined as the entirety of the processes and procedures employed to identify, assess, monitor, manage and report the short and long term risks OMNIASIG faces or may face and to determine the own funds necessary to ensure that OMNIASIG's overall solvency needs are met at all times.
OMNIASIG's ORSA policy set out the rules for executing ORSA in a way that ensures that the ORSA provides the OMNIASIG Managing Board with appropriate assessment of whether the risk management and solvency position are adequate, and likely to remain so in the future. Also the purpose of the ORSA process is to provide a tool to the Managing Board in deliberating major decisions.

OMNIASIG is considering the following principles when conducting its ORSA:

- The ORSA is a responsibility of OMNIASIG and should be regularly reviewed and approved by OMNIASIG Managing Board and Supervisory Board.
- ORSA encompasses all material risks that may impact on OMNIASIG's ability to meet its obligations under insurance contracts.
- The ORSA is based on adequate measurement and assessment processes and forms an integral part of the management process and decision making framework.
- The ORSA is forward-looking, taking into consideration the OMNIASIG business plan and projections.
- The ORSA process and outcome is appropriately evidenced and internally documented.

The purpose of the ORSA is to ensure that undertakings have robust processes for assessing and monitoring their overall solvency needs, not to duplicate, validate or analyse in detail the parameterization of the SCR calculation.
In accordance with national legislation and Solvency II Directive, OMNIASIG develops for the forward looking assessment of own risks its own processes with appropriate and adequate techniques, tailored to fit into its organizational structure and risk management system and proportional in its sophistication and depth to the nature, scale and complexity of the risks inherent to the business.
OMNIASIG takes the appropriate steps to:

- establish a process to develop a forward looking assessment of own risks; and
- compile qualitative information supporting the forward looking assessment of own risks that will allow national competent authorities to review and evaluate the quality of the process.

OMNIASIG takes the results of ORSA and the insights gained into the process into account for, at least, the system of governance and business planning.

The ORSA is not a stand-alone process, but rather an all-encompassing procedure connecting several processes from business planning to day-to-day risk management. The main input interfaces which flow into the ORSA are business and risk strategy and operational business plans – these three elements form the main prerequisites for ORSA. Other input interfaces are connected with the risk management processes and they provide the risk profile assessment – risk inventory, risk bearing capacity, SCR and technical provisions calculations.

Connection between ORSA, business and capital planning

The ORSA is a key tool in the management of the company that allows the Board and senior management to have better insight regarding risks and solvency requirements in OMNIASIG business plan and the overall business strategy. ORSA is used in the determination of strategy and also assists OMNIASIG to develop potential management actions.

Based on the overall business strategy and current business goals, the department responsible for operational business planning (Controlling) develops the business plan for the next 3 years in the form of the scenario which describes in detail the actual business plan (base scenario). The ORSA then provides the solvency perspective to the planning and assesses the achievability of the business plan given OMNIASIG capital capabilities (an iterative process).

ORSA process

The major steps of the ORSA process are described in the following.

Identify risks&scenarios

This step includes the processes which are in place to identify risks that OMNIASIG faces and is likely to face while performing its business and which potentially impact the solvency position at least over the planning period. This step also includes regular calculations of capital requirements and technical provisions and assessment of suitability of the calculation methods and regular own funds monitoring.

The risks are identified and assessed by the risk management function in accordance with the risk inventory process. The risk catalogue – as an outcome of the risk inventory process – provides also information on whether a risk is covered in the SCR calculation (standard model or partial internal model) or if risks are assessed with alternative methods (qualitative assessments, alternative calculations, expert judgement).

Project future – Perform stress testing

OMNIASIG does not only assess its current risks but also the risks it faces in the long term. This means that long term projections of the business which are a key part of any undertaking’s financial planning, such as projections of business plans, economic balance sheet and profit and loss account, are required. These projections should feed into the ORSA in order to enable OMNIASIG to form an opinion on the future overall solvency needs and own funds.

This process step actually includes the modelling and calculation part where the future solvency position is projected and where the development of SCR, MCR and own funds under several stress scenarios is calculated. The results indicate how sensitive OMNIASIG solvency position is to stresses changes of important risk factors and their combination and what impacts could these stress scenarios have on the limit structure.

Assess & Advice

In this process step, an analysis of the results obtained in previous steps is made from the point of view of what actions will be required to keep the business adequately capitalized. The process step results in advice to management (recommended management actions).

ORSA reporting

In this step, the information and decisions made during ORSA are reported in the ORSA report. Final management decisions and actions are recorded in the final report as well.
The ORSA report is prepared by the Risk Management Function. The report contains a static and a dynamic part. The static part briefly describes the ORSA process, references documentation prepared along the process and outlines the main responsibilities within the process, together with the main assumptions underlying ORSA. The dynamic part contains the outcomes of previous process steps. The dynamic ORSA report evidences the embedding of the ORSA in the decision making process.
The results of the ORSA are communicated to the Supervisory Board, at a minimum on an annual basis by the Managing Board. The results of each ORSA are submitted to the supervisory authority.

Governance over the ORSA process
The roles and responsibilities for ORSA are as follows:

- The Risk Management Function is the owner of the ORSA process, the Risk Committee overviews the ORSA process. Managing Board uses the information and results of the ORSA process for steering purposes.
- ORSA policy and any updates to it must be approved by the Managing Board.
- The Risk Committee is responsible for coordination of activities under the ORSA policy and reviewing ORSA results.
- The Risk Management Function is responsible for execution, documentation and reporting of each ORSA run, including preparation of the ORSA report, having support from other functions and departments.
- The Actuarial Function within the ORSA provides assurance that technical provisions are calculated in accordance with the requirements set by the Framework Directive, the delegated act and further implementing legislation.

ORSA frequency
The complete OMNIASIG ORSA process is performed on regular, annual basis. The regular ORSA frequency setting is based on the OMNIASIG long term strategies, risk profile assessment, volatility of the solvency needs relative to the capital position, possible changes in the planning procedures, business development and other factors.
Ad-hoc ORSA
A non-regular or ad-hoc ORSA is performed if there is a significant change to the risk profile of OMNIASIG. This change might be due to external reasons or plans to make a decision with potentially significant impact on OMNIASIG strategy, risk profile or solvency position.

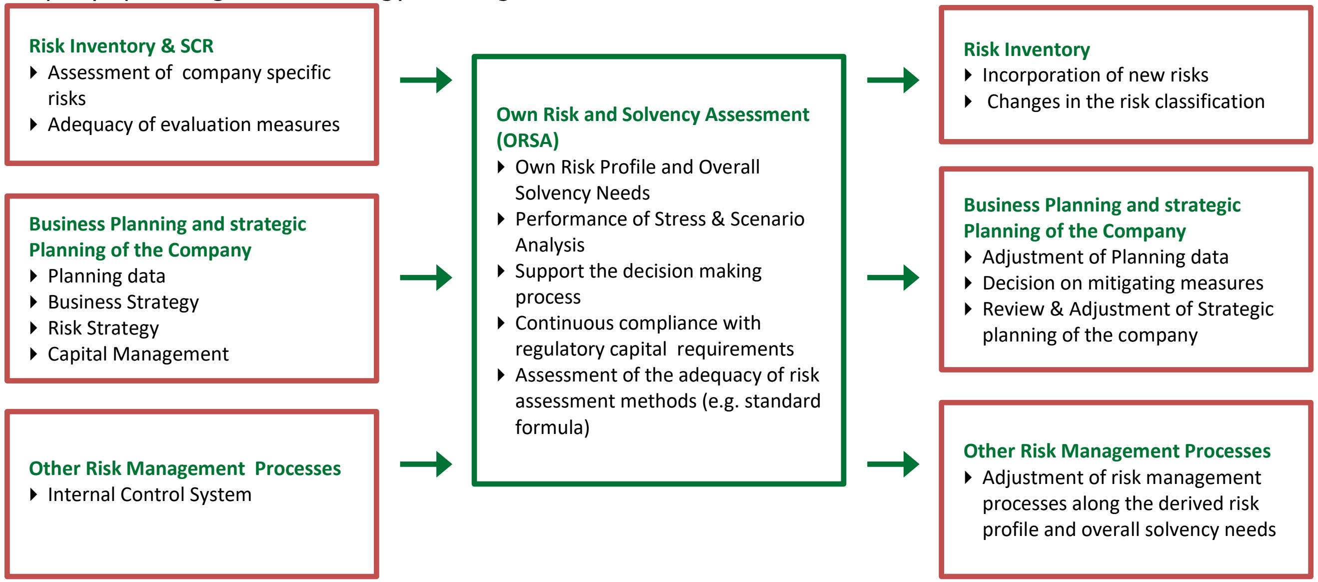
Time horizon
A time horizon of 3 years is used for ORSA forward looking purposes. This is consistent with the time horizon used in the business planning process.

Valuation basis and SCR assumptions
The valuation basis used for ORSA purposes is the same as for SCR and own funds calculation. The solvency needs for ORSA purposes are projected using the assumptions underlying OMNIASIG SCR calculations.

Internal Communication
Internal communication of the results of the ORSA process includes the Managing Board, senior management (at least directors of Controlling and Financial divisions), and the key functions holders – risk management, actuarial, compliance and internal audit.

Embedding of the ORSA into the Risk Management System

The ORSA Process is well-integrated in the risk management system. The results and findings of central risk management processes and analysis form the basis for an ORSA in OMNIASIG. Among these are the risk inventory, the company planning and strategy setting of the company as well as the SCR calculation. The following chart shall illustrate the embedding of the ORSA process into the risk management system of OMNIASIG and its interfaces to most relevant risk management processes.



Business- and risk strategy and planning process

One essential input of the planning process is the business and risk strategy, and the assumptions and results of the planning process are input for the ORSA projections. The results of the ORSA projections on the other hand loop back as input of the planning process and show the consequences for the solvency situation and are therefore used to assess the adequacy of the planning assumptions.

Risk inventory

The risk inventory is the basis of the risk profile and delivers in depth knowledge of the actual and potential risks in single and aggregated view. The risk identification includes the definition of adverse scenarios as well as the assessment of the deviation from the standard formula.

Other risk management processes

The internal control plays a central role in the risk management process and consequently in the risk and solvency assessment. The Internal Control System (ICS) ensures compliance with applicable laws, regulations and administrative provisions and the effectiveness and the efficiency of operations in light of company's objectives, as well as ensures the availability and reliability of financial and non-financial information, protection of assets and resources, transparent and effective reporting internal and external.

There are no changes in ORSA process as compared to previous period.

B.5 CONTROL SYSTEM

B.5.1 INTERNAL CONTROL SYSTEM DESCRIPTION

In order to implement and evaluate an efficient control system, capable of ensuring proper risk management, with the ultimate aim of ensuring the company's business objectives are achieved, OMNIASIG applies:

- **Directive 2009/138/EC of the European Parliament and of the Council of 25 November** on the access to the activity and the performance of the insurance and reinsurance activity (Solvability II);
- **Commission Delegated Regulation (EU) 2015/35 of 10 October 2014** to supplement Directive 2009/138/EC of the European Parliament and of the Council of 25 November on the access to the activity and the performance of the insurance and reinsurance activity (Sovereignty II);
- **EU Regulation 2016/679** on the protection of individuals with regard to the processing of personal data
- **Internal control - Integrated framework - COSO version 2013** (The Committee of Sponsoring Organizations of the Treadway Commission);
- **Law no.237/2015** regarding the authorization and supervision of the insurance and reinsurance activity (Solvency II);
- **Law no.129/2018** for amending and completing Law no. 102/2005 regarding the establishment, organization and functioning of the National Supervisory Authority for the Processing of Personal Data, as well as for the repeal of Law no. 677/2001 for the protection of persons regarding the processing of personal data and the free movement of these data
- **ASF Regulation no. 2/2016** regarding the application of the principles of corporate governance by the entities authorized, regulated and supervised by the Financial Supervisory Authority;
- **ASF Regulation no. 1/2019** on the evaluation and approval of the members of the management structure and of the persons holding key functions within the entities regulated by the Financial Supervisory Authority
- **ASF norm no. 4/2018**, regarding the management of the operational risks generated by the information systems used by the authorized / approved / registered entities, regulated and / or supervised by the Financial Supervisory Authority.
- **Norm no. 25/2021** regarding the governance and security of information and communication technology systems used by insurance and reinsurance companies;
- **ASF Regulation no. 13 / 2019** on the establishment of measures to prevent and combat money laundering and terrorist financing through the financial sectors supervised by ASF
- **ASF norm no. 21/2016** regarding the reports regarding the insurance and / or reinsurance activity
- **Internal control system policy** - Vienna Insurance Group;
- **Policy regarding the internal control system** - OMNIASIG;
- **Procedure regarding the organization of the internal control system and the internal control activities related to operational risks**;
- **The constitutive act of OMNIASIG;**
- **The Regulation of Organization and Functioning of OMNIASIG (ROF);**
- **Internal Regulation of OMNIASIG;**

- **Code of ethics and compliance**

In designing the internal control system, the following principles were taken into account:
• Adaptation to the size, complexity and specific environment of OMNIASIG;
• General standards, clear responsibilities, documentation requirements regarding the internal control system
• Internal controls applied at different levels of the organizational structures
• Effective communication channels and information systems
• Ensuring, at a reasonable level, the general control objectives, as follows:
  - efficiency and effectiveness of operations;
  - the accuracy of the financial and non-financial information;
  - appropriate control activities for operational risks;
  - prudent approach in business decisions;
  - compliance with the laws, norms, regulations in force;
  - compliance with the company's strategies, policies, procedures, norms and reporting procedures

Internal control system responsbilities

OMNIASIG's internal control system consists of continuous operational processes, which ensure an appropriate and effective control environment and activities, compliance with local, group and European regulations, as well as an efficient management tool. The control environment is based on an organizational and operational structure within which clear communication and monitoring procedures are ensured and clear responsibilities are established at all organizational levels of the company. These responsibilities refer to the daily activity carried out within the company, but also to the evaluation process of the internal control system.

SUPERVISORY BOARD AND MANAGING BOARD

The Supervisory Board holds - together with the Managing Board - the primary responsibility for the implementation and maintenance of an adequate internal control system within the company and for the implementation of the policy regarding the internal control system.
The management ensures that the responsibilities within the internal control system are defined in accordance with the processes carried out in the company and that they are well defined. In addition, the Managing Board receives the regular results regarding the evaluation of the control over the operational risk management, as well as the evaluation report of the internal control system and decides on the measures and the comprehensive actions for reducing the risks in line with the business strategies and plans.

DIVISION MANAGER/HEAD OF DEPARTMENT

The division's managers / Heads of department are responsible for: implementing, applying and monitoring the control in their area of responsibility. In their capacity as risk owner and control processes, they are obliged to decide on the quality of the controls and the application of their improvement measures and any other risk reduction measures. In addition, division's managers / heads of departments are required to support the periodic process of evaluating the internal control system and are responsible for communicating to employees information about risks and deficiencies identified in internal control processes regarding the existence and effectiveness of controls. established for the proper management of the risks, as well as the measures established in order to remedy these deficiencies.

EMPLOYEES

All employees have the responsibility to implement and apply the controls established by their superiors to carry out the activity in the best conditions and according to the company standards. Every OMNIASIG employee is obliged to carry out his tasks conscientiously and professionally. In doing so, each employee is responsible for ensuring the quality of his work with appropriate effort and applying appropriate controls in his activity. When risks or deficiencies in the control activity are identified, which cannot be managed by the employee, they are obliged to communicate them to the superior.

INTERNAL AUDIT

OMNIASIG's Internal Audit is responsible for the independent review of the efficiency of the company's internal control system and control activities, based on the internal audit plan or at the request of the Management Board or the Supervisory Board / Audit Committee and according to the outsourcing contract, since this key function is outsourced.
The independence of the internal audit function is ensured by reporting to the Supervisory Board.

RISK MANAGEMENT FUNCTION

The risk management function has as main responsibilities the calculation of the SCR and the validation of the Partial Internal Model (PIM), realization of ORSA process, periodic internal and external reporting. In addition, the risk management function provides support for the assessment of residual operational risks (according to the Risk & Control matrix).

COMPLIANCE FUNCTION

The compliance function is included in the governance system and is responsible for assessing compliance risks and verifying controls related to operational risks. It supports the evaluation process of the control system and informs / reports to the Management and, as the case may be, VIG Compliance Group and / or VIG ERM on the evaluation of compliance risks and controls related to operational risks, as well as the measures established to correct deficiencies found and it is responsible for the application of the international sanctions, manages together with the AML appointed person the alerts received from the ASF, updates and endorses, if necessary, the internal documents on international sanctions.
From an organizational point of view, the compliance function is an independent key function, which reports to the Management Board.
As main responsibilities, the compliance function has to ensure:

- advising the management and the structures of the company regarding the compliance with the legal provisions in force
- monitoring the legislative framework and evaluating the possible impact that legislative changes may have on the company's activity
- proper identification and assessment of compliance risks
- prevention of non-compliance
- elaboration of the Compliance Plan including activities in the area of compliance and verifications of the operational risks
- The holder of the compliance function is also the person designated for international sanctions and, in this capacity, closely monitors the evolution of the applicable legislative framework, the Company's insurance portfolio and reports, when the case, to the ASF regarding the frozen funds and economic resources, following the restrictive measures issued by the E.U. against the Russian Federation.

INTERNAL CONTROL DEPARTMENT

The Internal Control Department, the structure within the Compliance and Internal Control Division, coordinates and ensures the identification and analysis of the internal controls implemented to manage the risks associated with the activities and processes within the company. It supports the process of evaluating the internal control system regarding the assessment of operational risks, ensures the completion of the risk and controls matrix by the risk holders, verifies and provides recommendations on the effectiveness of the internal controls and follows their implementation.

Internal control system components

The internal control system within the company is composed of 5 components that interact and are interdependently established, as follows:

1. The internal control environment, respectively the attitude and level of awareness within the company regarding the internal control processes; represents the environment in which the employees of the company carry out their activity and exercise the assigned control activities. A control environment is evaluated as being effective when the employees (at all levels) understand what their responsibilities are, act within the limits of the authority assigned, possess the necessary knowledge and commit to work in accordance with the company's policies / procedures; also, the employees of the company undertake to respect the code of ethics and to consistently apply the code of good practices in business.

Significant for an efficient control environment are the actions and the attitude of the Supervisory Board and the Company's Management towards the control processes, regarding:

• Establishing and effectively communicating the company's policies and procedures;
• Developing, implementing, communicating and monitoring the application of the Code of Ethics and good business practices;
• Setting company values and ethical and business standards, applying them consistently by all employees of the company
• Communication, inside and outside the company, of the values and standards established;

In this context, within the company are implemented:

Code of ethics, which sets the standards of ethics and behavior in business and which contains aspects related to business conduct, conflict of interest, use of company resources, protection of company assets, prevention of market abuse, human rights, environmental protection and social responsibility. The code of ethics is supplemented by the Guideliness on gifts, entertainment and travel. The code of ethics and any modification thereof is communicated to all employees of the company, the document being posted on the Intranet. Failure to comply with the provisions of the Code of Ethics entails taking measures, as described in the chapter "Corrective actions". Each year, a compliance test is conducted regarding the knowledge and application of the provisions of the Code of Ethics, of the different legislative provisions and of the company's policies

As policies and procedures, the company has implemented both documents required by the legislative provisions, as well as documents considered necessary in carrying out the activity, such as, but not limited to: Policy of the compliance management system, Anti-corruption policy, Warning procedure (" Wistleblowing Procedures ”), Policies and procedures for identifying and managing conflicts of interest, Procedure for information on international sanctions, Corporate governance policy, Document governance policy, Distribution policy, Subscription policy, Claim policies and procedures, Policies of accounting, Policies and procedures related to human resources, Policies and procedures regarding the measures for the prevention and combating of money laundering and terrorist financing, Procedures regarding the protection of persons regarding the processing of personal data.

Competence standards, based on which are identified:

• The necessary requirements for carrying out the service tasks for each employee;
• The level of competence, knowledge and experience required to perform the job specific tasks;
• Providing the necessary resources for the implementation of training / improvement plans for employees in order to improve professional performances;
• Requirements and skills specific to management positions for key activities within the company;

Organizational structure, respectively:

• Clear definition and communication within the company of the key areas of responsibility and authority;
• Establishing internal reporting lines;

• Periodic evaluation of the organizational structure and implementation of the necessary changes;
• Establishing an appropriate level of management positions so as to ensure efficient control;
• Sizing staff in such a way as to ensure the efficient conduct of the company's operations;
• Clear delimitation of competence limits, delegation of authority and responsibilities;
• Defining and communicating job descriptions for all positions within the company; periodic reassessment of job description

Human resources policies include:
• Implementation of policies and procedures regarding recruitment, employment, professional training, performance evaluation, promotion, pay / remuneration, disciplinary actions, dismissal;
• Establishing and monitoring performance; establishing the performance objectives of the employees according to the company objectives;
• Vocational training plans;
• Request / check references

2. Identification and assessment of risks

The essential condition for identifying and efficiently assessing the risks faced by the company refers to the establishment of objectives, both at the level of the entire company and at the level of activities, programs, projects. Establishing the company's objectives allows the identification of those risks that can prevent their efficient achievement, and for the risks thus identified, the control processes / activities / objectives that contribute to the elimination / mitigation of risks can be established. In this sense, in the process of establishing an adequate control system, the cooperation between the key functions is important.

The company's objectives are presented in the strategic plans that include (a) defining the mission and values of the company, as well as (b) the strategic lines / initiatives / programs.

The objectives, both global and established at the level of activities, will be communicated to all employees of the company. It is also intended that the set objectives can be commensurate with key performance indicators for a correct evaluation and monitoring of their achievement, identifying deviations and establishing measures to improve the performances.

Identifying and evaluating the risks that may adversely affect the achievement of the objectives (strategic, operational, financial reporting, compliance) implies :

- Existence of the mechanisms for identifying the risks that come from both the external environment of the company and the internal ones;
- Methodologies for assessing identified risks (strategic and operational, at company level and at the level of activities / processes). Risk assessment is performed both by qualitative methods and by quantitative methods; also, within the risk assessment processes are established (1) the probability of occurrence and (2) the impact;
- The methodology of identification, communication, accountability, monitoring of risk control measures;
- Establishing and communicating responsibilities in the field of risk identification, assessment and control;
- Establish methodologies for risk appetite assessment;
- The methodology of communicating the results of the processes of identification, evaluation and control of the risks to the Executive Management and the Administrative Management of the company.
- Risk control methodologies in case of changes

The complete identification and documentation of the risks is performed only once, respectively when implementing the evaluation of the internal control system. Subsequently, for the evaluation of the internal control system, the heads of structures only review the existing risks and evaluations and add or eliminate risks / controls. The result of this process is a list of all possible operational, business interruption, financial reporting and compliance risks, including an assessment of whether the risk is material or not and whether control measures need to be implemented.

3. Control activities

The control activities are the actions, specified in procedures, instructions, working rules, which, if applied properly and on time, ensure the elimination or reduction to an acceptable level of risks. The responsibility for the implementation and monitoring of an efficient internal control system rests with the management.

The controls implemented within the company are preventive and detective (later):

- ***Preventive controls*** aim at preventing an unwanted event from happening; they are proactive in preventing loss (financial, operational, non-compliance). This category includes: separation of responsibilities, limits of authorization, standards of documentation, physical access control;
- ***Detective control*** (later) aims to identify / detect unwanted events. They point out that a loss has occurred, but do not allow the avoidance of such losses. This category includes analysis, review of documents / transactions, analysis of variations, reconciliations, inventories, audits.

Also, the conditions for the implementation of the automatic controls, integrated within the computer applications will be ensured in order to reduce the resources allocated to the manual control activities as well as to ensure the uniformity of the control process.

The control activities include:

• approvals;
• authorizations;
• checks;
reconciliation;
• analysis of key performance indicators;
• protection of assets
• segregation of responsibilities;
• general IT controls and controls at the level of IT applications.
• disaster recovery plans and business continuity.

Approvals, authorizations, checks (preventive): The management may delegate to the employees the carrying out of certain activities or the execution of transactions within the limits of some parameters established by policies, procedures, formal delegations of authority. Also, the management determines which activities or transactions are needed for supervision and approval before these activities are performed or the transactions are executed by the employees. The approvals category includes:
• policies and procedures written and approved by the company management;
• the limits of authority / competence;
• supporting documentation;
• explanations for unusual transactions;
• holographic or electronic signatures;
Within the company, the approvals can be:
• general (approval of the budget for departments);
• specific - at the level of transactions;

Approvals may be granted:
• electronic (in the case of processes assisted by BPM systems);
• manual

Approvals will be granted only by the persons who have the necessary authority in this regard, explicitly established by decisions of the Management Board or the job description.

The approval of a transaction implies that the approver:
• reviewed the supporting documentation;
• is satisfied that the transaction is appropriate, correct and will be carried out in accordance with the applicable laws, policies, procedures, working rules approved

The approval authority may be granted within the limits of certain value thresholds; transactions that exceed these thresholds must be approved at the appropriate level, established by the decisions delegating the authority. In no case can a transaction be approved / authorized on behalf of another person or outside the limits of competence; in the case of electronic approvals, it is forbidden to send the authentication elements (username, password) to the persons who do not have the necessary authority to approve transactions in the IT environment.

The effectiveness of this control activity is ensured by the appropriate separation of responsibilities.

Reconciliations

They are detective, and represent comparisons between different data sets, identifying and investigating differences, establishing the necessary corrective measures to resolve differences.These types of control activities ensure the accuracy and completeness of transactions. The effectiveness of this control activity is ensured by the appropriate separation of responsibilities.

Analysis (detective) to establish the degree to which the proposed objectives have been achieved and to identify the causes that have generated deviations and ways to correct them.

This category of control activities includes:

- budget analysis: planned versus accomplished;
- analysis of trends, evolutions from one period to another;
- key performance indicators;
- identifying and monitoring unexpected or unusual situations / evolutions.

The analysis of reports, financial statements, reconciliations and other information are performed by the company's management, for:

- establish the consistency and reasonableness of reports, analyzes, etc;
- to compare the current performances with those established in budgets, planning, estimates, forecasts, previous periods in order to establish the degree of achievement of the company's objectives;
- identifying unfavorable / unusual / unexpected evolutions and establishing ways to improve;
- to document the analysis activity, as a management and control tool.

Assets protection (preventive si detective), suc as:
• physical security of assets, information, personnel, etc;
• access controls;
• periodic inventories;
• periodic comparisons between operational / accounting records and inventory;
• identifying and resolving the differences between the operative-accounting records, the factual inventory, primary documents.

Separation of responsibilities, respectively:

1. separation of activities from:
   a. initiation of the transaction;
   b. approval of the transaction;
   c. registration of the transaction;
   d. reconciliations in connection with transactions;
   e. asset management;
   f. review, analysis of reports
2. double check.

General IT controls and controls at the level of IT applications

General IT controls are applicable to the entire computer system (hardware, software, infrastructure, communications). These include:
• logical access control, data and application security, physical security;
• application development control and change management;
• IT operations at server level, data centers;
• back-up and disaster recovery.

The objectives of general IT controls ensure that:

• the correct / current data files are processed;
• ensures the integrity and availability of data processing, network and associated applications;
• complete and correct processing is ensured;
• processing errors are identified, notified and resolved;
• program routines / tasks within the applications are processed as established in the task scheduling;
• back-up files are provided at the established intervals;
• recovery procedures are implemented in case of processing failure;
• there are and are applied change management procedures in the IT environment;
• the actions taken by users and administrators are monitored;
• access to the spaces where the servers are located is restricted;
• the existence of an environment conducive to the proper functioning of the servers;
• ensuring recovery in case of disaster.

The control activities on the application level include:

- Input controls, respectively:
  - authorizations;
  - validations;
  - notification of errors and their correction.

These control activities ensure that only authorized transactions are registered correctly and completely, registered by users who have this right; identifies rejected, suspended, or duplicate items; ensures that rejected items are identified, analyzed and resolved. This category includes: error lists, checks within data fields, limits, validation checks, completeness checks, etc.

- Processing controls, which ensure complete and correct processing of authorized transactions.
- Output controls, report, processing result, transmission of reports to the authorized user

1.Information and communication system

The company implements an information system that ensures credible information at all levels within the organization in order to establish, achieve and monitor the objectives set by the company's management, as a result of efficient decision-making processes. In this sense, the internal control system must ensure effective communication procedures. Such communications are internal and / or external, and include both formal and informal information channels.

The information communicated inside or outside the company must meet the following quality criteria:

- Correct
- Complete
- Current and obtained on time
- Consistent
- Transparrent
- Relevant

The objectives of the internal control system for ensuring efficient information and communication refer to:

• Receiving by the company's management, from internal and external sources, the necessary information for evaluating the operational and financial performances compared to the proposed objectives;
• Identifying within the company, obtaining and distributing relevant information to staff, with a sufficient level of detail, in an appropriate form and in a timely manner so as to enable the staff to perform their duties effectively and efficiently;
• Implementing an efficient communication system, both internally - with the company's structures and staff -, and externally, with bodies / groups that may have an impact on the company's programs, significant projects, objectives;
• The use by the company's management of different forms and methods of communicating significant information to employees;

• Administration, development and periodic review of the information system for the continuous improvement of the utility and credibility of information communication.

2. Monitoring

Monitoring the effectiveness of the internal control system is done by:

- Continuous actions, undertaken at all levels of the company
- Separate evaluations, performed by the internal audit function

The actions of monitoring the internal control system aim at establishing the degree to which the internal control activities are adequate from the conception point of view, are executed properly and are efficient. Just as control activities aim at proper risk management, monitoring the internal control system provides reasonable assurance that control activities are carried out properly and in a timely manner and ultimately results in an effective control system.

Periodic evaluation of the internal control system

The internal control activities are operated daily, but the evaluation of the internal control system is performed at least once a year. The annual evaluation of the internal control system is performed in accordance with the planning established and provided by the group and adjusted according to the internal conditions. During the annual evaluation process, the group may request periodic reports on the status of implementation in order to ensure the timely completion of the report on the evaluation of the internal control system (local and group level).

The documentation based on which the internal control system is evaluated includes the following elements:

- Matrix of risks and controls (MRC);
- Guides and explanatory notes on how to prepare / complete the MRC;
- Reporting forms

MRC includes all the risks and controls relevant to the company and allows a systematic approach in the process of identifying, evaluating and controlling the risks. This approach has 2 major benefits:

- It allows to increase the degree of awareness regarding the risks that may manifest within the company, as well as to identify the weaknesses and deficiencies of the internal control processes / activities for which remedial measures are necessary to be implemented in due time;
- MRC ensures the complete documentation of the risks and, respectively, of the afferent controls and describes the way in which the controls thus documented are functional.

Guidelines and explanation notices are made available by the group for all local companies and describe the stages of the process of identification and assessment of risks and related controls, how to complete the basic documentation and explanations for the key indicators that are presented in each document.

Reporting templates contain the basic chapters / information to be reported to the Group and the Management Board, including key indicators on internal controls, identified deficiencies and remediation plans.

B.5.2 COMPLIANCE FUNCTION

The compliance function is held by the Director of the Compliance and Internal Control Division. The compliance function operates independently of the other operational functions, is subordinated and reports to the Managing Board. The compliance function identifies, evaluates, controls and reports compliance risks and verifies the controls of operational risks identified within the company, ensures the monitoring of the legislative framework and evaluates the possible impact that its changes may have on the company's activity. For certain specific fields such as money laundering, capital market, information security, personal data protection, within the company there are specific directions / departments led by managers / persons responsible for the respective field.

In view of its responsibilities, the holder of the compliance function reviews at least once a year all policies and procedures in the area of responsibility, such as, for example, compliance management system policy, internal control system policy, monitoring legislative changes procedure , the procedure regarding the organization of the internal control system and the internal control activities related to the operational risks and elaborates new documents, if necessary. Also, the holder of the compliance function endorses all the policies, procedures and guidelines developed within the company, as well as their updates.

During 2023, the following reports were presented and submitted for the approval of the Management Board and, as the case may be, to the Supervisory Board:

- Compliance report
- Compliance risk inventory report
- Reports on the situation of conflicts of interest
- Monthly reports on legislative changes
- Periodic reports on the result of the activity of verification of the controls established for the operational risks mentioned in the risk matrix
- Annual report on the internal control system with reference to the evaluation of the effectiveness of the controls related to the risks mentioned in the risk matrix

In order to manage the risk of non-compliance with the legal provisions and to prepare the reports, the holder of the compliance function monitored daily the legislative changes in the project phase and / or published in the Official Gazette and informed the company's management and the directions involved. Subsequently, monthly reports were presented containing the legislative changes, their impact on the company's activity, the measures to be taken for implementation, responsibilities and deadlines for implementing measures, the date of entry into force. Virtual meetings necessary for understanding and establishing the terms and measures to be applied were organized with the dinvolved departments.

The approved compliance and internal control plan for 2023 included daily monitoring of legislative changes, assessing declarations of conflict of interest, compliance courses and warnings, compliance risk checks, checks on the effectiveness of operational risk controls, revisions / updates / approvals of the policies and procedures issued by the company in accordance with the legal provisions or requests of the VIG group, quarterly screening of the portfolio during the checks on international sanctions, reports to be submitted to the Management and VIG Group Compliance, annual tests to assess knowledge and the application of the provisions of the Code of Ethics and of the compliance norms.

In order to ensure knowledge and compliance with the Code of Ethics and Compliance and the internal procedures, but also to know and avoid any risk of non-compliance with the law, a training and testing session was organized for employees having as the themes anti-corruption issues, conflicts of interest, competition and international sanctions.Compliance policies, compliance courses, the Code of Ethics, various laws and rules are posted on the Intranet for ongoing consultation.

B.6 INTERNAL AUDIT FUNCTION

The internal audit function provides the third line on defense and is classified as a key function.

The internal audit function is an independent structure subordinated by the Supervisory Board having the role to assist the Audit Committee in executing their oversight responsibilities and to provide and independent assessment of the Company's internal control and risks management systems and generally, of the governance system, through reviewing how effectively key risks are being managed and assists management in the effective discharge of its responsibilities by caring out independent appraisals and making recommendations for improvement.

Beginning with 2020, the internal audit function has been outsourced under the monitoring of the internal audit coordinator. Staring January 1st , 2024, the internal audit coordinator position will report to the Internal Audit Manager, following the establishment of the internal audit department under the direct oversight of the Supervisory Board. The Supervisory Board has approved the project for the internalization of the audit function. The subsequent step involves internalizing this function, a process that will be conducted in parallel with the evaluation of the collaboration with E&Y, until the expiration date of the outsourcing contract on June 30, 2024.

The legal framework, the organization, the governing standards and the attributions of the internal audit function are described by the Internal Audit Policy.

The internal audit scope is to determine if the risk management, audit and corporate governance processes, defined and under the responsibility of the management, operate so as to ensure that:

- The business, operational, financial, IT risks, etc. are adequately identified and solved;
- The financial, operational and managerial information used in the decisional process are accurate, reflect reality and are acquired in useful time;
- The actions of the company employees observe the governing policies, standards, procedures, regulations and laws;
- The company resources are procured and used efficiently; the company assets are protected from theft, destruction and inefficient use;
- The company schedules, plans and objectives are met;
- The increase of quality and the constant improvement of the risk management, audit and corporate governance processes;
- The laws and regulations regulating the insurance company are known and observed accordingly.

The internal audit strategy is correlated with the company strategy and with the key objectives thereof, including the understanding of the expectations of the organization's interest groups, so as to form a vision over the internal audit activity, its role in the company, the place or in the context of risk management (together with the risk department, it creates value through the improvement of risk management).

The Internal Audit Coordinator reports on the internal control system and governance system related to the processes audited, the findings and recommendations and the status of the implementation directly to the Supervisory Board through Audit Committee. Starting January 1, 2024, the position of internal audit coordinator will report directly to the Internal Audit Manager, who will assume the reporting prerogatives.
This reporting relationship which also includes audit plans achievement, financial budgets and staffing considerations is designed to ensure the ongoing independence of the internal audit function, in order to provide for the objectivity of its findings, recommendations and opinions.

The Internal Audit function is authorized by the Audit Committee to have full and complete access to any of the organization’s records, properties and personnel.
Consistent with generally accepted professional internal auditing standards relating to independence, objectivity and authority, internal auditors cannot have tasks and responsibilities in areas not related to internal audit activity. Internal auditors are not to have direct responsibility or any authority over any of the activities or operations that they review. Internal auditors will assist management in maintaining adequate and effective systems of controls through objective appraisals, recommendations and control consultations.

B.7 ACTUARIAL FUNCTION

On the basis of Solvency II regulation, OMNIASIG actuarial function needs to meet the requirements of an adequate system of governance and covers all lines of business (health NSLT and non-life). These requirements are covered by explicit and adequate internal controls employing the four-eyes-principle. In this context, the main tasks of the actuarial function are as follows:

(i) coordination of the calculation of technical provisions which translates into:

- appropriateness of the methodologies and underlying models (including assumptions),
- understanding of the different drivers of risk,
- appropriateness of the valuation model to address the main drivers of risk,
- appropriateness of the segmentation of risk groups,
- sufficiency and quality of the data used (internal as well as external),
- possibility to challenge each particular component of the valuation including the relationship between the different components, their integration and the recognition of diversification effects,
- validation of the methodologies used to assess the sufficiency of the technical provisions, including back testing against past experience,
- uncertainty associated with estimates used in the calculation,
- explanation for material differences of estimates of technical provisions in comparison to different years (caused either by internal or external factors),
- Identification as well as interpretation of material deviations between best estimates and experience.

(ii) issuing an opinion with respect to:

- underwriting policy
- reinsurance treaties
- considerations regarding changes in the composition of OMNIASIG's portfolio, the effect of bonus-malus systems and other risk factors,
- opinion on the likely financial impact of any material planned changes in terms of products
- explanations on the approximate degree of variability surrounding the estimate of expected profitability

(iii) internal reports - information to Managing Board and Supervisory Board of OMNIASIG and to VIG - with respect to:

- reasoned analysis on the reliability and adequacy of the calculation of the technical provisions and on the sourced and the degree of uncertainty of the estimates,
- sensitivity analysis including investigations of sensitivity of technical provisions to each of the major risk underlying the obligations covered by the technical provisions, and
- statement and explanation of concerns regarding the adequacy of technical provision;

(iv) effective implementation of the risk-management system: report on how the actuarial function contributes to the effective implementation of OMNIASIG's risk management system;

(v) partial internal model of OMNIASIG:

- Providing data input for PIM (portfolio, premiums, claims, etc)

- Parameterization of partial internal model
- opinion on which risks should be covered, in particular to risks relating to the terms on which business is written, and how dependencies between risks should be derived, and
- technical analysis based on experience and expert judgment;

(vi) Cooperation with other OMNIASIG functions (e.g., with risk Management function, Controlling, Financial, Underwriting divisions and Reinsurance).

Applicable standards for actuarial function refer to:

(i) objectivity and independence, respectively its segregation from operational function and freedom from the influence of other functions or management boards members;

(ii) access to the appropriate resources and information systems that provide all necessary information relevant for the discharge of its responsibilities; and

(iii) professional requirements: knowledge of actuarial and financial mathematics, commensurate with the nature, scale and complexity of the risks inherent in the business of the insurance/reinsurance undertaking, and relevant experience with applicable professional and other standards.

Organising of actuarial function in OMNIASIG

OMNIASIG actuarial function is organized within the Actuarial Divisions. Actuarial Divisions is coordinated functionally and operationally by OMNIASIG Managing Board. Its structure includes two Divisions as follows: Technical reserve and Reporting, Pricing and Analysis.

Besides the internal cooperation with various departments of OMNIASIG, Actuarial Divisions has also intra-group cooperation with VIG affiliates, such as Arithmetica, the provider of VIG partial internal model ariSE, or VIG departments, such as VIG RM (Risk Management) and VIG Actuarial Department.

B.8 OUTSOURCING

At the end of 2023 OMNIASIG revised the outsourcing policy approved the previous year, further providing for the requirements for documentation and approval of outsourcing intention, identifying as well as implementing outsourcing contracts, including those specific to outsourcing to cloud providers (according to ASF no. 33/2020). The policy adopted by the company was designed to comply with the legal provisions regarding outsourcing, OMNIASIG ensuring: (i) the collaboration of the service provider with ASF in connection with the activity, function or outsourced process (a); (ii) that its representatives and auditors and the FSA have effective access to information about the outsourced activity, function or process (a); and (iii) that the FSA has effective access to the premises of the service provider at any time it deems necessary and all the conditions for the exercise of its duties are created.

According to the provision of the Outsourcing Policy, before outsourcing any activity, the departments must take into account certain principles laid down in the legislation in force, namely:

- Outsourcing of critical or important operational functions or activities shall not be undertaken in such a way as to lead to any of the following:
    - materially impairing the quality of the system of governance;

- unduly increasing the operational risk;
- undermining continuous and satisfactory service to contracting parties.

- Outsourcing of the activities/functions must not impair the ability of ASF to monitor the compliance of the undertaking with its obligations;
- Responsibility for outsourced activities / functions is always the responsibility of OMNIASIG, including in the case of intragroup outsourcing or chain outsourcing, OMNIASIG remaining obliged to fulfill all obligations in relation to insurers / contractors;

After effectively implementing an outsourcing contract, OMNIASIG's responsible department(s) regularly review(s) the effectiveness and adequacy of its controls in monitoring the performance of the service provider and in managing the risks involved in the outsourced activity, function or process.

Specific requirements related to outsourcing to cloud service providers were enclosed in the Outsourcing Policy.

Below is the list of important or critical operations or activities that the company has outsourced until 31 December 2023, including, with reference to the jurisdiction in which the service providers carrying out those functions or activities are located (headquartered).

SERVICE SUPPLIER	OUTSOURCED FUNCTION/ACTIVITY	JURISDICTION
KYNDRYL ROMANIA SRL	Hosting for Main Data Center	Romania
ORANGE ROMANIA COMMUNICATIONS S.A.	Hosting for Secondary Data Center	Romania
FADATA EOOD	IT development and support services for the INSIS application - back-office insurance application (core-insurance)	Bulgaria
IT IS SP ZOO	IT development and support services for the Portal application - insurance front-office application (insurance portal, dedicated to the sales force)	Poland
FINTECH OS SRL	IT development and support services for the FINTECH application back-office application for the management of the Health Insurance activity	Romania

SOFTELLIGENCE SRL	IT development and support services for the FINTECH application - back-office application for the management of the Health Insurance activity	Romania
SOFTESCU SRL	IT development and support services for: -the mobile application -online payment application -website and administration interfaces	Romania
BUSINESSVIEW SOFTWARE S.R.L.	IT support services for the INSIS application - Back-office insurance application (core-insurance) and PORTAL application - Front-office insurance application (insurance portal, dedicated to the sales force).	Romania
VIG MANAGEMENT SERVICE SRL	IT services for IT infrastructure, applications and systems, including SAP related services & other VIG Group related services, etc	Romania
PLAUT CONSULTING ROMANIA SRL	IT services to support SAP FI application -Financial and accounting management application	Romania
DRIFT DATA SYSTEMS SRL	IT implementation, development, administration and support services for the cloud-native for the cloud-native VCLAIMS application - claims management activity	Romania
GLOBAL ARCHIVE MANAGEMENT SRL	Archiving services	Romania
SZU EVALUARE DAUNE SRL	Evaluations for abroad events	Romania
CLAIM EXPERT SERVICES SRL	Claim evaluation , call center and connex activities	Romania
ERNST&YOUNG ASSURANCE SERVICES SRL/ROMANIA	Internal Audit	Romania

GLOBAL ASSISTANCE SERVICES SRL	Travel, Road &Home Assistance	Romania
RISK CONSULT &ENGINEERING ROMANIA SRL	Property risk inspections	Romania
PREMIA INSURANCE CONSULTING	Medical Call Center and evaluation	Romania

B.9 OTHER INFORMATION

The information presented in section B provides a complete picture of the governance system and its evolution over the year 2023 .

C. RISK PROFILE

C. RISK PROFILE

The company's risk management system is implemented and submitted to a continuous efficiency process aiming to protecting the organization and its stakeholders, through supporting the organization's objectives. As part of risk management system, risk management processes comprise: establishing the general framework, risk evaluation, risks identification and their quantification, the management decision, measures, results and adjustments.
Risks identification and evaluation processes are continuously developed, taking into account the changes in the nature and dimension of company's activity and in insurance market as a whole, and also considering the newly identified risks or the modification of the already existing risks. The risks identification and evaluation are performed taking into account both internal factors (complexity of organization structure, types of activity, employees' quality and employees' changeability) and external factors (economic environment, legal changes competitive environment in insurance business, technological progress). The risks identification and evaluation is conducted both at the overall level of the company and departments level, they cover all activities and take into account all new activities.
Company's risk profile represents a description of risks the company faces and expresses risks nature according to complexity level of company's activity and its strategic objectives.
Risks categories (and their subcategories) identified, evaluated, monitored and reported include: credit risk, market risk, underwriting risk, liquidity risk, operational risk, strategic risk, reputation risk, contagion risk and concentration risk. Risks are treated both individually and aggregated, taking into account the causal relationship/correlations among them.
Concentration and contagion risks are assessed within the risk category they fall in, because of strong correlations with other risks and of direct effects on corresponding risk category.

Development in 2023 – most significant risks:

- non-life insurance risk – the most significant risk, as usual for non-life insurance companies; based on the quantitative assessment, one could observe an increase of this risk, due to increase in business volume in 2023, as well as estimated increase for next year (according to the planning established in September/October 2023);
- market risk – significant impact coming from concentration risk; higher values of SCR for FX risk (higher net EUR gap) and interest rate risk (higher exposure on assets carrying IR risk); the level of market risk is mainly explained by interest rate, concentration, property and spread risks;
- counterparty default risk – the third important; the risk increased as a consequence of higher exposure on both type I and type II;
- operational risk – 2.28 mio RON increase as compared to previous year (due to increase of GEP).

C.1. UNDERWRITING RISK

Non-life underwriting risk is the risk arising from non-life insurance and reinsurance obligations, in relation to the perils covered and the processes used in the conduct of business.
The main categories of this risk are:

- non-life premium and reserve risk: the risk of loss, or of adverse change in the value of insurance and reinsurance liabilities, resulting from fluctuations in the timing, frequency and severity of insured events, and in the timing and amount of claim settlements. As part of the premium risk, this also includes the expense risk resulting from the volatility of expense payments;
- non-life lapse risk: the risk of loss, or of adverse change in the value of insurance and reinsurance liabilities, resulting from changes in the expected exercise rates of policyholder options. The relevant options are all legal or contractual policy holder rights to fully or partly terminate, surrender, decrease, restrict or suspend insurance cover or permit the insurance policy to lapse;
- non-life catastrophe risk: the risk of loss, or of adverse change in the value of insurance and reinsurance liabilities, resulting from significant uncertainty of pricing and provisioning assumptions related to extreme or exceptional events. This extends to natural disasters and man-made catastrophes;
- non-life concentration risk: the risk stemming from a lack of diversification in the non-life insurance portfolio. This extends to all policies considered in the non-life underwriting risk.

Risk reducing methods
In order to correctly manage the underwriting risk, OMNIASIG maintains:

- business strategy;
- underwriting policy;
- an adequate reinsurance strategy/program;
- risk strategy;
- reserving policy and methodologies;
- underwriting methodology;
- appropriate risk policy and methodology for underwriting risks assessment;
- legal requirements fulfilled at any time;
- regularly perform stress tests in order to assess the volatility of main risk factors which impact underwriting risk;
- evaluate and take into account the correlation of underwriting risks with other risks.

Underwriting risk assessment

Partial internal model
Non-life underwriting risk and its components – premium risk, reserve risk and catastrophe risk - are assessed/measured using the partial internal model of VIG. The model is parameterized taking into account OMNIASIG's portfolio particularities. Lapse risk is also reflected in partial internal model results.

Standard formula
Health non similar to life risk (and its components: premium and reserve risk, lapse risk and catastrophe risk) are assessed using standard formula methodology provided by EIOPA.

Analysis based on areas of activity generating underwriting risk (list not exhaustive):

- *Pricing*: pricing models; stress tests for price adequacy; average premium/average loss;
- *Claims:* claims frequency; claims severity; claims development analysis; distribution of claims;
- *Net Retention:* reinsurance performance/stress tests;
- *Concentration:* concentration level by products; concentration level by clients; concentration level by regions;
- *Policyholder Behavior*: lapse rate; renewal rate;
- *Reserving*: reserving models; liability adequacy tests; impact on SCR (non-life risk)
- *Extreme events:* probable maximum loss assessment; impact in SCR (catastrophe risk); external models.

Situation at the reference date 31.12.2023

• The most important subcategories of this risk are premium and reserve risk and claims risk – due to potential adverse development of claims, inherent volatility and potential increase in frequency. The capital requirement is estimated taking into account the portfolio specificity and business strategy.

• One of the most important factors leading to an increased underwriting risk in OMNIASIG is its portfolio structure – with the main exposure on automobile insurance, this fact being more Romanian insurance market particularity than company’s strategy. Concentration underwriting risk is assumed by the company up to a certain level.

•The main contributing lines to non-life insurance risk are Casco, MTPL and Property.

• OMNIASIG is exposed to catastrophe risks. These types of risks (both natural catastrophe and man-made) are adequately and prudently managed through reinsurance program. The reinsurance program and strategy are based on company’s overall business strategy and comply with security rules applicable at group level.

Insurance risk concentration

Our insurance business is concentrated on auto portfolios. Measures are taken to change insurance portfolio structure in the sense of increasing exposure on Health and other non-auto lines.

In what concerns the structure of net underwriting risk, the main part is explained by premium risk. On gross, the catastrophe risk (from both natural catastrophe and man-made) explains approximately 81% from overall risk level.

C.2. LIQUIDITY RISK

Liquidity risk is the risk that necessary financial resources cannot be provided in time, without additional costs, to fulfil the company's short and long terms due payment obligations.

Risk reducing methods

The company maintains:

• Procedures/rules for continuously monitoring the liquidity;
• An adequate portfolio of liquid assets;
• Investments strategy – including assets allocation and limits;
• Risk strategy – with defined limit for liquidity risk and liquidity ratio;
• ALM policy;
• Contingency funding plan;

• Legal requirements fulfilled.

Liquidity risk assessment
The company regularly applies the following types of analysis:

- Cash-flow analysis;
- Cash-flow projection- liquidity gap report;
- Liquidity ratios;
- Stress tests.

Situation at the reference date 31.12.2023
Company's liquidity situation remained at stable level during 2023 due to different measures taken by the management. During 2023 the company had investments in liquid assets, including ON deposits and current accounts. According to internal rules, the newly acquired bonds were allocated to available for sale or trading categories in order to disinvest if necessary. The good liquidity management and the cash-flow planning proved to be efficient. Current assessment (qualitative) of the risk is at low level (decreasing from medium at the end of 2022); nevertheless, the liquidity situation continues to be closely monitored. To be mentioned that the company did not encounter any liquidity problems.

Liquidity risk concentration
As a non-life insurer, OMNIASIG has the financial investments in current accounts, short-term (up to 1 year) deposits and bonds designated as available for sale or trading and therefore they can be sold when needed. The liquidity concentration on assets and liabilities is presented in the next tables (values in RON – 31 December 2023 and 31 December 2022):

31.12.2023

Liquid Assets	<=1 an & on demand	1-5 yrs	5-10 yrs	>10 yrs	Total
Cash and cash equivalents	27.451.896	-	-	-	27.451.896
Insurance & intermediaries receivables	101.259.821	-	-	-	101.259.821
Reinsurance receivables	10.044.693	-	-	-	10.044.693
Receivables (trade, not insurance)	155.321.724	-	-	-	155.321.724
Deposits other than cash equivalents	136.782.132	-	-	-	136.782.132
Reinsurance recoverable	166.814.657	301.751.063	93.098.464	15.289.922	576.954.105
Shares in other participating companies	7.347.638	-	-	-	7.347.638
Investment funds	669.512	-	-	-	669.512
Bonds	384.466.181	913.583.267	521.834.681	110.566.682	1.930.450.811

Other loans & mortgages	7.443.532	-	-	-	7.443.532
Other assets	247.754.327	-	-	-	247.754.327
Total liquid assets	**1.245.356.113**	**1.215.334.330**	**614.933.144**	**125.856.604**	**3.201.480.191**
Liabilities					
Technical provisions	951.494.382	609.331.458	178.724.965	29.276.485	1.768.827.289
Financial liabilities	26.062.908	-	-	-	26.062.908
Insurance & intermediaries payables	93.197.981	-	-	-	93.197.981
Reinsurance payables	134.153.480	-	-	-	134.153.480
Payables (trade, not insurance)	91.562.556	-	-	-	91.562.556
Deposits from reinsurers	256.445.918	-	-	-	256.445.918
Subordinated liabilities	-	-	110.684.850	-	110.684.850
Other liabilities	55.116.989	-	-	-	55.116.989
Total liabilities	**1.608.034.214**	**609.331.458**	**289.409.815**	**29.276.485**	**2.536.051.971**
Liquidity surplus/deficit	**-362.678.100**	**606.002.871**	**325.523.330**	**96.580.119**	**665.428.220**

31.12.2022

Liquid Assets	**<=1 an & on demand**	**1-5 yrs**	**5-10 yrs**	**>10 yrs**	**Total**
Cash and cash equivalents	35.784.512	-	-	-	35.784.512
Insurance & intermediaries receivables	83.982.947	-	-	-	83.982.947

Reinsurance receivables	6.594.564	-	-	-	6.594.564
Receivables (trade, not insurance)	128.053.216	-	-	-	128.053.216
Deposits other than cash equivalents	162.580.010	-	-	-	162.580.010
Reinsurance recoverable	95.798.036	229.788.239	54.548.409	11.824.277	391.958.961
Shares in other participating companies	6.708.491	-	-	-	6.708.491
Bonds	342.204.288	681.892.017	343.032.032	102.778.502	1.469.906.839
Other loans & mortgages	880.556	10.073.440	-	-	10.953.997
Other assets	234.022.784	-	-	-	234.022.784
Total liquid assets	**1.096.609.405**	**921.753.697**	**397.580.441**	**114.602.779**	**2.530.546.322**
Liabilities					
Technical provisions	746.683.564	477.692.552	115.179.955	20.837.587	1.360.393.658
Financial liabilities	66.969.020	-	-	-	66.969.020
Insurance & intermediaries payables	69.441.507	-	-	-	69.441.507
Reinsurance payables	119.315.055	-	-	-	119.315.055
Payables (trade, not insurance)	35.202.159	-	-	-	35.202.159
Deposits from reinsurers	237.990.357	-	-	-	237.990.357
Subordinated liabilities	-	-	110.079.650	-	110.079.650
Other liabilities	44.547.043	-	-	-	44.547.043
Total liabilities	**1.320.148.706**	**477.692.552**	**225.259.605**	**20.837.587**	**2.043.938.449**
Liquidity surplus/deficit	**-223.539.300**	**444.061.145**	**172.320.836**	**93.765.192**	**486.607.873**

C.3. MARKET RISK

Market risk arises from the level or volatility of market prices of financial instruments. Exposure to market risk is measured by the impact of movements in the level of financial variables such as stock prices, interest rates, immovable property prices and exchange rates.
The market risk main components are:

- interest rate risk - arises from all assets and liabilities which are sensitive to changes in the term structure of interest rates or interest rate volatility, whether valued by mark-to-model or mark-to-market techniques;
- equity risk - arises from the level or volatility of market prices for equities; exposure to equity risk refers to all assets and liabilities whose values are sensitive to changes in equity prices;
- property risk - arises from the sensitivity of assets, liabilities and financial investments to changes in the level or volatility of market prices of property; this includes land, buildings and immovable-property rights, as well as property investment;
- spread risk - arises from the sensitivity of the value of assets, liabilities and financial instruments to changes in the level or in the volatility of credit spreads over the risk-free interest rate term structure;
- currency risk - arises from changes in the level or volatility of currency exchange rates;
- concentration risk - the risk stemming either from a lack of diversification in the asset portfolio or from large exposure to default risk by a single issuer of securities or a group of related issuers.

Risk reducing methods
The company maintains:

• strategy for investments for current year–such as the company is able to identify, measure and control the financial risks; the strategy contains internal rules (additional to legal regulations), specifies assets classes where the company is willing to invest – together with the limits and responsibilities;
• "security against profit" profile in order to prevent losses from counterparty default/failure;
• asset-liability management (policy);
• legal requirements for investments fulfilled at any time;
• risk strategy;
• approval process for investments;
• continuously monitoring the market risk.

Market risk assessment

Standard formula
The following components of market risk are assessed using standard formula methodology provided by EIOPA: interest rate risk, property risk, currency risk, spread risk, concentration risk, equity risk.
Stress tests and scenario analysis are performed regularly for the quantitatively assessed risks.

Analysis based on market risk generating factors/activities (list not exhaustive):

- *Interest rate:* interest rates volatility; stress test/scenario analysis; modified duration of assets and liabilities under interest rate risk; impact of interest rate risk on SCR;
- *Currency:* volatility of currency exchange rates; scenario analysis; currency exposure analysis; impact of currency risk on SCR;

- *Equity:* equity price volatility; scenario analysis; impact of equity risk on SCR;
- *Property:* property re-evaluation; impact of property risk on SCR;
- *Concentration:* analysis per asset class, financial instrument, counterparty; impact of concentration risk on SCR;
- *Asset-liability matching:* cash-flow modelling; ALM analysis with respect to currency matching, exposure matching, duration matching;
- *Reinvestment:* analysed according to Investment Strategy (for reinvestments per asset class).

Situation at the reference date 31.12.2023
OMNIASIG kept the risk associated with investments at an acceptable level – with respect to impact – mainly due to the fact that investments portfolio is quite conservative, consisting of deposits on short term (up to 1 year) and bonds – ROMGB and other governments bonds, supranationals, financials, corporates and municipals. The same trend of a conservative portfolio will be maintained in 2024, the company having implemented very strict rules with respect to investments; these rules are described in Investment Strategy, together with the limits set on assets classes, ratings, issuers/partners or maturities. In 2023, equities portfolio at the end of the year consists of strategic participations and assets under equity risk included in investment funds. The company's strategy is to maintain the same profile in 2024. The property risk remains at a significant level, being assumed by the company. The SCR for equity risk decreased in 2023 because of lower exposure on this asset class (lower exposure on tangible assets); property risk increased (higher exposure due to property revaluation). According to Solvency II evaluation principles – standard formula, market risk is the second important one for OMNIASIG –after non-life insurance risk.
At 31.12.2023, SCR for interest rate risk is significantly higher than at 31.12.2022; the increase is explained by higher exposure on assets carrying IR risk; the effect of higher exposure was partially offset by lower IR curve on RON at the end of 2023 (also during 2023).
Currency risk increased as a consequence of higher gap between assets and liabilities in foreign currencies.

SCR for spread risk increased in line with exposure on ROMGB in EUR, corporate&financial bonds and deposits.

Concentration increase is explained by higher/worse average cqs for counterparty Romania .

Market concentration risk
OMNIASIG has a significant exposure on Romanian government bonds, mainly in RON.

C.4. CREDIT RISK

Credit risk or counterparty default risk is the risk of loss, or adverse change in the value of assets and financial instruments related to the unexpected default of counterparties and debtors over the forthcoming twelve months.
The main components of this risk are:

- Type 1 counterparty default risk: the risk arising from exposures which may not be diversified and where the counterparty is likely to be rated. The class of type 1 exposures consists of exposures in relation to risk-mitigation contracts, cash at bank, and other financial commitments. Therefore, its subcategories are:

- Reinsurer default risk: the risk of loss related to the default of reinsurers;
- Cash risk: the risk of loss related to the default of financial companies;
- Financial commitment risk: the risk of loss related to the default of third parties.

- Type 2 counterparty default risk: the risk arising from exposures which are usually diversified and where the counterparty is likely to be unrated (such as receivables from intermediaries and policy holder debtors).

Credit risk is related to policyholders characteristics, reinsurance, investments, other counterparties.

Risk mitigating measures
The company maintains:
• Reinsurance policy; security list;
• Reinsurance strategy/program;
• Operational procedures for reinsurance;
• Risk strategy;
• Strategy for investments – with the specification of limits on credit quality of the issuer/banks where the company has investments;
• Policies and procedures;
• A "security against profit" profile in order to prevent losses from counterparty default/failure – limits on ratings for banks and financial instruments issuers;
• Legal requirements fulfilled.

Credit risk assessment
Reinsurance risk - partial internal model and standard formula
Since non-life underwriting risk and its components – premium and reserve risks and catastrophe risk - are assessed/measured using the partial internal model of VIG, the reinsurance risk will be assessed based on these values of non-life underwriting risk. The differences (as compare to standard formula evaluation) reside in catastrophe risk value (based on external models) and premium and reserve risks (non-life) – gross and net. Consequently, the risk mitigating effect and, implicitly, loss given default estimated using partial internal model are different than the ones estimated using standard formula.
Standard formula
For business credit risk (related to receivables from policyholders, intermediaries and other business partners) and invested assets credit risk (current accounts), OMNIASIG uses standard formula provided by EIOPA.

Stress tests and scenario analysis are performed regularly for the quantitatively assessed risks.

Analysis based on credit risk generating factors/activities (list not exhaustive):

- *Insurance Business:* receivables from policyholders are analysed regularly – ageing analysis; rate of recoveries; impact on SCR (receivables) – standard formula;
- *Reinsurance:* analysis of receivable from reinsurers; exposure on reinsurers per rating class; impact in SCR;
- *Concentration:* concentration on products/clients; concentration on invested assets; concentration on time maturity of assets.

Situation at reference date 31.12.2023
• In 2023, the credit risk remained at a significant level, higher as compared to end of 2022 due to increase of receivables/type I and type II exposure.
• The most important subcategory is business credit risk.
• In what concern reinsurers default, security list is in place and no reinsurance arrangements are done outside the framework of reinsurance rules/guidelines.
• Counterparty default risk is the third highest risk according to Solvency II principles, mainly because of high risk mitigating effect of reinsurance and loss given default.

Credit risk concentration
A significant part of reinsurance is intragroup. The risk is further reduced/spread by retrocessions. Furthermore, the exposure to

counterparties is concentrated in rating categories A (S&P equivalent). In what concerns type 2, the exposure is well-diversified.

C.5. OPERATIONAL RISK

Operational risk is the risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events. Operational risk includes legal risks, and excludes strategic and reputational risks.

The main components of this risk are: business disruption risk; know-how concentration risk; insufficient human resources; hardware and infrastructure risk; IT software and security risk; model and data quality risk; IT development risk; project risk; external crime risk; compliance risk; process and organization risk; human error.

The company maintains general HR procedures, procedures for internal control, compliance with legal, group and internal requirements.

Identification of Operational Risk

During the annual risk inventory process, operational risks are identified and reported, based on risk inventory policy, risk inventory guideline, risk inventory report and risk and control matrix. All operational risks owners have the obligation to report any newly identified operational risk immediately.

Operational risk assessment

Quantitative assessment - Standard formula

Operational risk (at aggregated level and without any distinction among its subcategories) is quantitatively assessed using standard formula methodology provided by EIOPA. According to the standard formula the operational risk is mainly dependent on the level of earned premiums and technical provisions. However, even though the quantitative risk level is sufficient to cover the risk, this approach does not provide a deeper understanding of the sources behind operational risks. Therefore, the operational risk is separated into 12 sub-risks and assessed qualitatively together with experts from all departments.

Qualitatively assessed risks

The annual assessment of operational risks is based on estimations of frequency and severity of subrisks identified by risk owners in Risk&Control matrix. The frequency is rated on a scale from *rare* to *frequent*. The severity is rated on a scale from *insignificant* to *severe*. After risk owners identify and assess the subrisks – according to the methodology, the risks are aggregated into the 12 categories mentioned. To reach a final result for each operational risk the estimates of frequency and severity are subsequently presented in the operational risk map.

Operational risks controls

The controls are clearly specified in Risk&Control matrix by every risk owner, for each identified operational risk.

The risk is controlled and monitored through (list not exhaustive):

- *Business disruption risk:* Business Continuity Policy; Business continuity plan;
- *Know-how concentration, insufficient human resources:* HR policies/procedures; back up plans at department/division level; training strategy at department/division level;
- *Hardware and infrastructure risk:* logistic procedures; outsourcing policy/procedures; IT policies/procedures;
- *IT software and security risk:* IT policies/procedures; general and specific controls; back-up plans;

- *Model and data quality risk:* written methodologies available in each department where models are used; fit and proper policy; data quality framework/policy/assessment;
- *Process and organization risk*: organization policies/procedures; committees; code of ethic; communication system;
- *Compliance risk:* compliance function; compliance policy;
- *Operational risk – general:* risk strategy; qualitative limit/target – for each subcategory - in risk strategy.

Situation at the reference date 31.12.2023

The estimated value of capital requirement for operational risk (according to standard formula technical specifications) is around 65.2 mio RON. The company's size and its complex activity makes from operational risk one of the most important risks the company is facing. The management of the company takes the necessary measures to maintain the risk at stable acceptable level.

Changes in qualitatively assessed risk in 2023 (as compared to 2022): decrease in insufficient human resources from low-medium to low.

C.6. OTHER RISKS

Reputational risk

Reputational risk is the risk of adverse business development associated with damage to the company's reputation. A loss of reputation can disrupt the confidence of customers, investors, or employees in the company, and thus may lead to financial damage. Reputational damage can be caused by misselling products, poor customer service, inadequate disclosure to stakeholders, or negative publicity, and may spread from one company to another.

The company maintains:

- best practice business principles, responsible manner in order to protect its clients, employees and stakeholders expectations;
- proper conduct of the business activities in accordance with its values and business principles;
- alignment to policies and values of company and group;
- ensuring long-term business success whilst contributing to economic and social development and to a stable company;
- compliance with legal requirements;
- compliance with internal and group regulations;
- appropriate standards of ethics and professionalism.

Identification and assessment of reputation risk

OMNIASIG is exposed to reputation risk in a number of situations. Some of these relate to legal and operational risk management issues, therefore the identification and assessment of reputation risk is done simultaneously with other risks of operational type.

Limit risk exposure by

- Full compliance with all legal and internal requirements;
- Company's public statements in the media – if considered necessary;
- Internal communication to the employees;
- Monitoring the perception of the company's stakeholders with respect to the company on a regular basis.

Situation at the reference date 31.12.2023

During the years, we highlighted our position as a solid, stable and reliable insurer, able to adapt to the difficult situations, and offering our clients and partners the best possible services.

We make all the necessary efforts to answer promptly and solve every request from our clients and partners as fast as possible. We have also initiated different CSR actions for supporting the community in these difficult times. Moreover, the service quality is aimed to be maintained at an appropriate level.
The risk is evaluated by Risk Committee at low level (decreasing from medium level assessed at the end of 2022).

Strategic risk
Strategic risk is the risk of adverse business development related to poor business and investment decisions, or to inadequate communication and implementation of goals, or to a lack of adjustment capacity to changes in the economic environment, or to conflicting business objectives.
Strategic objectives for next period are defined, approved and communicated. Corresponding measures are or will be (according to strategy deadlines) implemented by the company's management for reaching the strategy's goals and mitigating the risk.
The risk didn't change its assessment, remaining at low level. The company is able to adjusted the strategy considering the current situation.

Global risk and political risk
Both global risk and political risk remain at high level.

C.7. SCENARIOS AND SENSITIVITIES

Scenario analysis

Within yearly ORSA (September – December 2023), OMNIASIG performed 3 scenarios, which are developed based on the most important 3 risks on company goals identified by us with respect to the most important lines of business in our insurance portfolio. A fourth scenario related to climate change was developed with group support.

The first one is an MTPL scenario related to both external and internal factors, the second refer to increase of claims and non-realization of plan for premiums in line Casco, while the third scenario evaluates the impact of a higher than predicted inflation on claims level. The climate change scenario – the fourth – presents the impact on our solvency ratio in case of increase of global warming.

MTPL scenario

The problems that some insurance companies are facing in 2024 and/or different implemented strategies generate their clients' migration to other insurers. The good reputation of OMNIASIG in what concerns the services to clients has the effect of increasing our portfolio (increase in number of risks); moreover, higher than predicted inflation and other external factors lead to an increase in average claim; decrease of new business premium is also tested in this scenario.

The scenario has the following features:

- increase of new business rate; increase in average claim; decrease of new business premium; for the following years of the planning horizon it is assumed that premium will have the same growth rate as in initial planning.

Overall result of scenario: the modified inputs bring a decrease of solvency ratio (especially for years 2024-2026 – impacted by both SCR increase and EOF decrease). Solvency ratio remains above 125% for end of 2023-2024, while ratios for 2025 and 2026 are below 125% but above 100%.

Casco scenario

As an effect of the current situation, Casco portfolio deteriorates because of increase of claims frequency and market pressure in what concerns portfolio acquiring (decrease of number of risks).

The scenario has the following features:

- decrease of new business; increase of attritional claims frequency; for the following years of the planning horizon it is assumed that premium will have the same growth rate as in initial planning.

Overall result of scenario: the modified inputs bring a decrease of solvency ratio (especially for years 2024-2026 – impacted by both SCR increase and EOF decrease). Solvency ratio remains above 125% for end of 2023- 2024, while ratios for 2025 and 2026 are below 125% but above 100%.

Claims inflation scenario

Inflation continues to grow in 2024 more than predicted/considered in the base case. Average claim increases in all lines of business.

The scenario has the following features:

- increase in inflation – higher average claim; no changes in average premiums, costs and commissions are applied.

Overall scenario: the modified inputs bring a decrease of solvency ratio (especially for years 2024-2026 – impacted by both SCR increase and EOF decrease). Solvency ratio remains above 125% for end of 2023-2024, while ratios for 2025 and 2026 are below 125% but above 100%.

Climate change scenario

As a result of climate change, there will be global warming of several degrees Celsius in Central and Eastern Europe in the medium to long term. This man-made change can affect the frequency and severity of extreme weather events such as storms or floods, thereby increasing future natural catastrophe losses for the company. (Applicable natcat risks: flood and hail.)

Result of scenario: when applying the current reinsurance program, the solvency ratio would not deteriorate significantly. An annual review of the natural catastrophe reinsurance program using the internal model is carried out, so occurrence of the above scenario can be mitigated by increasing reinsurance cover accordingly/whenever necessary.

Sensitivity analysis - ORSA

Sensitivity analysis (based on 31.12.2022 reference date) shows how the defined stresses affect the Own Funds, SCR and coverage ratio. Proposed sensitivities are:

1	1% up shift to intereset rate (IR) curve
2	1% down shift to IR curve
3	Standard equity -25%
4	Corpo bonds spreads +50bps
5	Gov bonds spread +50bps
6	Rating downshift 1 notch
7	Rating downshift 1 notch only for Romania
8	LLP +10 years
9	Decrease UFR 15bps
10	Assets under eq risk module -25%
11	Assets under property risk module -10%
12	Premium NL +5% - partial internal model (PIM)
13	Premium NL -5% - partial internal model (PIM)
14	Provisions for claims outstanding +5% - partial internal model (PIM)
15	Provisions for claims outstanding -5% - partial internal model (PIM)

The sensitivity analysis was performed based on reference date 31.12.2022 and partial internal model; this analysis revealed that the highest impact is given by decrease in premium by 5%, increase of IR curve with 100bps and increase of claims reserve with 5%; in the first case, the decrease of solvency ratio with 14.7% is mainly generated by increase of SCR by 11.1%, in the second case, decrease in solvency ratio with 7.1% is explained by decrease of EOF by 5%, while in the third case, the decrease of solvency ratio with 6% is triggered by decrease of own funds by 4.4%. Furthermore, the increase in spread for government bonds with 50 bps, leads to a solvency ratio decrease with 3.8% (decrease of EOF by 3.2%, decrease in SCR by 0.5%).

31.12.2022	**SCR ratio**
Base case	**138.3%**
1% up shift to IR curve	131.2%
1% down shift to IR curve	144.9%
Standard equity -25%	138.3%
Corpo bonds spreads +50bps	138.0%
Gov bonds spread +50bps	134.5%
Rating downshift 1 notch	134.6%
Rating downshift 1 notch only for Romania	135.1%
LLP +10 years	138.3%
Decrease UFR 15bps	138.3%
Assets under eq risk module -25%	137.5%

Assets under property risk module -10%	135.5%
Premium NL +5% - partial internal model (PIM)	154.4%
Premium NL -5% - partial internal model (PIM)	123.7%
Provisions for claims outstanding +5% - partial internal model (PIM)	132.4%
Provisions for claims outstanding -5% - partial internal model (PIM)	143.7%

Uncertainty analysis for non-life insurance risk under partial internal model – reference date 31.12.2023

The sensitivity test evaluates the effect on the results of the internal model when single input parameters (assumptions) are changed. The purpose of sensitivity testing is the identification of key underlying parameters and assumptions.

Claim frequency overdispersion

A confidence interval was constructed for overdispersion. The test consists of re-assessing capital requirement for non-life insurance risk by replacing the original parameter with its upper bound. Test result is presented below:

Final SCR (adjusted correlated SCR) net	Base case	Impact	Relative deviation
Upper bound	288,353,515	5,285,335	1.83%

*All absolute values in RON

Claim severity

At each Sub-LoB level, the expected value and variance were replaced by their upper bounds.
Compared to the final net SCR of the base case, the following results were achieved given by relative and absolute deviations:

Final SCR (adjusted correlated SCR) net	Base case	Impact	Relative deviation
Upper bound – normal losses	288,353,515	15,196,657	5.27%
Upper bound – large losses	288,353,515	6,447,825	2.24%

*All absolute values in RON

The net SCR for non-life using the upper bound for normal losses is higher than in base case (relative deviation of 5.27%). The impact is less significant for claim frequency overdispersion uncertainty and for large losses parameters uncertainty.

C.8 PRINCIPLES OF INVESTMENT

OMNIASIG closely follows national and European legislation in the context of adhering to the investment and risk principles considered appropriate to the insurance industry.

The company has a series of standards of conduct that guides its investment activity - investment standards and related procedures are set out in: Investment policy of the VIG Group, the OMNIASIG Investment Policy, the Investment Strategy and the Investment Risk of OMNIASIG as well as OMNIASIG Asset Management Operational Procedure. Thus, according with OMNIASIG Investment Policy, the guiding principles of investment activity are:

- Fulfillment of Solvency II obligations (VIG Group Supervision)
- Fulfillment of contractual obligations
- Competitiveness
- Continuity of earnings
- Rating-maintenance
- Transparency
- Equity protection and growth

All this defines the conservative position of the insurance undertaking and the Group of which it is part in the financial investment activity.

Under Article 132 of Directive 138/2009 / EC, insurance and reinsurance undertakings must comply with the prudent person principle.

As far as the portfolio of assets is concerned, insurance and reinsurance undertakings only invest in assets and instruments presenting risks that they can adequately identify, measure, monitor, manage, control and report and which they can take into account in way to assess their global solvency needs.

According to the Investment Risk Strategy, the company will invest the vast majority of the available assets (approximately 80% of total financial assets) in bonds (out of which over 90% of government bonds issued by the Romanian state), deposits (at banks approved for investments and within the limits set by the strategy) and cash. Thus, this portfolio is extremely liquid, it is a clear and low risk, and the portfolio and changes are tracked on a daily basis. Currently there are no investments planned in shares, but in case of investment decisions, the target will be on some very small proportions relative to the value of the portfolio in shares listed on the Bucharest Stock Exchange, components of the BET index (by the most liquid in the market) and in investment funds. The other investment classes are generally strategic investments of the company (loans and participations).

Assets held to cover technical provisions shall also be invested in a manner appropriate to the nature and duration of the insurance and reinsurance obligations. These assets are invested in the full interest of all policy holders and beneficiaries, taking into account the contractual conditions communicated to them.

The insurance undertaking has implemented the asset and liability management policy that defines the risks and hedges pursued by the investment business. Both the currency gap (monthly) and the assets and liabilities duration are monitored.

In order to keep the credit risk as low as possible, a major exposure of the Romanian financial investment portfolio is consciously accepted. This is represented by the exposures in government bonds (both in lei and in foreign currency) as well as banks owned by the Romanian state.

Regarding the exposure on banks deposits, a concentration of these deposits is registered with the Banca Comerciala Romana (BCR). This is due to the fact that the company's main collections and payments accounts are with this bank. Also, from the current accounts opened at BCR, bond transactions agreed by the company are settled. The company also holds significant amounts as deposits in ING Bank and Citibank, these banks having a higher rating level.

Analyzing assets that are not admitted to trading on regulated markets, there is a reduction of volume to the minimum. Thus, the unlisted participations are in strategic holdings for OMNIASIG, and their level is very low.

The use of derivatives is limited (according to the Investment and Investment Risk Strategy) to cover the risks assumed in the portfolio and to prepare a major acquisition and / or sales. Any acquisition of derivative financial instruments will be subject to the approval of the asset management department of the Group, the OMNIASIG Management Board and the approval of the Supervisory Board.

In addition to setting high security standards through the company's financial policies and strategies, OMNIASIG has an asset management team with an experienced team of members, with more than 15 years of experience in financial analyses, asset management, financial and controlling in the insurance industry.

One can observe such increased attention given by OMNIASIG to the safety and proper monitoring of the portfolio of financial instruments.

C.9 REINSURANCE

Reinsurance was organized and conducted within the framework and in accordance with the principles outlined in the company’s reinsurance policy. Reinsurance programme is submitted for approval to the Supervisory Board on an annual basis, at the end of each year for the next calendar year.

Reinsurance scopes and objectives

The main objective of reinsurance is to contribute to maintaining the financial stability of the company and mitigate the impact of potential fluctuations of annual aggregate losses through reinsurance programmes protecting each line of business in accordance with its respective specificities, historical technical results and expected future developments.

Main targets considered when designing the 2023 reinsurance programme:

- Concluding reinsurance contracts with adequate capacities for each insurance lines. All business lines are protected by reinsurance treaties, except a few products whose maximum policy limits or expected annual aggregated losses are very low and may be safely retained on the net account of the company.

- Setting optimum retention levels considering the frecquency and severity expected on each line, but also with a view to an efficient utilization of the capital.
- Maintaining a superior level of security through a rigorous selection of reinsurers participating in each reinsurance contract and a proper management of exposure accumulation.
- Reinsurance programme was also aimed to support the direct underwriting by achieving adequate underwriting capacity and correlating treaty limits and scope of coverage with the development plans for each line of business.

The impact on company's solvency ratio was also taken into consideration, with a view to increasing the available capital through transferring part of the assumed risks to reinsurers and thus releasing the portion of the capital which would have otherwise been required for covering those respective risks.

Criteria used in order to achieve an efficient reinsurance programme:

In order to identify the most appropriate reinsurance programme for each lines of business, the following mix of quantitative and qualitative criteria has been assesed:

1. Quantitative criteria:

- Maximum retention per risk/event for each line of business must not exceed 3% of Equity, in accordance with VIG security rules and reinsurance policy.
- The level of net retention was established separately for each line of business, taking into account loss experience, exposure (in terms of both frequency and severity) as well as expected volatility of each class.
- Limits of the treaties were set with the aim to be sufficient to cover the average big risks typically written in each portfolio on an automatic basis. Peak risks exceeding treaty limits were dealt with individually and reinsured on facultative basis.

  A special consideration was given to the Natural Catastrophe protection, whose limit was fixed on the basis of Probable Maximum Loss (PML) calculated for the portfolio, but also considering the development expected in the year ahead. VIG takes a very prudent approach and uses a 250 years return period for the PML used for setting the treaty limit, which is more prudential than the standard applicable according to the regulations in force.

  Exposure modeling was coordinated by VIG using the most advanced models available on the reinsurance market. Several alternative models were run by international reinsurance brokers, whose results were analyzed and the most relevant outcome was selected as a basis for determining the Group's treaty capacity. Treaty limit was set in accordance with the largest PML calculated on a cross-country basis for catastrophic risks, so that it is sufficient for each company covered thereunder.

2. Qualitative criteria:

- Financial strength and security of reinsurers were the main criteria used for selecting our reinsurers. Mininum rating required is A- assigned by an international rating agency, with exceptions from this rule accepted only in special cases and based on sound arguments, always provided that a prior approval has been obtained from VIG Security Committee or VIG Management Board.
- Contribution to increasing the flexibility in underwriting (the higher are the limits and the scope of treaty cover, the more flexible is the direct underwriting).

Selection of reinsurers and credit analysis

Selection of reinsurers and monitoring the aggregated liability ceded to each counterparty follows very strict rules and criteria, in accordance with the security policy which VIG requires each Group company to comply with.

Eligible reinsurers are included in a list attached to VIG Group Guideline Reinsurance Security Information, which is updated quarterly or whenever necessary, so that any change in the rating or in the financial position of a reinsurer can be properly reflected in our security rules.

In order to be included in the Security List, a reinsurer must have a rating assigned by Standard & Poor's or AM Best of A or above for long-tail and A- or above for short-tail risks, respectively. In order to use a reinsurer not included in the Security List, a prior special acceptance must be obtained from VIG Security Committee.

A Cession Limitation Table has been developed to ensure a proper management of exposure accumulation per one single reinsurer, by setting maximum limits and cession shares by types of contracts (treaty of facultative) and by each main class of business. The aim of this rule is to prevent concentration on certain markets and thus the negative impact that failure of a reinsurer can have on the company's financial stability.

Reinsurance diversification in the case of Group treaties ceded 100% to VIG Re is ensured through the retrocession contracts arranged by VIG Re with external reinsurers.

Risk credit of reinsurers

Risk credit associated to the reinsurance business is evaluated by the Risk Management department within the counterparty default risk (SCR counterparty default risk type 1).

All objectives, procedures and principles mentioned above were considered for designing the reinsurance programmed applicable in 2023, but also for the programme approved for 2024.

C.10 OTHER INFORMATIONS – EPIFP (EXPECTED PROFIT INCOME FROM FUTURE PREMIUM)

EPIFP shall be calculated as the difference between the risk-free technical provisions calculated in accordance with Article 77 of the Directive and the risk-free technical reserves calculated on the assumption that the premiums relating to existing insurance and reinsurance contracts, which are expected to be received in the future, will not be received for any other reason except that the insured event occurred irrespective of the legal or contractual rights of the policyholder to dispose of the termination of the contract. The value of this indicator at 31 December 2023 is RON 33,347,273.

D. VALUATION FOR SOLVENCY PURPOSES

D.1 ASSETS

The main asset groups used in the form of economic balance sheet of Solvency II are:

I Intangible assets
II Deferred tax
III Property, plant & equipment held for own use
IV Investments
 a) Property
 b) Investments in affiliated companies
 c) Bonds
 - *government bonds*
 - *corporate bonds*

 d) Investment funds
 e) Bank deposits
V Other loans
VI Reinsurance recoverable
VII Insurance and intermediaries receivables
VIII Reinsurance receivables
IX Receivables (trade, not insurance)
X Cash and cash equivalents
XI Any other assets, not elsewhere shown

The value of these at 31 December 2021 and 31 December 2020 is shown in the table below:

Asset name	31 december 2022	31 december 2023
Intangible assets	-	-
Deferred tax	63.113.258	61.975.923
Property, plant & equipment held for own use	138.244.406	147.730.623
Investments	1.664.301.729	2.099.457.426
a) Property	*25.106.389*	*24.207.333*
b) Investments in affiliated	*6.708.491*	*7.347.638*
c) Bonds	*1.469.906.839*	*1.930.450.811*
• *government bonds*	*1.290.350.245*	*1.732.688.220*
• *corporate bonds*	*179.556.594*	*197.762.591*
d) Investment funds	*-*	*669.512*
e) Bank deposits	162.580.010	136.782.132
Other loans	10.953.997	7.443.532
Reinsurance recoverable	391.958.961	576.954.105
Insurance and intermediaries receivables	83.982.947	101.259.821
Reinsurance receivables	6.594.564	10.044.693
Receivables (trade, not insurance)	128.053.216	155.321.724
Cash and cash equivalents	35.784.512	27.451.896
Any other assets, not elsewhere shown	7.558.731	13.840.447

I Intangible assets

The Company does not have intangible assets that can be included in the Solvency II economic balance sheet at this position.

II Deferred tax

The Company calculated and recognized deferred tax receivables related to taxable temporary differences or deductibles, defined as differences arising between the value of an asset or liability in the statement of financial position of the Solvency II economic balance sheet and its tax base.

The values and the calculation are shown bellow:

Asset	EBS Solvency II	The tax base	Deferred tax
Deferred acquisition costs	-	241.709.793	38.673.567
Intangible assets	-	30.759.812	4.921.570
Deferred tax	61.975.923	-	-
Property, plant & equipment held for own use	147.730.623	116.155.550	-5.052.012
Investments	2.099.457.426	2.137.148.750	6.030.612
Other loans	7.443.532	31.515.850	3.851.571
Reinsurance recoverables	576.954.105	706.530.133	20.732.164
Insurance and intermediaries receivables	101.259.821	644.802.301	86.966.797
Reinsurance receivable	10.044.693	5.882.407	-665.966
Receivables (trade, not insurance)	155.321.724	347.309.839	30.718.098
Cash and cash equivalents	27.451.896	27.451.896	-
Any other assets, not elsewhere shown	13.840.447	13.840.447	-

	EBS Solvency II	The tax base	Deferred tax
Total assets	**3.201.480.191**	**4.303.106.778**	**186.176.402**
Liabilities	**EBS Solvency II**	**The tax base**	**Deferred tax**
Technical provisions	1.768.827.289	2.521.378.074	-120.408.126
Other technical provisions	-	6.343.156	-1.014.905
Provisions other than technical provisions	38.435.811	8.107.866	4.852.471
Provisions for pensions and similar obligations	6.507.724	-	1.041.236
Deposits from reinsurers	256.445.918	256.445.918	-
Financial liabilities other than debts owed to credit institutions	26.062.908	221.358	4.134.648
Insurance & intermediaries payables	93.197.981	174.405.667	-12.993.230
Reinsurance payables	134.153.480	140.922.585	-1.083.057
Payables (trade, not insurance)	91.562.556	63.179.871	4.541.230
Subordinated liabilities	110.684.850	110.684.850	-
Any other liabilities, not elsewhere shown	10.173.454	30.615.616	-3.270.746
Total liabilities	**2.536.051.971**	**3.312.304.962**	**-124.200.478**

III Property, plant & equipment held for own use

	31 december 2022	31 december 2023
Land and buildings used for own use	119.069.053	117.570.259
Right of use assets	14.637.153	24.811.576
Other tangible assets	4.538.201	5.348.789
Total Land, buildings and other tangible assets used for own use	**138.244.406**	**147.730.623**

In this position the Company presents the lands and buildings used for own use and other fixed assets (right of use assets, according to IFRS 16, technical installations and cars, other instalations, equipment and furniture). Property, plant and equipment are evidenced at acquisition cost, less those in the land and buildings group.

On entering the corporate assets, the assets are evaluated and shall be accounted for at cost. This can be represented by: the cost of acquisition, cost of production, input value or fair value - where assets received free or ascertained addition to inventory - depending on how it is purchased.

At the presentation in the Solvency II economic balance sheet form, tangible assets are reflected at cost minus cumulative value adjustments.

For the purpose of presenting the lands and buildings at the current market value and in order to comply with provisions on the taxation of the Tax Code, the Company performes their revaluation every 5 years.

Depreciation

The lifespan of fixed assets used are established according to the Government Decision no. 2139/2004 for approval of the Catalogue on the classification and normal periods of operation of fixed assets, and the depreciation method is linear.

The management reconsiders the accounting value of buildings and equipment, if the events or changes of circumstances indicate that the accounting value could not have been recovered.

The gains and losses upon decommissioning the fixed assets are determined by reference to their net value and shall be taken into account when determining the profit from operations.

The tangible assets written off or assigned are deregistered from the balance sheet together with the applicable cumulated depreciation. The profit or loss resulting from such an operation is determined as the difference between the amount obtained and the net accounting value and are included in the operating profit of the period.

The depreciation is achieved on the basis of equal annual rates for depreciation of the revalued amount of fixed assets during the remaining period of their lifespan as follows:

Category	Years
Buildings	40-50
Equipment and furniture	3-20
Means of transport	4-5
Information equipment	3

Tangible assets in progress are not depreciated until they are used.

Revaluation reserve

The Company opted for revaluation of tangible assets according to current regulations.

The fair values of tangible assets reevaluated according to ASF Norm no. 41/2015, with subsequent amendments, are updated with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. If there is no market information on fair value, the fair value is estimated based on net cash flows or depreciated replacement cost.

The revaluation surplus included in the revaluation reserve is capitalized through direct transfer in reserves when the surplus is a realized gain or when the asset for which revaluation reserve was established is derecognised or as the asset is used by the entity. During the year the Company transferred part of the revaluation reserve in revaluation surplus at deregistration of some assets.

IV Investments

Financial assets of the Company presented in the form of Solvency II economic balance sheet are measured at fair value, less investments in affiliates that are stated at cost.

Recognition

The Company recognizes financial assets when it becomes part of the contractual provisions of the instrument.

Evaluation

Financial instruments are initially measured at fair value.

After initial recognition, all financial assets measured at fair value that are not quoted in an active market and those whose fair value cannot be properly assessed, are valued at cost, including transaction costs, less impairment losses.

The fair value of financial assets is based on their quoted market price at the balance sheet date without any deduction for transaction costs. If there is no market quotation, the fair value of the instrument is estimated using pricing models or techniques for updating cash flows.

When used discounted cash flow analysis, future cash flows are based on management's best estimates and the discount rate is a market rate on the balance sheet date for financial instruments that have the same terms and conditions. When using pricing models, input is based on measurements of the market at the balance sheet date.

Land and buildings

In this position, the Company registers the lands and buildings classified as financial investments.

They follow the same recognition and assessment as land and buildings of position III Land, buildings and other tangible assets used for own use.

	31 December 2022	31 December 2022
Land and buildings financial investments	25.106.389	24.207.333

Bonds, listed shares and investment funds

The fair value of the bonds, listed shares and investment funds presented in the form of Solvency II economic balance sheet was estimated based on quoted prices:

	31 December 2022 -fair value-	31 December 2023 -fair value-
Bonds:	**1.469.906.839**	**1.930.450.811**
• government bonds	1.290.350.245	1.732.688.220
• corporate bonds	179.556.594	197.762.591
Investment funds *(i)*	-	**669.512**

(i) In 2023, the Company purchased investment funds.

Bank deposits

The Company treats these short-term financial assets that are not quoted in an active market, therefore bank deposits are valued at nominal value less specific allowance for credit risk when recording possible impairment losses on these assets.

	31 December 2022	31 December 2023
Bank deposits	162.580.010	136.782.132

Investments in affiliates

The company has investments in unlisted affiliated companies.

If there is objective evidence that a loss from impairment of any unlisted share that is not presented at fair value because fair value can not be reliably measured, the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of future cash flows using current internal market rate of return for a similar financial asset. Such impairment losses are not mentioned in the result.

The company presented in the form of Solvency II economic balance sheet the following values of investments in affiliated companies after deducting value adjustments:

	31 December 2022	Ownership percentage	31 December 2023	Ownership percentage
VIG Management Service	6.912.000	18%	6.912.000	18%
Autosig SRL	1.600.000	100%	1.600.000	100%
Global Assistance Services SRL	415.200	25%	415.200	25%
Adjustment for depreciation of participation in affiliated companies *(i)*	-2.218.709		-1.579.562	
Total	**6.708.491**		**7.347.638**	

(i) The adjustment for depreciation was registred for the value of the shares held in the affiliated companies. For values from the economic balance according to the requirements of Solvency II, a depreciation of the value of the shares held in the company was recorded: for Autosig, in the amount of RON 1.600.000 in 2023 (RON 1.600.000 in 2022), for VIG Management Service SRL in 2023 it was no longer necessary to register an ajustment (RON 636.862 in 2022), for Global Assistance Services in the amount of RON 20.438 in 2023 (RON 18.153 in 2022).

V Other loans

Loans are underived financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the entity intends to sell immediately or in the near term, those that the entity at initial recognition, designates at fair value through income or loss accont or for which the company may not recover substantially all of its initial investment, other than because of credit deterioration, or are classified as available for sale.

Given loans presented in the form of Solvency II economic balance sheet are valued and recorded at cost, less accumulated value adjustments.

The situation is as follows:

Autosig SRL	31 December 2022	31 December 2023
- loan amount	24.143.313	24.072.318
- adjustment value	-20.306.602	-24.072.318
Loan net value *(i)*	**3.836.711**	**-**

(i) In 2023, the adjustment of the loan to Autosig was increased, thus, on December 31, 2023, the net value is zero.

VIG Management Service SRL	31 December 2022	31 December 2023
- loan amount	6.900.000	6.900.000
- attached receivables (interest)	217.286	543.532
Loan net value	**7.117.286**	**7.443.532**

VI Insurance and intermediaries receivables

In this position the Company records the following types of assets, presented quantitative and qualitative as follows:

	31 december 2022	31 december 2023
Receivables from policyholders and intermediaries	83.237.309	99.981.676
Receivables from insurance companies	745.638	1.278.145
Total	**83.982.947**	**101.259.821**

Receivables from policyholders and intermediaries

Receivables from insurance premiums are assessed at cost less impairment of receivables. Impairment of receivables is made according to receivables due and if the Company has objective evidence that it will not collect amounts according to their initial conditions. In case it is found that these receivables can not be collected, will be prescribed, and recognized as expenses.

Receivables from insurance premiums, collected from the insured through insurance agents and not transferred in the accounts of the company, are stated based on slip of the receipt of the notice provided, resulting the intermediate/agent receivable. The receivable from policyholder is cleared based on this notice.

VII Reinsurance receivables

Reinsurance receivables are amounts receivable from reinsurers.

Reinsurance receivables are balances due by reinsurance companies. Recoverable amounts from the reinsurers are estimated in a compatible manner in accordance with the related reinsurance contract. These receivables are highlighted by reinsurance companies and brokers.

Reinsurance receivables are reviewed at each reporting date or more often when there are indications of impairment in the reporting year. Impairment occurs when there is objective evidence as a result of an event occurring after the initial recognition of the reinsurance claim and the Company may not receive all outstanding amounts owed under the terms of the contract and the event has a measurable impact on the amounts that will receive them from the reinsurer. Impairment loss is recognized in the income statement.

The Company presents receivables and payables from reinsurance as a net result (receivable or liability to reinsurers and brokers) between reinsurance premiums, commissions, and damages.

	31 December 2022	31 December 2023
Reinsurance receivables	6.594.564	10.044.693
Reinsurance liabilities	119.315.055	134.153.480

VIII Receivables (trade, not insurance)

In this position the Company records the following types of assets presented quantitatively and qualitatively as follows:

	31 December 2022	31 December 2023
Receivables from regresses for paid claims	72.869.840	66.254.718
Receivables from VAT for paid claims *(i)*	4.311.291	-
Warranties and garnishment	49.409.016	88.643.158
Sundry debtors	147.714	-681.516
Other receivables with state budget	1.315.356	1.105.364
Receivables (trade, not insurance) Total	**128.053.216**	**155.321.724**

(i) On December 31 2023, the value of the receivables from VAT for paid claims were fully impaired, following the analysis and calculation.

Receivables from regresses for paid claims

The Company records regresses for paid claim files and in the case of CASCO files also for reported claims files.

The value of the recoverability of these regresses is tested for CASCO assumptions on the basis of the history of recovered receivables, based on the value of the damages plus the expenses for the liquidation of the damages, in order to construct the development triangles for each accident period.

The SCL (Standard Chain Ladder) method develops the pay triangles, respectively the recovered receipts, resulting in the estimated payments and final recoveries. Recovery rates are obtained by reporting the estimated value of the final recoveries to the estimated value of the final payments for each year of the event. These percentages applied to the value of the damage up to reporting date (compensation + expenses + RBNS) give us the final value of the expected regressions. From this amount the amount of recoveries recovered up to the date of the reserve is deducted, the remaining amount representing the reserve for future regresses.

In the last years of the analysis, due to a faster collection of the compensations paid for the regresses for claims, the percentage of recoverability obtained by the SCL method is very high. Thus, the evaluation of the recovery rates was made taking into account the value of recoveries from regressions and the value of the amounts to be recovered from the records of the Department of Regressions, ensuring that the final recovery rates are feasible and realistic.

The amount of the provision for regresses from paid claims CASCO files is the difference between the total value recognized for all regresses and the value to be recovered through the above method.

In the case of regresses for claims paid for non-CASCO claims, the Company records all amounts marked with high chances of recoverability.

The write-off of receivables from regressions will be made after the end of the prescription period and in the case of bankruptcy / insolvency of the other party.

Receivables from regresses increased in 2023 due to the bankruptcy of Euroins SA, files to be collected from the FGA. At the same time, the Company increased the value of the provision for receivables from regresses from claims paid.

Receivables from VAT for paid claims

VAT receivables are recognized when the Company has signed a collaboration / contract protocol. The value of the amounts to be recovered of the initially recognized VAT nature is composed of:

- the value related to the VAT from the repair invoices paid to the service units regarding the indemnities for the partial damages for the insured motor vehicles, owned by the leasing companies, identified and correct repair invoices;
- the value of the VAT percentage, in force at the date of the financial statements, applied to the damage files approved at the leasing companies with which the Company has a signed protocol.

The recovery is made only for the damages that are outside the process of collecting the regresses in the situation in which the VAT related to a regressive file has been settled, the regression to the insurance company of the culprit is made without including the VAT value.

The receivables are subsequently measured at their recoverable value, the company sets up for this purpose loss impairment for: legal periods in which the company is entitled to recover (5 years), costs incurred in recovery as well as for unrecoverable amounts due to incorrect/non-existent documentation or from causes related to partner companies through which these amounts are recovered.

Valuation impairment is based on the recoverability analysis, estimation of future recoverability based on historical recovery in recent years, qualitative assessment of expected recoverability, calculation of last assumed recovery rate.

Impairment is outlined as the difference between the last recoveries expected and recognized receivable. The final recoverability rate is the result of the adjustment analysis and will be applied to all years.

Warranties and garnishment

The company was forced to set up guarantees for various performed economic operations. This includes participation in auctions, guarantees for rented securities given to various suppliers of goods and services or to specific general insurance control authorities.

	31 December 2022	31 December 2023
Bank guarantee letter *(i)*	38.996.935	39.766.093
Garnishments *(ii)*	187.364	184.557
Auctions warranties *(iii)*	1.297.328	854.140
Rental warranties *(vi)*	171.979	837.771
BAAR receivables *(v)*	8.733.760	19.390.383
FGA receivables *(v)*	-	27.598.563
Various suppliers warranties	21.651	11.651
Total	**49.409.016**	**88.643.158**

(i) In 2019 was issued by Unicredit Bank a bank guarantee letter, in the context of the decision of the Competition Council no. 63/2018.

(ii) Garnishments are blocked amounts in the company`s bank accounts by bailiffs for damage files contested in court and with court order in favor of the insured. Amounts are blocked by the bank based on the receipt addresses submitted by bailiffs.

(iii) Auction warranties were established as a result of our participation in the various auctions for delivery of insurance products to state-owned companies. In the event that auctions are not won by the company, the money is refunded in a period of time stipulated in the contract. The same thing happens when the auction was won by the company, but only at the end of the contract.

(iv) Warranties for rental of premises in various locations in the country have been established under lease contracts concluded between the parties, warranties that expire in 10 years from the date of contract.

(v) Starting with 2022, insurance companies pay to BAAR a special contribution of 2.5% of the gross premiums collected monthly from RCA and Green Card insurance contracts, and in 2023 the percentage is 3.2%. This special contribution represents a debt that will be recovered from BAAR in the following years.
Starting from June 2023, insurance companies pay a special contribution to the FGA (5% of gross premiums collected monthly), this will be recovered from the FGA in the following years.

Receivables from sundry debtors

Receivables from third parties or the state budget are evaluated at cost less impairment of receivables.

Impairment of receivables is made according to due receivables and if the Company has objective evidence that it will not collect amounts according to their initial conditions.

In case it is found that these receivables cannot be collected will be prescribed and recognized as expenses.

Other receivables with the State Budget

Other receivables with the State Budget are the amounts paid and will be recovered from the State Budget.

IX Cash and cash equivalents

Bank accounts include amounts to be cashed (as checks and commercial effectives filed in banks), liquidities in RON and foreign currency, short-term bank loans and related interest.

Current accounts in banks are developed in each bank and on each currency.

Interest receivables on funds available in bank accounts are registered distinctly from those payable on loans granted by banks in current accounts and the short-term bank loans.

Payable interest and interest receivables for the current financial year are registered as financial expenses or financial income depending on the case.

At year end, foreign exchange differences resulting from the evaluation of available currency holdings and other cash, such as government bonds in foreign currency, letters of credit and short-term deposits in foreign currency at the exchange rate of the National Bank of Romania, valid on the closing date, are recorded in income or expense accounts from exchange rate differences.

Impairment of investments held as current assets at the end of the financial year, during inventory, based on expenses loss impairment is reflected.

At the end of each financial year, reflected adjustments for loss of value are supplemented, reduced or nullified. At the exit of short-term investment any adjustments for impairment are canceled.

X Any other assets, not elsewhere shown

In this position the company registers in Solvency II the economic balance sheet amounts paid in advance for the lease contracts or other services that have a development period after closing the financial statement and inventory.

	31 December 2022	31 December 2023
Expenses registered in advance	7.258.382	13.759.248
Inventory items	300.349	81.199
Total Any other assets, not elsewhere shown	**7.558.731**	**13.840.447**

D.2 TECHNICAL RESERVES

Premium best estimate is determined for future claims which will appear on in force policies, claims that could be appear on unexpired part of validity of those policies. The method used for calculation is Combined Ratio Method (according to Solvency II methodology and respecting the actuarial standards in non-life insurance). The rates used for combined ratio (loss ratio, acquisition rate, administrative rate, rate for premium reinstatement and for reinsurance commissions rate) were estimated based on the history of the company for claims, expenses for portfolio in force at 31.12.2023 and considering the company's strategy for next year.

Claims best estimate is calculated based on internal methodologies and respecting the actuarial standards in non-life insurance. In order to obtain adequate and sufficient values to cover the company's liability the claims were split into two categories (attritional and large claims). In case of MTPL and GTPL, annuities were estimated separately. The threshold was determined at 99% quantile. For each type of claim different method was used. For normal losses the claim reserve was estimated by applying Standard Chain Ladder based on paid method. In case of lines of business for which changes in payments pattern were observed the method applied was Standard Chain Ladder based on incurred. For the big claims, the internal method has been used, which is based on the frequency and severity of reported big claims.

ULAE reserve is estimated according to internal methodology and the method is based on number of claims unsettled and average cost for handling claims.

Risk margin - the rate of capital approach was applied in order to assess the risk margin value.

The calculations were performed separately for each LoB in company's portfolio. The total values for BE and risk margin separately for NL and Health NSTL are reported in EBS Solvency II.

In the table below are the values of technical provisions recognized as at 31 December 2023.

Gross Claims BE - direct and indirect business							
Cod	**SII LoB**	**O/S claims N-GAAP**	**IBNR negativ**	**ULAE**	**Future recoveries**	**Discounting**	**O/S claims SII**
H1	Medical expense	9 398	-	313	-	(342)	9 368
NL1	Motor vehicle liability	555 481	(1 416)	6 283	-	(64 816)	495 532
NL2	Other Motor	257 101	-	9 281	(28 704)	(4 546)	233 132
NL3	Marine, aviation and transport	41 175	(1 870)	501	-	(1 454)	38 353
NL4	Fire and other damage to property	204 311	(485)	2 201	-	(14 802)	191 225
NL5	General liability	188 228	-	456	-	(15 215)	173 469
NL6	Credit and suretyship	28 129	-	307	-	(2 272)	26 165
NL8	Assistance	2 930	-	83	-	(83)	2 930
NL9	Miscellaneous financial loss	19 394	-	24	-	(502)	18 916
Total		**1 306 147**	**(3 771)**	**19 449**	**(28 704)**	**(104 032)**	**1 189 090**

Ceded - direct and indirect business						Net of reinsurance - direct and indirect business
Cod	**SII LoB**	**OS_NGAAP _ undiscountrd**	**Discount**	**CDA**	**O/S claims SII**	**OS claims SII**
H1	Medical expense	129	(5)	-	124	9 244
NL1	Motor vehicle liability	279 451	(30 214)	(224)	249 013	246 519
NL2	Other Motor	475	(19)	(0)	456	232 676
NL3	Marine, aviation and transport	19 331	(716)	(6)	18 609	19 744
NL4	Fire and other damage to property	111 735	(6 774)	(37)	104 923	86 302
NL5	General liability	126 720	(8 795)	(59)	117 866	55 604
NL6	Credit and suretyship	24 703	(1 988)	(11)	22 703	3 461
NL8	Assistance	-	-	-	-	2 930
NL9	Miscellaneous financial loss	18 207	(449)	(6)	17 752	1 163
Total		**580 751**	**(48 960)**	**(344)**	**531 447**	**657 643**

Premium best estimate - Dec 2023		Gross	Ceded	Net of reinsurance
H1	Medical Expenses	3 979	(505)	4 484
NL1	Motor vehicle liability	225 632	(10 976)	236 608
NL2	Motor, other classes	168 984	(2 009)	170 994
NL3	Marine, aviation, transport (MAT)	5 568	(607)	6 175
NL4	Fire and other property dam.	62 817	5 664	57 153
NL5	Third-party liability	46 301	32 300	14 000
NL6	Credit and suretyship	20 359	19 248	1 111
NL7	Legal expenses	-	-	-
NL8	Assistance	126	-	126
NL9	Miscellaneous	4 087	2 392	1 695
Total		**537 853**	**45 507**	**492 346**

Technical Provision - total - 31.12.2023 - Solvency II

Thousand RON

Cod	SII LoB	Claims BE_Net of Reinsurance	Premium BE_net of Reinsurance	Risk Margin	Total TP
H1	Medical expense	9 244	4 484	604	14 331
NL1	Motor vehicle liability	246 519	236 608	15 212	498 339
NL2	Other Motor	232 676	170 994	15 197	418 866
NL3	Marine, aviation and transport	19 744	6 175	1 276	27 195
NL4	Fire and other damage to property	86 302	57 153	5 618	149 072
NL5	General liability	55 604	14 000	3 488	73 092
NL6	Credit and suretyship	3 461	1 111	225	4 797
NL8	Assistance	2 930	126	189	3 245
NL9	Miscellaneous financial loss	1 163	1 695	76	2 934
Total		**657 643**	**492 346**	**41 884**	**1 191 873**

D.3 OTHER LIABILITIES

The Company estimates and recognizes in this position of economic balance sheet for Solvency II the following main types of liabilities:

	31 December 2022	31 December 2023
Financial liabilities	66.969.020	26.062.908
Provisions other than technical provisions	44.321.485	44.943.535
Deposits from reinsurers	237.990.357	256.445.918
Liabilities from insurance business	188.756.562	227.351.461
Payables (trade, not insurance)	35.202.159	91.562.556
Subordinated liabilities	110.079.650	110.684.850
Any other liabilities, not elsewhere shown	225.558	10.173.454
Total	**683.544.791**	**767.224.682**

I Contingent liabilities

For the years 2023 and 2022 the Company has no estimated contingent liabilities.

II Financial liabilities other than debts owed to credit institutions

At this position the Company presents the Debt arising from the leasing contracts and other financial debts.

	31 December 2022	31 December 2023
Financial leasing liabilities *(ii)*	14.941.263	25.841.550
Taxes for insurance activity *(iii)*	3.696.760	-
Other taxes and fees *(i), (iii)*	48.109.639	-
Other financial liabilities	221.358	221.358
Total Financial liabilities	**66.969.020**	**26.062.908**

(i) Other taxes and fees include debts to the State Budget: the penalty received from the Competition Council (2022: 37.931.071 RON), profit on tax (2022: RON 6.868.399; 2021: RON 3.928.377), other taxes and fees (2022: RON 183.487).

(ii) The increase is due to the renewal of the Company's car fleet.

(iii) In 2023, following an analysis of the presentation of the debts as financial debts, the reporting model of the obligations to the ASF, the amounts owed to the State Budget and the taxes for the insurance activity was changed. They were reclassified from the position Financial liabilities to the position Liabilities to third parties.

III Provisions other than technical provisions

Provisions are recognized in Solvency II economic balance sheet when the Company acquires a legal or constructive obligation related to a past event and it is likely that in the future will be required consumption of economic resources to extinguish this obligation.

Provisions are reviewed at the end of each period and adjusted to reflect the current most appropriate estimate. Differences resulting from necessary adjustments are recognized in the income and loss account of the period.

A provision will be recognized only when:

- an entity has a present obligation generated by a previous event;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

If these conditions are not met, the provision isn`t recognized.

At December 31, 2023 and December 31, 2022 the Company had recorded the following non-technical provisions:

	31 December 2022	31 December 2023
Unsettled amounts to non-sales personnel	7.680.013	8.107.866
Unsettled amounts to sales personnel	1.472.400	1.472.400
Provisions for litigations other than the insurance business	34.056.977	28.855.545
Provisions for pensions and similar obligations	1.112.095	6.507.724
Total Provisions other than technical provisions	**44.321.485**	**44.943.535**

Provisions for unsettled amounts of non- sales personnel performance related

The Company estimates the amounts owed to administrative and management personnel as a result of the performance for the current year set at the beginning of the year.

Estimation is done considering key performance indicators of the company (turnover, result) and aiming at achieving the objectives given to each employee.

Provisions for unsettled amounts of sales personnel performance related

The Company estimates the amounts due to sales staff as a result of achieving performance goals set out for current year in the Annex to the labor contract.

Estimation is done considering the results obtained by employees during the current year.

The amounts are available from the databases provided by the technical system where sales activity is recorded at employee level.

Provisions for litigations other than the insurance business

The Company registers in this position amounts claimed in court litigations other than form insurance activity.

During the process, amounts requested are provisioned and at the end of the process these are issued or recognized as an expense based on the final decision, favorable or unfavorable.

The amounts required are provided by the Litigation Division, which monitors the process, directly or through lawyers that represent us.

In 2023, the fines received from the Competition Council were paid, which led to the release of the amounts from the provision, but new provisions were established for BAAR and FGA receivables.

Provisions for pensions and similar obligations

The Company has established a pension provision, based on the benefit granted to employees, in case of termination of the individual employment contract following retirement.

IV Deposits from reinsurers

The Company registers in this position amounts received from reinsurers according to share insurance contracts.

At December 31, 2023 and 2022 the Company has registered a deposit equal to the loss reserve in reinsurer`s charge at that time.

Loss reserve estimate was made on Solvency II methodology based on data from the technical system which highlights the amounts to be recovered for each claim file covered by this type of contract.

V Liabilities from insurance business

The main items shown in this position of Solvency II economic balance sheet are:

	31 December 2022	31 December 2023
Liabilities for contracts ceded to reinsurance	119.315.055	134.153.480
Labilities to insurance intermediaries	58.852.412	78.329.451
Liabilities to insurance companies	825.813	1.064.450
Commission for not due part for the overdue recervables	9.763.282	13.804.081
Total Liabilities from insurance business	**188.756.562**	**227.351.461**

Liabilities for contracts ceded to reinsurance

In reinsurance operations the relationship between the reinsured and reinsurer, rights and obligations of each part shall be established by the reinsurance contract.

The company analyzes all reinsurance contracts in order to determine their classification as transferring risk related to one or more contracts issued by the Company as assignor. Registrating reinsurance transactions is subsequently made respecting both contractual provisions and regulatory rules in force.

In Solvency II economic balance sheet liabilities related to reinsurance premiums ceded in reinsurance are recorded based on the provisions of Solvency II procedures and not on an accrual basis as the statutory statements.

Estimation of premiums ceded for Solvency II is based on the technical records on each contract which applies to the calculation method described in rules on Solvency II.

	31 December 2022	31 December 2023
Reinsurance receivables	6.594.564	10.044.693
Reinsurance liabilities	119.315.055	134.153.480

Labilities to insurance intermediaries

The company registers duty operations on commissions from insurance premiums concluded by brokers, based on signed contracts.

For the economic balance sheet of Solvency II the debt recognized differentiated in statutory reporting as non-due debt from the moment of coming into force of the insurance contract (subscription policy) is not taken into consideration, in this position it`s only presented the debt outstanding at the time of collecting the premium / premium rates, according to insurance contracts (policies) concluded.

In this position, the company registers also the amounts due and unsettled to insurance intermediaries as a result of achieving performances in sales, set in annexes to the insurance agent`s contracts.

Estimation is done taking into consideration the results obtained by agents during the year.

The amounts are available from the databases provided by the technical system where sales activity is recorded for each agent/broker.

Debts from commissions for receivables collected from the insured through insurance agents, but not transferred to the accounts of the company, are stated separately in other commission liabilities - unearned premiums.

In case the premium receivables were prescribed (could not be collected) also the commission liabilities will be prescribed.

Liabilities to insurance companies

Liabilities from the Company`s reinsurance activity represent the amounts due to insurance companies arising from the acceptance contracts.

Amounts owed to insurers are estimated in a consistent manner, being in accordance with the related reinsurance contract.

VI Payables (trade, not insurance)

The main items shown in this position from Solvency II economic balance sheet are:

	31 December 2022	31 December 2023
Taxes for insurance activity *(i)*	-	6.494.135
Other taxes and fees *(i)*	-	39.369.016
Liabilities to employees	9.301.789	11.622.146
Libilities for not taken leaves	2.884.108	8.004.172
Libilities for third party services	19.101.143	22.136.443
Interest for subordinated loan	3.915.120	3.936.645
Total Payables (trade, not insurance)	**35.202.159**	**91.562.556**

(i) In 2023, following an analysis of the presentation of debts as financial debts, the reporting model of taxes for insurance activity, amounts owed to the State Budget and taxes for insurance activity was changed. They were reclassified from the position Financial liabilities to the position Liabilities to third parties. The fine received following the investigation of the Competition Council is presented under the heading "Other taxes and fees".Tax to the state budget

Taxes to the State Budget and for the insurance activity

This position includes amounts due to social insurance.

Libilities for not taken leaves

The Company estimates in this position the possible amounts payable on employees leave for current year and for the previous years, in case the employees where will require termination of employment before performing these days off.

The estimate is based on history of previous years and the data obtained from the employees evidence program.

Pensions and other post-retirement benefits

The Company, in the normal course of business, makes payments to the Romanian State pension funds for its employees (pension, health and unemployment insurance). All employees of the Company are included in the state pension system. These costs are recognized in the financial statements along with labor costs.

In case of termination of the individual labour contract following retirement, regardless of the type of retirement, the employee will benefit from an indemnity equivalent to 3 gross basic salaries, bearing taxes, held by the employee at the date of retirement, with the obligation for retirement on the date of fulfilling the retirement conditions.

The company has no other obligations related to additional services to current or former employees.

VIII Subordinated liabilities

The Company has contracted from the majority shareholder Vienna Insurance Group Wienner Versicherung Grouppe AG a subordinated loan, in the amount of EUR 22,250,000 equivalent to RON on December 31, 2023: 110,684,850 (RON equivalent on December 31, 2022: 110,079,650), for a period of 10 years, with an interest rate of 6.92%.

VIII Other liabilities, which are not presented elsewhere

The Company registers in this position the revenues registered in advance and refers to the receipts for insurances to be subscribed in the future period.

Starting with the year 2023, the Company began to register income from postponed commissions. Income from deferred commissions refers to the commissions received for the insurance contracts ceded in reinsurance, but which have not yet been earned at the reporting date. Commissions received from reinsurers are amortized over the life of the reinsurance contracts.

D.4. OTHER INFORMATION

The information provided in D section contains a complete image of the valuation for Solvency Purposes.

Note:

The SFCR (including the QRTs attached to it) has been prepared in accordance with Law no. 237/2015 on the authorization and supervision of insurance and reinsurance activities, as amended and supplemented, and with Norm no. 21/2016 on reporting on insurance and/or reinsurance activities, as amended and supplemented.

The Solvency and Financial Condition Report must be published and the relevant users include, but are not limited to, Financial Supervisory Authority. Consequently, the Solvency and Financial Condition Report may not be appropriate for other purposes.

E. CAPITAL MANAGEMENT

E.1. OWN FUNDS

The capital management policy is addressed to the own funds requirements as defined in the regulations of Solvency II, to the governance system, own risks and solvency always taking into account the practices and current legislation.

Objectives and Purpose

Capital management policy as described is applicable to OMNIASIG.

OMNIASIG`s objectives in terms of capital management are to ensure the perpetual existence of the company in order to provide continuously returns to shareholders and other stakeholders (customers, management, employees, partners, etc.) and especially customer payments that are due under concluded insurance contracts.

OMNIASIG`s capital management policy is consistent with Articles 41, 93 and 246 of the Solvency II Directive, which provide to ensure sufficient solvency position of the company. To achieve this goal, the policy describes the minimum requirements and standards for capital management. Moreover, the capital management is described so that the development of a medium-term plan of capital is a prerequisite to ensure a correctly and anchored planning process (business) in capital needs and possibilities of the company.

The entity responsible for implementing this policy is OMNIASIG. The company management must ensure that relevant policies are implemented and that they comply with the VIG Group capital management policy.

The institution`s management is responsible for the development and implementing initiative of a capital management system. For the business pln development, the Company`s Board will analyse the existent capital as well as the needed capital in order to be capable of implemneting the strategic established objectives; thereby, an analysis will be made for the necesary additional capital, in case, to reach it`s objectives.

Regarding the target level of available capital, the Executive Board will ensure that the target is consistent with the risk profile of the company and the business existing / planned environment.

To ensure correct classification of own funds under Solvency II standards, will perform the following actions:

- will consider equity components and features and will compare these with existing provisions of Solvency II;

- will consult Solvency II Directive updates concerning the classification of own funds:

Level 1 Features determining classification

Level 2 Basic own funds – Features determining classification

Level 3 Subordinated own funds – Features determining classification

Level 4 Basic own funds – Features determining classification

- identifying components that do not have the necessary characteristics to be classified as equity;

- preparation and submission of documents for evaluation and classification of items that are not classified in the category of own funds by the supervisory authority;

- updating the own funds classification according to the characteristics set by Solvency II directives;

- for new capital issue (bonds) the opinion of legal consultant and of the structured products department bank is necessary in order to accurately adopt the equity prospectus writing;

- for new capital issue (bonds) according to legal counsel is required to define the necessary conditions to be placed in equity prospectus;

- will ensure that the draft prospectus of the new element of own funds is according to rank classification required under Solvency II rules;

- will ensure trough prospectus that own funds to be collected are classified clear without ambiguity.

Recognition limits for items from own funds

In terms of compliance with SCR, eligible own funds will have to be within the following limits:

a. Level 1eligible funds will have to cover at least 50% of the SCR

b. Level 3 eligible funds will have to cover more than 15% of the SCR

In terms of compliance with MCR eligible funds for Level 1 will have to cover at least 80% of MCR.

In the limit concerning Level 1 eligible funds, the sum of the following items will cover more than 20% (or 25% of available funds Level 1, whichever is greater) of the total:

- paid preferential shares (by shareholders and received by company) and the related share premium accounts;

- paid subordinated liabilities (by officer and received by company) evaluated under Article 75 of Directive 2009/138 / EC (Solvency II).

Assessment of capital adequacy

Capital management process begins with assessing existing capital adequacy. Different stakeholders have different views when considering the available capital. Regulatory institutions have defined the elements that may be included in the company's capital. Additionaly to regulatory institutions, the results of internal models for solvency are taken into account in determining the current capital position.

Any anticipated legislation changes is considered in evaluating the capital position. After the evaluation, the Company analyzes the results presented in accordance with Solvency II norms.

The assessment includes capital requirements resulting from the solvency calculation.

Capital planning

When analyzing the capital requirements for future periods are taken into consideration the strategic and business plans of the Company.

In the budgeting process it is analyzed how changes or underwriting volumes or mix portfolio affects the risk and capital requirements.

Results of the analysis of capital adequacy assessment phase are then combined with the business plans for the next 2-3 years in order to identify possible deficiencies that may arise in capital allocation.

Capital management measures

A prudent assessment of capital requirements and attention in capital planning are important steps in creating and understanding the actions to be done to maintain the balance between capital and risk. To implement capital management plan, measures to be taken are submitted by Executive Management and the Supervisory Board.

Capital management plan

The main result of the process of capital management is medium-term capital plan.

It is updated annually by the Company.

The following considerations apply to plan capital management at group level:

a) analysis of current capital position and capital plan based on the following requirements:

- The minimum level of capital is enough to cover at least 125% of the SCR – group requirement; in addition, the Company has 130% as internal limit for maintaining the "green" area;

b) any issue of capital, including its impact on capital structure and costs (this step is necessary for the implementation of capital management measures and is required whenever there is a need for additional capital);

c) the analysis of equity by maturity structure, incorporating both contractual maturity and any opportunity to pay or redeem until maturity (if such instruments exist in the financing structure of the company);

d) analyze any developments (new issuance, redemption payment) or changes in the assessment of an item of equity on dividing the levels of own funds.

The eligible own funds to cover solvency capital requirement and the minimum capital at are presented below.

31 December 2022	Total	Level 1 unrestricted	Level 1 restricted	Level 2	Level 3
Available and eligible own funds					
Total available own funds to meet the SCR	596.687.523	423.494.615	110.079.650	-	63.113.258
Total available own funds to meet the MCR	533.574.265	423.494.615	110.079.650	-	-
Total eligible own funds to meet the SCR	596.687.523	423.494.615	105.873.654	4.205.996	63.113.258
Total eligible own funds to meet the MCR	533.574.265	423.494.615	105.873.654	4.205.996	-
SCR	431.347.071	-		-	-
MCR	194.106.182	-		-	-
Ratio of Eligible own funds to SCR	1,38	-		-	-
Ratio of Eligible own funds to MCR	2,75	-		-	-
Reconciliation reserve	-206.278.638	-		-	-
Excess of assets over liabilities	486.607.873	-		-	-
Foreseeable dividends, distributions and charges	-	-		-	-
Other basic own funds items	692.886.511	-		-	-
Total Expected profits included in future premiums (EPIFP)	39.006.918	-		-	-

31 December 2023	Total	Level 1 unrestricted	Level 1 restricted	Level 2	Level 3
Available and eligible own funds					
Total available own funds to meet the SCR	748.625.369	575.964.596	-	110.684.850	61.975.923
Total available own funds to meet the MCR	686.649.446	575.964.596	-	110.684.850	-
Total eligible own funds to meet the SCR	748.625.369	575.964.596	-	110.684.850	61.975.923
Total eligible own funds to meet the MCR	620.631.389	575.964.596	-	44.666.793	-
SCR	496.297.699	-		-	-
MCR	223.333.965	-		-	-
Ratio of Eligible own funds to SCR	1,51	-		-	-
Ratio of Eligible own funds to MCR	2,78	-		-	-
Reconciliation reserve	-53.808.657	-		-	-
Excess of assets over liabilities	665.428.220	-		-	-
Foreseeable dividends, distributions and charges	27.487.701	-		-	-
		-		-	-
Other basic own funds items	691.749.176	-		-	-
Total Expected profits included in future premiums (EPIFP)	33.347.273		-		

Own funds for Solvency II reporting represent accumulations of the Company, after deducting all debts from reporting in the economic balance sheet of Solvency II, in which can add the value of subordinated loans if the Company has contracted at the reporting date this type of loans and if the loan agreements follow the rules of recognition in the value of own funds under Solvency II regime.

Own funds of the Company include:

- *Share capital*
- *Premium share capital*
- *Reserves*
- *Retained earnings*
- *Result for the year*
- *Foreseeable dividends, distributions and charges*
- *Other own fund items approved by the supervisory authority as basic own funds not specified above*

Share capital & Premium share capital

Subscribed and paid capital - it is highlighted separately on each shareholder, based on the constitution of the Company and the documents supporting the payments regarding capital. Capital is held by shareholders or associates, including the number and nominal value of the shares subscribed and paid.

The main operations on the capital increase are as follows:

- underwriting and issuing new shares;
- Incorporating reserves and other operations according to the law.

Operations on capital reduction are mainly the following:

- reducing the number of shares or interests;
- reducing their nominal value following the withdrawal of shareholders or associates;
- repurchase of shares;
- accounting losses from previous years;
- Other operations, according to the law.

Own shares repurchased under the legal provisions are presented in the balance sheet as an adjustment to equity.

Capital premiums (issue, merger, contribution, conversion) are the surplus between the issue and nominal value of shares or social parts.

Capital premiums can only have positive balance.

At December 31, 2023, the share capital of the Company is represented by 144.672.110 shares (December 31, 2022: 144.672.110 shares) with a nominal value of RON 3,5 per share (December 31, 2022: RON 3,5 per share).

Reserves

a) Reserves from revaluation of tangible assets

The company recognizes in this position the surplus from revaluation of tangible assets and the value represents v the positive difference between the fair value of tangible assets and the net acquisition cost of tangible assets.

A decrease of revaluation reserves may be made only within the limits of existing credit balance.

Reserves from revaluation of tangible assets are undistributed.

The fair values of tangible assets are updated with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date. If there is no market on fair value, the fair value is estimated based on net cash flows or depreciated replacement cost.

During 2023 the Company transferred part of the revaluation reserve RON 3.458.078 (in 2022: RON 2.283.324) in the revaluation surplus to the removal of some assets.

b) Reserves from evaluation of financial investments held for sale

Reserves from evaluation of financial investments held for sale represent the difference between the fair value of the Company's investments held for sale and their account.

Reserves may be positive or negative depending on the evolution of the prices quoted for these financial investments.

Reserve amount of own funds is corrected with deferred tax.

c) Legal reserve

The legal reserve is established under the limit of deductibility by allocating 5% of gross accounting profit, before the profit tax, net of non-taxable income and adds the cost of such taxable income until the reserve has reached the level of 20% of share capital. The legal reserve may not be distributed to shareholders and can not be used to cover losses.

The legal reserve cannot be distributed to shareholders and cannot be used to cover losses. As of December 31, 2023, the legal reserve is in the amount of RON 27.742.910 (December 31, 2022: RON 24.620.913).

d) Other reserve

At December 31, 2023 the company established a reserve in the amount of RON 6.154.470 for the part of reinvested profit, reduced by the part related to the legal reserve.

Retained earnings

Profit or loss is determined accumulated from the beginning of the financial year.

The final result of the financial year is set at it`s closing and represents the final balance of profit and loss account.

Profit distribution shall be accounted for by destination, after approval of the annual financial statements. Profit distribution is carried out in accordance with the laws in force.

Profit remaining after this allocation is taken in reported result from which is to be assigned to other legal destinations.

Accounting loss carried forward is covered from profit for the year and the reported result, reserves and social capital, according to the decision of general meeting of shareholders or partners, under the law.

Own funds are presented in the table below:

Own funds 31 December 2022	**Total**	**Level 1 unrestrictioned**	**Level 1 restrictioned**	**Level 2**	**Level 3**
Share capital	**506.352.385**	**506.352.385**	-	-	-
Premium share capital	**123.420.868**	**123.420.868**	-	-	-
Reconciliation reserves, of which:	**-206.278.638**	**-206.278.638**	-	-	-
Tangible assets reserve	21.476.255	21.476.255	-	-	-
Legal reserve	30.775.383	30.775.383	-	-	-
Other reserve	6.154.470	6.154.470	-	-	-
Financial investments reserve	-113.490.647	-113.490.647	-	-	-
Retained earnings	-145.039.629	-145.039.629	-	-	-
Subordinated loan *(i)*	110.079.650	-	110.079.650	-	-
Deferred tax *(ii)*	**63.113.258**	-	-	-	63.113.258
Total	**596.687.523**	**423.494.615**	**110.079.650**	**-**	**63.113.258**

Own funds 31 December 2023	Total	Level 1 unrestrictioned	Level 1 restrictioned	Level 2	Level 3
Share capital	**506.352.385**	**506.352.385**	-	-	-
Premium share capital	**123.420.868**	**123.420.868**	-	-	-
Reconciliation reserves, of which:	**-53.808.657**	**-53.808.657**	-	-	-
Tangible assets reserve	20.301.502	20.301.502	-	-	-
Legal reserve	27.742.910	27.742.910	-	-	-
Other reserve	6.154.470	6.154.470	-	-	-
Financial investments reserve	-25.972.798	-25.972.798	-	-	-
Retained earnings	-54.547.040	-54.547.040	-	-	-
Dividends, distributions and predictable expenses	-27.487.701	-27.487.701		-	-
Subordinated loan *(i)*	110.684.850	-	-	110.684.850	-
Deferred tax *(ii)*	**61.975.923**	-	-	-	61.975.923
Total	**748.625.369**	**575.964.596**	**-**	**110.684.850**	**61.975.923**

(i) Subordinated loan

The Company changed the classification of the subordinated loan, contracted from the majority shareholder Vienna Insurance Group Wienner Versicherung Grouppe AG, from level 1 restricted to level 2, after ananalysis of the contract.

***(ii)* Deferred tax**

The Company calculated and recognized deferred tax receivables related to temporary taxable or deductible differences, defined as differences arising between the value of an asset or liability in the statement of financial position of the Solvency II economic balance sheet and its tax base.

Own funds at December 31, 2023 and the differences from the equity in the statutory balance sheet are presented below:

Own funds	Statutory balance sheet value	Reclassification *(i)*	Adjustment *(ii)*	Solvency II value
Share capital	506.352.385			506.352.385
Premiums share capital	145.741.317	-22.320.449		123.420.868
Reconciliation reserves, of which:	**116.064.149**	**22.320.449**	**-192.193.255**	**-53.808.657**
Tangible assets reserve	20.301.502			20.301.502
Legal reserve	27.742.910			27.742.910
Other reserve	6.154.470			6.154.470
Retained earnings	37.009.622	22.320.449	-113.877.111	-54.547.040
Result of the year	27.977.642		-27.977.642	-
Distribution of profit	-3.121.997		3.121.997	-
Financial investments reserve	-		-25.972.798	-25.972.798
Dividends, distributions and predictable expenses	-		-27.487.701	-27.487.701
Subordinated loan	110.684.850			110.684.850
Deferred tax	-		61.975.923	61.975.923
Total	**768.157.851**	**-**	**-130.217.332**	**748.625.369**

(i) The Company reclassified for reporting in Own Funds on Solvency II the amount of 22.320.449 RON from Premiums share in capital position to Retained earnings.

(ii) Adjustments in equity on December 31, 2023 are shown and explained below:

ELEMENT NAME	EBS row	Note	Statutory	Reclassification	Adjustment	Solvency II
A. INTANGIBLE ASSETS						
I. Intangible assets						
3. Concessions, licenses, trademarks, similar rights and values	3	1	2.763.432	-	-2.763.432	-
4. Goodwill, if it was purchased	4	1	82.960.869	-	-82.960.869	-
5. Advances and intangible assets in progress	5	1	-	-	-	-
6. Other intangibles	6	1	27.996.379	-	-27.996.379	-
DEFERRED TAX			-	-	61.975.923	61.975.923
B. INVESTMENT						
I. Investments in tangible and undergoing						
Property, plant & equipment held for own use	8	2a	141.777.592	-18.858.545	24.811.576	147.730.623
Lands and buildings held as investment		2b	-	24.207.333	-	24.207.333
II. Investments held in companies within the group and in the form of participating interests and other investments in financial assets						
1. Equity owned at subsidiaries within the group	11	3	7.327.200	-	20.438	7.347.638
2. Loans to companies within the group	12		7.443.532	-	-	7.443.532
5. Other investments in financial assets	15	5b	88.643.158	-88.643.158	-	-
III. Other financial investments						
2. Bonds and other fixed income securities	18	3	1.961.863.219	-	-31.412.407	1.930.450.812
6. Deposits at credit institutions	22		659.135		10.377	669.512
D. SHARE OF TECHNICAL RESERVES RELATED TO CONTRACTS CEDED TO REINSURANCE						
II. Part of the premium reserve ceded to reinsurance						
1. Part of the premium reserve ceded to reinsurance	28	4a	125.779.144	-	-80.272.085	45.507.059
3. Part of the loss reserve ceded to reinsurance	30	4a	580.750.989	-	-49.303.943	531.447.046
a) Part of the reserve for unexpired risks ceded in reinsurance	31	4b	90.152	-	-90.152	-
b) Part of catastrophe reserve ceded in reinsurance	32	4b	50.289.023	-	-50.289.023	-
E. RECEIVABLES						
Receivables from companies within the group	43	5c	-	-	-	-
I. Receivables from direct insurance operations	46-48	5b	606.257.109	-606.257.109	-	-
II. Receivables from reinsurance operations	50	5a	7.166.432	-1.284.026	4.162.286	10.044.692

III. Other receivables	51	5a,5c, 8a	90.828.576	-90.828.576	-	-
Insurance & intermediaries receivables		5b	-	609.110.122	-507.850.301	101.259.821
Receivables (trade, not insurance)		5c	-	154.329.483	992.242	155.321.724
F. OTHER ASSETS						
1. Technical plants and machines	53	2a	3.854.851	-3.854.851	-	-
2. Other systems, equipment and furniture	54	2a	1.018.501	-1.018.501	-	-
4. Consumables	57	2a	556.635	-556.635	-	-
II. Cash and cash equivalents	60		27.281.050	170.847	-	27.451.897
ANY OTHER ASSETS, NOT ELSEWHERE SHOWN						
Inventory items		6	-	-	-	-
1. Deferred acquisition costs	64	6	241.709.793	-241.709.793	-	-
III. Other expenses recorded in advance	66	6	13.759.248	81.199	-	13.840.447
TOTAL ASSETS			**4.207.558.151**	**-265.112.210**	**-740.965.750**	**3.201.480.191**

Note 1 Intangible assests

The Company does not recognize in reporting for Solvency II economic balance sheet, in position of intangible assets the recorded goodwill registered when the fusion of BCR Asigurari Vienna Insurance Group with OMNIASIG Vienna Insurance Group occured, net worth of RON 82.960.869, brevets and licenses in amount of RON 2.763.432 and other intangibles net value of RON 27.996.379.

Note 2 Investments in lands, buildings and other tangible assets

2a Property, plant & equipment held for own use

The Company transfers in this position for Solvency II economic balance sheet the value Tangible fixed assets from the statutory balance sheet (rd. 53 "Technical plants and machines" net value of RON 3.854.851, rd. 54 "Other equipment and furniture" net worth of RON 1.018.501 and rd. 57 "Consumables" net value of RON 556.635, less inventory) and reclassify land and building held as investment of RON 24.207.333.

Also at this position in the economic balance sheet accorind to the requirements of Solvency II are presented the right of use assets, according to IFRS 16 (adjustment of RON 24.811.576, because they are not recognized in the statutory balance sheet).

2b Lands and buildings held as investment

The Company defines a new position in the Solvency II: "Lands and buildings held as investment" where it transferres from position „Lands and buildings" from statutory balance sheet, the land and building as investment in amount RON 24.207.333.

Note 3 Fiancial investments

The Company evaluates financial investments in the Solvency II economic balance sheet at market value.

In the statutory balance sheet according to the norms in force the government bonds recognised as financial assets for which the amount paid at acquisition related to the principal is different from the amount to be cashed in at maturity, the difference between the two values is booked in „Other expenses / income in advence".

After initial recognition, financial instruments, less government securities, are less costly adjustments for impairment. Government securities are presented at nominal value less adjustments for impairment losses.

Thus, the Company adjusts the value of financial investments from the statutory balance sheet with the amount of RON 31.412.407, and of the investment funs with the amount of RON 10.377, which represents the difference between the two valuation methods.

At the same time, the value of the shares held in affiliated companies is adjusted with the amount of RON 20.438, which represents the difference between the two valuation methods.

Note 4 Share of technical reserves related to contracts ceded to reinsurance

4a Premiums and claims reserves related to contracts ceded to reinsurance

Society estimates and shows in Solvency II economic balance sheet the value of premiums and claims reserves related to contracts ceded to reinsurance under Solvency II methodology.

The difference of value from the statutory balance sheet (RON 80.272.085 for ceded premium reserves, respectively RON 49.303.943 for ceded loss reserve) is the result of using different estimation methods, in accordance with the specific reporting, statutory respectively Solvency II.

4b Catastrophe & URR reserves related to contracts ceded in reinsurance

The Company does not recognize in the Solvency II economic balance sheet the catastrophe and URR reserves related to contracts ceded in reinsurance.

Note 5 Receivables

The Company reclassifies amounts from statutory balance sheet, point E "Receivables", row 15 "Other investment in financial assets" in two new rows defined in Solvency II economic balance sheet.

- Insurance & intermediaries receivables;
- Receivables (trade, not insurance).

5a Reinsurance receivables

The company reclassifies the receivables from reinsurers - reinsurance acceptances from rd. 50 of the statutory balance sheet at the balance sheet Solvency II position 'Receivables from intermediaries and other insurance companies (RON 1.284.026). Also in this position, there is an adjustment in amount of RON 4.162.286, representing the ceded premiums due for the subscribed and uncollected premiums.

5b Insurance & intermediaries receivables

In this position the Company reports the following items transferred from the above statutory balance sheet positions and adjusted according to estimates provided in the Solvency II for subscribed and unearned insurance premiums.

	Statutory transferred value	Adjustment value	Solvency II value
Receivables from insurance activity, out of which:	607.826.096	-507.850.301	99.975.795
- receivables from insurance operations (rd. 46-48)	*594.071.050*	*-507.850.301*	*86.220.749*
- receivables from intermediaries	*13.755.046*	-	*13.755.046*
Receivables from reinsurers - reinsurance acceptances (rd.50)	1.284.026	-	1.284.026
Total	**609.110.122**	**-507.850.301**	**101.259.821**

5c Receivables (trade, not insurance)

In this position the Company reports the following items transferred from the above statutory balance sheet positions:

	Statutory transferred value	Valoare ajustare	Solvency II value
Receivables from regresses (row 51)	65.262.477	992.242	66.254.718
Guarantees and garnishments (rd. 15)	88.643.158	-	88.643.158
Other receivables with the state budget (row 51)	1.105.364	-	1.105.364
Sundry debtors (row 51)	-681.516	-	-681.516
Total	**154.329.483**	**992.242**	**155.321.724**

Note 6 Any other assets, not elsewhere shown

In the Solvency II balance sheet, the Company reclassifies the deferred acquisition costs regarding the general insurances to the position Gross technical reserves. Also, at this position is reclassified the value of the inventory objects from rd. 57 “Consumables” from the statutory balance sheet.

ELEMENT NAME	EBS row	Note	Statutory	Reclasification	Adjustment	Solvency II
A. CAPITAL AND RESERVES						
TOTAL EQUITY	99	7	768.157.851	-	-102.729.631	665.428.220
B. SUBORDINATED LIABILITIES	**100**	14	110.684.850	-	-	110.684.850
C. TECHNICAL RESERVES						
1. Premium reserve	102	6,8a	1.215.230.594	-241.709.793	-435.667.463	537.853.338
2. Reserve for bonuses and rebates	103		-	-	-	-
3. Claims reserve	104	8a	1.306.147.480	-23.402.418	-93.655.087	1.189.089.976
Risk margin		9	-	-	41.883.976	41.883.976
a) Unexpired risk reserve	108	8b	90.152	-	-90.152	-
b) Catastrophe reserve	109	8b	56.632.179	-	-56.632.179	-
E. PROVISIONS			768.157.851	-	-102.729.631	665.428.220
Other provisions	123	11	73.326.220	-28.382.685	-	44.943.535
F. DEPOSITS RECEIVED FROM REINSURERS	125	10a	261.810.954	-5.365.036	-	256.445.918
G. LIABILITIES						
Amounts due to affiliated companies	126	7,11	15.331.063	-15.331.063	-	-
I Liabilities from direct insurance operations	128	11	2.490	-2.490	-	-
II Liabilities from reinsurance operations	129	10b	137.037.588	5.365.036	-8.249.145	134.153.479
Other liabilities, including tax and social security	132	11	222.473.343	-222.473.343	-	-
FINANCIAL LIABILITIES		12	-	221.358	25.841.550	26.062.908
INSURANCE & NTERMEDIARIES PAYABLES		11a	-	174.405.667	-81.207.686	93.197.981
PAYABLE (TRADE, NOT INSURANCE)		11b	-	91.562.556	-	91.562.556
ANY OTHER LIABILITIES, NOT ELSEWHERE SHOWN						
Income registered in advance	135	13	40.633.387	-	-30.459.934	10.173.453
TOTAL LIABILITIES			**4.207.558.151**	**-265.112.210**	**-740.965.751**	**3.201.480.189**

Note 7 Equity

The Company reduced in Solvency II economic balance sheet equity value with the amount equal to total adjustments of estimated assets and liabilities according to Solvency II.

Note 8 Gross technical reserves

8a Premiums and claims reserves related to insurance contracts

The company estimates and shows in the Solvency II economic balance sheet the value of premiums and claims reserves related to insurance contracts under Solvency II methodology.

The value of the differences from the statutory balance sheet (RON -435.667.463 for premium reserve, RON -93.655.087 for claim reserve) is the result of using different estimation methods, statutory respectively Solvency II.

At this position in the Solvency II economic balance sheet were reclassified the deferred acquisition expenses (RON 241.709.793) and the receivables from regresses and for VAT for claims files from reserves (RON 23.402.418) from position "Other receivables" from statutory balance sheet.

8b Catastrophe and URR reserves related to insurance contracts

The Company does not recognize in the Solvency II economic balance sheet the catastrophe and URR reserves related to insurance contracts.

Note 9 Risk margin

The Company estimated for Solvency II economic balance sheet a risk margin amounting to RON 41.883.976 at December 31, 2023, according to the methodology of the Solvency II reporting regime.

Note 10 Deposits and liabilities to reinsurers

10a Deposits received from reinsurers

From this position of the Solcency II economic balance sheet was reclassified the interest related to the deposit received from the reinsurer to the position "Reinsurance payables"

10b Reinsurance payables

At position "Reinsurance payables" in the Solvency II economic balance sheet has been allocated the interest payable from reinsurers deposit (RON 5.365.036) and was adjusted with the value of due ceded premiums for subscribed but unearned premiums (RON -8.249.145).

Note 11 Other liabilities, including tax debts and social security debts

The Company reclassified and adjusted the amounts from the statutory balance sheet reported at row 132 "Other liabilities, including tax debts and social security debts" in two new positions in the Solvency II economic balance sheet, as follows:

- Insurance & intermediaries payables
- Payable (trade, not insurance)

11a Insurance & intermediaries payables

In this position the Company reported in Solvency II economic balance sheet the following:

	31 December 2023
Liabilities to insurance intermediaries	152.962.704
Liabilities to insurance intermediaries – sell bonus *(i)*	20.378.513
Liabilities to insurance intermediaries – undue commision *(ii)*	-95.011.767
Liabilities to insurance companies	1.064.450
Commission for not due part for the overdue receivables *(ii)*	13.804.081
Total	**93.197.981**

(i) In this position the Company records also the amounts due and unsettled to insurance intermediaries as a result of achieving performances in sales for current year out in annexes to the framework contract. Estimation is done considering the results obtained by agents during the year. This amount

was reclassified from row 123 "Other provisions" from the statutory balance sheet.

(ii) For Solvency II economic balance sheet the debt recognized differentiated in statutory balance sheet as debt not due to the coming into force of the insurance contract (policy underwriting) is not taken into account, being presented in this position only the debt outstanding at the time of collecting the premium / premium rates, according to concluded insurance contracts (policies).

11b Payable (trade, not insurance)

In this position the Company reclassified amounts from other positions in the statutory balance sheet and reported in the Solvency II economic balance sheet the following.

	31 December 2023
Taxes for insurance activity	6.494.135
Taxes to the state budget	39.369.016
Liabilities to employees *(i)*	11.622.146
Debt for untaken leave *(ii)*	8.004.172
Liabilities from third party services *(i)*	22.136.443
Interest for subordinated loan interest	3.936.645
Total	**91.562.556**

(i) This amount was reclasified from statutory balance sheet row 132 „Other liabilities, including tax debts and social security debts".

(ii) This amount was reclasified from statutory balance sheet row 123 „Other provisions".

Note 12 Financial liabilities other than debts owed to credit institutions

In this position the Company has reclassified the amount of other financial liabilities from the position "Other liabilities, including tax debts and social security debts" from the statutory balance sheet.

Also, at this position in the economic balance sheet according to the requirements of Solvency II are presented the Lease liabilities, according to IFRS 16 (adjustment of RON 25.841.550, because in statutory balance sheet are not recognized).

Note 13 Any other liabilities, not elsewhere shown

The value of the differences from the statutory balance sheet is represented by the adjustment in the amount of RON -30.459.934 being the result of using different estimation methods, each complying with the specific reporting, statutory and Solvency II respectively.

Note 14 Subordinated liabilities

The Company has contracted from the majority shareholder Vienna Insurance Group Wienner Versicherung Gruppe AG a subordinated loan, in the amount of EUR 22,250,000 equivalent to RON on December 31, 2023: 110.684.850 (RON equivalent on December 31, 2022: 110,079,650), for a period of 10 years, with an interest rate of 6.92%.

E.2. SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

Solvency Capital Requirement – SCR

The solvency capital requirement – SCR – is the amount of funds that the company is required to hold in line with the Solvency II Directive. The amount of SCR reflects the capital required for all quantifiable risks.
OMNIASIG uses standard formula for the calculation of SCRs for submodules market risk, life underwriting – longevity and revision risks, health underwriting risk and operational risk. For non-life insurance risk, the company uses the group internal model (partial internal model – PIM) ariSE, which is internally parameterized according to company's particularities. In what concerns counterparty default risk, the model used is EIOPA's standard formula, with risk mitigating effect of reinsurance (and consequently, the loss given default) based on non-life insurance risk's SCRs gross and net resulted from PIM.
The company did not make use of the duration-based equity risk submodule in the reporting.

The capital requirements obtained for each risk module, at reference dates 31.12.2023 and 31.12.2022 are presented in the following table:

Risk module – all values in RON	31.12.2023	31.12.2022
Market risk	173,243,935	133,145,644
Counterparty default risk	96,199,677	67,308,889
Life longevity&revision risks	1,090,136	697,903
Health underwriting risk	14,783,281	11,179,087
Non-life underwriting risk	288,353,515	267,951,572
Intangible asset risk	-	-
Diversification basic solvency capital requirement	*-142,588,017*	*-111,866,470*
Basic solvency capital requirement	**431,082,526**	**368,416,625**
Operational risk	65,215,173	62,930,446
Solvency capital requirement	**496,297,699**	**431,347,071**

The correlation matrix used for aggregation among submodules was the one provided by EIOPA.

The components of market risk module are the following:

Market risk module – all values in RON	31.12.2023	31.12.2022
Market risk	**173,243,935**	**133,145,644**
Interest rate risk	125,556,116	109,487,526
Equity risk	8,176,459	8,193,439
Property risk	39,789,132	37,485,454
Spread risk	38,041,260	32,123,567
Market concentration risk	78,847,075	23,783,280
Foreign currency risk	19,664,968	6,121,420
Diversification of market risk module	*-136,831,074*	*-84,049,042*

The correlation matrix used for aggregation was the one provided by EIOPA based on interest rate up shock.
The interest rate risk increase is explained by increase of bonds portfolio volume. The net reserve increased as well; IR curve on RON decreased during 2023 as compared to end of 2022. Currency risk is driven by the gap between liabilities and assets in EUR, its increase being explained by the higher gap as compared to end of 2022. Property risk is based on the volume of land and buildings (mainly, for own use). Concentration risk increase is explained by higher/worse cqs (credit quality step) for counterparty Romania.

Counterparty default risk SCR split on submodules is the presented below:

Counterparty default risk module – all values in RON	31.12.2023	31.12.2022
Counterparty default risk	**96,199,677**	**67,308,889**
Type 1 exposures	83,107,308	58,710,338
Type 2 exposures	16,616,603	10,944,206
Diversification of counterparty default risk module	*-3,524,234*	*-2,345,655*

The aggregation between the two submodules was performed according to EIOPA methodology. Moreover, it should be mentioned here that for counterparty default type 1, the company uses simplified calculations (risk mitigating effect of reinsurance estimated according to article 107 of Delegated Act).

The type 1 exposure value is mainly attributable to reinsurance part, especially from risk mitigating effect (high gross SCR non-life).

In what concerns life underwriting risk, only submodules longevity risk and revision risks are applicable (from (mainly) MTPL annuities), therefore the values presented in the first table corresponds to life longevity and revision risks – standard formula. The diversification within life module is small (-288,757 RON).

Health underwriting risk SCRs are displayed in what it follows:

Health underwriting risk module – all values in RON	31.12.2023	31.12.2022
Health underwriting risk	**14,783,281**	**11,179,087**
NSLT health underwriting risk	14,116,535	10,773,637
NSLT health premium and reserve risk	14,108,702	10,761,876
NSLT health lapse risk	470,196	503,276
Diversification NSLT health underwriting risk	*-462,364*	*-491,515*
Health catastrophe risk	2,103,240	1,325,941
Diversification health underwriting risk	*-1,436,494*	*-920,492*

Health portfolio of OMNIASIG includes only non-similar to life policies, therefore SCR Health similar to life is null. The correlations (structure and coefficients) used for aggregation of submodules are according to standard formula methodology provided by EIOPA.
Health NSTL risk is driven by earned premium, expected earned premium and claims provision. The portfolio includes only medical expenses policies. The SCR for health catastrophe risk – as well as for the end of 2022 – includes exposure out of covid cover.

For estimating non-life insurance risk capital requirement, OMNIASIG uses the approved group's model. According to the model, the risk is split in 3 subrisks: premium risk, reserve risk and catastrophe risk. For the latest, the applied external models are integrated in the internal model. The SCRs per risks are shown in the following table:

Non-life insurance risk module – all values in RON	31.12.2023	31.12.2022
Non-life insurance risk	**288,353,515**	**267,951,572**
Premium risk	189,638,628	187,404,823
Premium risk - CAT	29,815,807	27,625,769
Reserve risk	157,631,934	126,668,791

The correlation matrices/coefficients used are derived according to model's logic and company's portfolios particularities.
Non-life insurance risk is the main contributor risk to overall SCR. The premium risk and reserve risk are driven by premiums and expected premium, claims and expected development of claims, as well as other risk factors as described in the presentation of the group's model in section E.3. Catastrophe risk is driven by exposure to natural (earthquake, flood and – starting from end of 2020 -hail) and man-made catastrophe risks. The largest exposures to man-made catastrophe arise from fire and MAT risks. The lines of business in OMNIASIG's portfolio are: Motor third party liability - MTPL (NL1), Casco (NL2), Marine, Aviation and Transport – MAT (NL3), Fire and other damages to Property (NL4), General third-party liability - GTPL (NL5), Credit and Suretyship (NL6), Assistance (NL8), Miscellaneous (NL9). The non-life insurance risk is reduced due to an adequate reinsurance program.

For operational risk, standard formula is applied (based on gross earned premium and technical reserves for all lines of business). The driver in our case is the gross earned premium.

Minimum Capital Requirement – MCR

Minimum capital requirement of OMNIASIG is calculated using standard formula methodology, based on total SCR derived using the methods mentioned previously. At the end of 2023 and 2022, written premiums and technical reserves per line of business were:

31.12.2023

LOB_ID – values in RON	NL_NET_TECHNICAL_PROVISION	NL_NET_WRITTEN_PREMIUM
MOTOR_TP_LIABILITY	463,844,708	279,332,159
MOTOR_OTHERS	403,669,715	1,032,903,590
MAR_AVI_TRA	25,919,148	32,522,433
FIRE_PROP_DAMAGE	143,454,036	220,802,344
TP_LIABILITY	65,702,108	51,358,257
CRE_SURETY	4,572,217	2,106,436
ASSISTANCE	3,056,134	19,398,239
MISCCELANEOUS	2,858,884	6,773,923
HEALTH_NSLT_MEDICAL_EXPENSE	13,727,464	78,580,242

31.12.2022

LOB_ID – values in RON	NL_NET_TECHNICAL_PROVISION	NL_NET_WRITTEN_PREMIUM
MOTOR_TP_LIABILITY	385,827,535	265,739,333
MOTOR_OTHERS	345,430,168	895,759,567

MAR_AVI_TRA	23,473,103	18,112,516
FIRE_PROP_DAMAGE	89,584,882	191,535,602
TP_LIABILITY	46,538,941	37,638,765
CRE_SURETY	4,644,549	1,787,502
ASSISTANCE	2,157,368	16,266,642
MISCCELANEOUS	2,754,873	7,117,180
HEALTH_NSLT_MEDICAL_EXPENSE	16,126,974	66,255,952

Additionally, starting with 31.12.2019 and following the reserve reporting, the part of reserve coming from annuities (23,184,795 RON – at 31.12.2023) is reflected separately.
Based on input data at 31.12.2023 and MCR parameters for premiums and reserve provided by EIOPA, the final MCR was 223,333,965 RON reaching the upper bound of 45% of SCR (MCRNL 233,151,172 RON and MCRL 486,881 RON). The AMCR increased to 4,000,000 EUR from 3,700,000 EUR (Official Journal of the European Union – 19.10.2021). The detailed results are presented in the next table:

Details – values in RON	31.12.2023	31.12.2022
Linear MCR	233,638,053	196,729,295
SCR	496,297,699	431,347,071
MCR cap	223,333,965	194,106,182
MCR floor	124,074,425	107,836,768
Combined MCR	223,333,965	194,106,182
Absolute floor of the MCR	19,858,800	19,651,200
Minimum Capital Requirement	**223,333,965**	**194,106,182**

Analysis of changes

Changes in SCR and MCR:

Risk module – SCR in RON	**31.12.2023**	**31.12.2022**	**Comments**
BSCR	***431,082,526***	***368,416,625***	Increase of SCR for market risk, NL underwriting risk and counterparty default risk.
Market risk	173,243,935	133,145,644	Increase of SCRs for concentration, interest rate, currency and spread risks.
Counterparty default risk	96,199,677	67,308,889	Increase of SCR CPD type I (higher exposure on certain counterparties, higher ceded reserve, higher risk mitigating effect) and type II (higher exposure on receivables both overdue more than 3 months and other than overdue more than 3 months).
Longevity & revision risks	1,090,136	697,903	In line with annuities (mainly MTPL) obligations.
Health NSTL underwriting risk	14,783,281	11,179,087	Premium and reserve risk –higher than last year because of expected premiums to be earned (according to the planning developed in September 2023) and increase of net claims reserve; lapse risk almost at the same level as last year; catastrophe risk –higher than last year (portfolio increase).
NL underwriting risk (PIM)	288,353,515	267,951,572	Effect of portfolio increase and strategy/plan for next year (according to the planning developed in September 2023). The main driver for SCR NL is premium risk, explained by development of portfolio; reserve risk is

			higher as well (it includes the effect of model change). Catastrophe risk is around 2 mio RON higher than last year.
Intangible assets risk	0	0	Intangible assets in EBS at 31.12.2022/2023 is 0.
Operational risk	65,215,173	62,930,446	Increase in gross earned premium.
SCR	**496,297,699**	**431,347,071**	Increase of BSCR.
MCR	**223,333,965**	**194,106,182**	Increase of both net written premiums and net reserves; higher SCR.

EOF, SCR – in RON	31.12.2023	31.12.2022	Comments
EOF	748,625,369	596,687,523	The increase is mainly explained by the result of the company and positive impact of reserve of afs bonds.
SCR	496,297,699	431,347,071	Explained above
SCR ratio	150.84%	138.33%	Increase of EOF, increase of SCR.

Changes in market risk components:

Risk module – SCR in RON	31.12.2023	31.12.2022	Comments
Market risk	***173,243,935***	***133,145,644***	Increase of SCRs for concentration, interest rate, currency and spread risks.
Interest rate risk	125,556,116	109,487,526	Increase of bonds portfolio volume; IR curve on RON lower in 2023 (as compared to end of 2022)
Equity risk	8,176,459	8,193,439	The risk drivers are participations, assets under equity risk in investment funds and tangible assets (incl. RoU

			asstes). The small decrease is related to lower exposure on tangible assets.
Property risk	39,789,132	37,485,454	Reevaluation of buildings.
Spread risk	38,041,260	32,123,567	Higher volume of assets under spread risk (bonds & ROMGB in EUR).
Concentration risk	78,847,075	23,783,280	Higher/worse average cqs (credit quality step) for counterparty Romania. Higher exposure on certain counterparties.
FX risk	19,664,968	6,121,420	Increased gap between assets and liabilities in foreign currencies (especially EUR).

E.3. INTERNAL MODEL FOR SCR NON-LIFE INSURANCE RISK

Description of the model

OMNIASIG uses the group partial internal model – stochastic approach – for evaluating SCR for non-life insurance portfolio. The model is calibrated/parameterized according to company's specificity, leading to a better understanding and evaluation of this risk. The analysis of the models themselves and the results from partial internal model and Solvency II standard formula led to the conclusion that SCR (0.5% quantile of technical result distribution; time horizon: 1 year) obtained from the partial internal model is more appropriate.
ariSE is a stochastic model, using Monte Carlo simulations, while standard formula (SF) follows a deterministic approach. Different accounting data is used in ariSE, such as: premiums, costs, commissions, payments and reserves, but also ariSE allows using quantitative information regarding new business and lapses (from the rates of new business and lapses, to new business premiums). This correctly reflects company's strategies for next year, as well as external factors/estimations regarding market conditions. Claims are parameterized using statistical models. Also, qualitative factors are transformed in quantitative information and incorporated in the quantitative model. The model permits not only the correct segmentation of portfolio into homogeneous groups of risks, but also the split between normal and large losses corresponding to lines of business, which is very important in analysing the tail behaviour. In this way a more appropriate parameterization could be performed. Furthermore, in ariSE the reinsurance program could be more efficiently taken into account (with all the particularities) and applied. Aggregation is done using company's specific correlation matrices. All the components of the model are then estimated/projected for a period of one year– using development indices, together with P&L components and SCRs.
Since some of the assumptions of standard formula are not fully fulfilled for this risk, the company uses the group internal model for modelling this risk. The risk factors used in the premium and reserve risk module of standard formula correspond to the average size and performance of an European insurance undertaking. As the risk profiles of VIG's undertakings differ from that significantly (they are already significantly different amongst VIG companies) there is a considerable misestimating by using standard formula. Moreover, we consider that in the partial internal model of VIG, the lapse risk is reflected more appropriately than in standard formula. In our internal non-life insurance risk model, lapses and new business are both represented by distributions that describe their uncertainty. In reality these two random variables can be dependent on each other. To model this dependency and to properly reflect lapse risk, a correlation model is used.
Regarding the catastrophe risk, the modelling with external natural catastrophe models gives significant better results than standard formula. The calibration of the natural catastrophe module in standard formula is based on average portfolio conditions of an undertaking for the given natural peril. It is assumed that the exposed insurance portfolio is not specialized in residential/commercial/industrial/agricultural which is in contradiction to the situation in VIG's undertakings, including OMNIASIG. Moreover, risk mitigation effects caused by the application of reinsurance treaties are an essential part of the non-life business. In particular, more complex reinsurance structures as VIG's natural catastrophe reinsurance program are better reflected in partial internal model. Therefore, we consider that results of partial internal model (which involve the use of

modelling agents' models for natural catastrophe risks) are more appropriate than standard formula's ones.
For all the reasons mentioned previously, we consider that the partial internal model is more appropriate in estimating SCR than standard formula.

Model changes in 2023

In 2023, the following changes were applicable:
- sliding scale commission (SSC) and other proportional reinsurance cash-flows added to the reserve risk; use the claims best estimate as weight for allocating the total simulated ultimate loss to past years in the reserve risk;
- bring cashflows from the simulated year (moment t+1) to the current reporting date (moment t) such that the SCR appropriately reflects the present value of the change in basic own funds.
The above changes were included in the list of changes that triggered a major model change for which approval was obtained from the College of Supervisors.
Other model changes for year-end 2023 calculation of SCR NL:
- commissions simulated based on written premium;
- update of PIM QRT (according to EIOPA);
- update of validation (update of ICS, model assumptions and materiality concept);
- split of claims BE and UL per currencies (RON and EUR) for past AYs;
- parameterization of NL6_2/suretyship as multiyear contracts with premium paid upfront line.

Validation tests and validation results

During the yearly validation of partial internal model – performed after finalization of SCR NL estimation – the following validation tests are assessed: plausibility test; stability test; sensitivity test; back test; diversification effects; capital allocation; scenario analysis and stress test; reverse stress test; model assumption; documentation; assessment of data quality; segmentation; control of the validation; BE consistency; parameterization tools.
The overall validation showed that results are appropriate. The parameterization is done with a sufficient level of prudency, such that the SCR is neither underestimated, nor unreasonably overestimated.
The data quality governance and organizational set up is completed and it is satisfactory for Solvency II purposes. Result of DQM consolidated checklist shows no failed checks or checks with warnings.

E.4. APPROACH FOR THE FUTURE

OMNIASIG intends to follow the same approach in the future with respect to calculation of solvency capital requirement and minimum capital requirement: internal model for nonlife insurance risk, standard formula for the other risk modules. For counterparty default risk, the risk mitigating effect is based on NL SCR gross and net derived using the non-life insurance risk internal model.

E.5. NONCOMPLIANCE WITH SCR AND/OR MCR

During the reporting period, there were no situations of non-compliance with SCR and/or MCR. The company has sufficient eligible own funds for both capital requirements.

Note:

The SFCR (including the QRTs attached to it) has been prepared in accordance with Law no. 237/2015 on the authorization and supervision of insurance and reinsurance activities, as amended and supplemented, and with ASF Norm no. 21/2016 on reporting on insurance and/or reinsurance activities, as amended and supplemented.

The Solvency and Financial Condition Report must be published and the relevant users include, but are not limited to, Financial Supervisory Authority. Consequently, the Solvency and Financial Condition Report may not be appropriate for other purposes.

F. QUANTITATIVE REPORTING TEMPLATES

Annex I
S.02.01.02
Balance sheet

Assets		Solvency II value
		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	61 976
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	147 731
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	2 099 457
Property (other than for own use)	R0080	24 207
Holdings in related undertakings, including participations	R0090	7 348
Equities	R0100	
Equities - listed	R0110	
Equities - unlisted	R0120	
Bonds	R0130	1 930 451
Government Bonds	R0140	1 732 688
Corporate Bonds	R0150	197 763
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	670
Derivatives	R0190	
Deposits other than cash equivalents	R0200	136 782
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	7 444
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	7 444
Reinsurance recoverables from:	R0270	576 954
Non-life and health similar to non-life	R0280	553 576
Non-life excluding health	R0290	553 956
Health similar to non-life	R0300	-380
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	23 378
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	23 378
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	
Insurance and intermediaries receivables	R0360	101 260
Reinsurance receivables	R0370	10 045
Receivables (trade, not insurance)	R0380	155 322
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	27 452
Any other assets, not elsewhere shown	R0420	13 840
Total assets	R0500	3 201 480

Annex I
S.02.01.02
Balance sheet

Liabilities		Solvency II value
		C0010
Technical provisions – non-life	R0510	1 721 419
Technical provisions – non-life (excluding health)	R0520	1 707 467
TP calculated as a whole	R0530	
Best Estimate	R0540	1 667 033
Risk margin	R0550	40 434
Technical provisions - health (similar to non-life)	R0560	13 951
TP calculated as a whole	R0570	
Best Estimate	R0580	13 347
Risk margin	R0590	604
Technical provisions - life (excluding index-linked and unit-linked)	R0600	47 409
Technical provisions - health (similar to life)	R0610	
TP calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	47 409
TP calculated as a whole	R0660	
Best Estimate	R0670	46 563
Risk margin	R0680	846
Technical provisions – index-linked and unit-linked	R0690	
TP calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	38 436
Pension benefit obligations	R0760	6 508
Deposits from reinsurers	R0770	256 446
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	26 063
Insurance & intermediaries payables	R0820	93 198
Reinsurance payables	R0830	134 153
Payables (trade, not insurance)	R0840	91 563
Subordinated liabilities	R0850	110 685
Subordinated liabilities not in BOF	R0860	
Subordinated liabilities in BOF	R0870	110 685
Any other liabilities, not elsewhere shown	R0880	10 173
Total liabilities	R0900	2 536 052
Excess of assets over liabilities	R1000	665 428

Annex I
S.04.05.21
Premiums, claims and expenses by country

Home country: Non-life insurance and reinsurance obligations

		Home country: Non-life insurance and reinsurance obligations	Top 5 countries (by amount of gross premiums written): Non-life insurance and reinsurance obligations				
	R0010						
		C0010	C0020	C0020	C0020	C0020	C0020
Premiums written (gross)							
Gross Written Premium (direct)	R0020	0					
Gross Written Premium (proportional reinsurance)	R0021	0					
Gross Written Premium (non-proportional reinsurance)	R0022	0					
Premiums earned (gross)							
Gross Earned Premium (direct)	R0030	0					
Gross Earned Premium (proportional reinsurance)	R0031	0					
Gross Earned Premium (non-proportional reinsurance)	R0032	0					
Claims incurred (gross)							
Claims incurred (direct)	R0040	0					
Claims incurred (proportional reinsurance)	R0041	0					
Claims incurred (non-proportional reinsurance)	R0042	0					
Expenses incurred (gross)							
Gross Expenses Incurred (direct)	R0050	0					
Gross Expenses Incurred (proportional reinsurance)	R0051	0					
Gross Expenses Incurred (non-proportional reinsurance	R0052	0					

Home country: Life insurance and reinsurance obligations

		Home country	Top 5 countries: life and health SLT				
	R1010						
		C0030	C0040	C0040	C0040	C0040	C0040
Gross Written Premium	R1020	0					
Gross Earned Premium	R1030	0					
Claims incurred	R1040	0					
Gross Expenses Incurred	R1050	0					

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	86 443	0	0	567 102	1 092 953	66 602	369 842	125 929	17 389
Gross - Proportional reinsurance accepted	R0120	0	0	0	0	27	232	2 422	80	0
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	1 521	0	0	286 782	11 249	33 800	136 414	69 493	16 581
Net	R0200	84 922	0	0	280 320	1 081 731	33 034	235 849	56 516	808
Premiums earned										
Gross - Direct Business	R0210	83 833	0	0	492 574	1 004 215	72 086	346 178	117 182	10 848
Gross - Proportional reinsurance accepted	R0220	0	0	0	0	21	210	1 916	52	0
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	4 513	0	0	249 241	11 134	41 335	134 988	71 608	9 418
Net	R0300	79 320	0	0	243 333	993 103	30 962	213 106	45 627	1 431
Claims incurred										
Gross - Direct Business	R0310	50 438	0	0	340 603	664 905	17 570	164 248	86 801	3 504
Gross - Proportional reinsurance accepted	R0320	0	0	0	-67	0	0	136	0	0
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	2 033	0	0	173 697	-2 033	6 574	80 476	69 029	3 749
Net	R0400	48 405	0	0	166 839	666 938	10 995	83 908	17 773	-245
Expenses incurred	R0550	26 116	0	0	74 004	327 988	16 224	127 837	27 314	2 585
Balance - other technical expenses/income	R1210									
Total expenses	R1300									

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	0	19 694	32 456					2 378 409
Gross - Proportional reinsurance accepted	R0120	0	0	556					3 317
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140	0	117	25 394					581 351
Net	R0200	0	19 577	7 618					1 800 376
Premiums earned									
Gross - Direct Business	R0210	0	18 762	25 532					2 171 210
Gross - Proportional reinsurance accepted	R0220	0	0	429					2 629
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240	0	117	19 449					541 802
Net	R0300	0	18 644	6 512					1 632 037
Claims incurred									
Gross - Direct Business	R0310	0	3 619	17 857					1 349 545
Gross - Proportional reinsurance accepted	R0320	0	0	0					69
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340	0	0	17 927					351 451
Net	R0400	0	3 619	-70					998 162
Expenses incurred	R0550	0	9 893	7 871					619 831
Balance - other technical expenses/income	R1210								
Total expenses	R1300								619 831

Annex I
S.05.01.02
Premiums, claims and expenses by line of business

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life-reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410									
Reinsurers' share	R1420									
Net	R1500									
Premiums earned										
Gross	R1510									
Reinsurers' share	R1520									
Net	R1600									
Claims incurred										
Gross	R1610									
Reinsurers' share	R1620									
Net	R1700									
Expenses incurred	R1900									
Other expenses	R2500									
Total expenses	R2600									
Expenses incurred	R2700									

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030								46 563		46 563
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080								23 378		23 378
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090								23 185		23 185
Risk Margin	R0100								846		846
Technical provisions - total	R0200								47 409		47 409

Annex I
S.12.01.02
Life and Health SLT Technical Provisions

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	**Total (Health similar to life insurance)**
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0020						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	R0030						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						
Best estimate minus recoverables from reinsurance/SPV and Finite Re - total	R0090						
Risk Margin	R0100						
Technical provisions - total	R0200						

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross	R0060	3 979	0	0	225 632	168 984	5 568	62 817	46 301	20 359
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-505	0	0	-10 976	-2 009	-607	5 664	32 300	19 248
Net Best Estimate of Premium Provisions	R0150	4 484	0	0	236 608	170 994	6 175	57 153	14 000	1 111
Claims provisions										
Gross	R0160	9 368	0	0	457 389	233 132	38 353	191 225	165 050	26 165
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	124	0	0	230 152	456	18 609	104 923	113 348	22 703
Net Best Estimate of Claims Provisions	R0250	9 244	0	0	227 236	232 676	19 744	86 302	51 702	3 461
Total Best estimate - gross	R0260	13 347	0	0	683 021	402 117	43 921	254 041	211 350	46 523
Total Best estimate - net	R0270	13 727	0	0	463 845	403 670	25 919	143 454	65 702	4 572
Risk margin	R0280	604	0	0	14 509	15 197	1 276	5 618	3 346	225
Amount of the transitional on Technical Provisions										
Technical provisions - total	R0320	13 951	0	0	697 530	417 313	45 197	259 659	214 696	46 748
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	-380	0	0	219 177	-1 553	18 002	110 587	145 648	41 951
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	14 331	0	0	478 353	418 866	27 195	149 072	69 048	4 797

Annex I
S.17.01.02
Non-life Technical Provisions

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross	R0060	0	126	4 087	0	0	0	0	537 853
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	0		2 392	0	0	0	0	45 507
Net Best Estimate of Premium Provisions	R0150	0	126	1 695	0	0	0	0	492 346
Claims provisions									
Gross	R0160	0	2 930	18 916	0	0	0	0	1 142 527
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	0	0	17 752	0	0	0	0	508 069
Net Best Estimate of Claims Provisions	R0250	0	2 930	1 163	0	0	0	0	634 458
Total Best estimate - gross	R0260	0	3 056	23 003	0	0	0	0	1 680 380
Total Best estimate - net	R0270	0	3 056	2 859	0	0	0	0	1 126 804
Risk margin	R0280	0	189	76	0	0	0	0	41 038
Amount of the transitional on Technical Provisions									
Technical provisions - total	R0320	0	3 245	23 079	0	0	0	0	1 721 419
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	0		20 144	0	0	0	0	553 576
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	R0340	0	3 245	2 934	0	0	0	0	1 167 843

Annex I
S.19.01.21
Non-life Insurance Claims Information

Total Non-Life Business

Accident year / Underwriting year	Z0020	Accident year

Gross Claims Paid (non-cumulative)
(absolute amount)

		Development year												In Current year	Sum of years (cumulative)
	Year	0	1	2	3	4	5	6	7	8	9	10 & +			
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110		C0170	C0180
Prior	R0100											432	R0100	432	432
N-9	R0160	238 831	135 338	23 285	12 537	7 770	7 382	-417	756	318	2 636		R0160	2 636	428 437
N-8	R0170	252 433	128 281	43 635	13 777	12 355	1 539	7 672	10 460	10 337			R0170	10 337	480 491
N-7	R0180	251 551	149 842	26 251	13 841	10 208	9 896	4 462	7 025				R0180	7 025	473 075
N-6	R0190	293 750	132 519	21 733	16 776	12 502	3 192	8 271					R0190	8 271	488 742
N-5	R0200	346 762	164 330	23 847	13 472	13 153	8 040						R0200	8 040	569 603
N-4	R0210	466 496	222 919	8 878	15 024	11 726							R0210	11 726	725 045
N-3	R0220	450 023	171 685	14 197	7 840								R0220	7 840	643 745
N-2	R0230	552 307	216 735	33 944									R0230	33 944	802 986
N-1	R0240	652 013	285 877										R0240	285 877	937 891
N	R0250	636 192											R0250	636 192	636 192
												Total	R0260	1 012 322	6 186 640

Annex I
S.19.01.21
Non-life Insurance Claims Information

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

		Development year												Year end (discounted data)
	Year	0	1	2	3	4	5	6	7	8	9	10 & +		
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300		C0360
Prior	R0100											0	R0100	0
N-9	R0160	0	83 473	68 053	52 006	31 611	15 323	9 196	42 257	0	0		R0160	0
N-8	R0170	274 995	126 876	80 633	67 007	51 934	45 372	35 152	61 675	0			R0170	0
N-7	R0180	288 420	109 887	78 838	60 034	46 750	40 878	41 736	84 916				R0180	77 310
N-6	R0190	288 669	115 648	56 774	40 233	26 262	25 810	12 862					R0190	11 742
N-5	R0200	315 007	103 639	98 731	82 089	63 332	96 079						R0200	88 396
N-4	R0210	347 934	111 547	85 288	73 562	58 310							R0210	53 699
N-3	R0220	344 441	76 085	53 354	35 223								R0220	32 272
N-2	R0230	389 388	127 153	94 998									R0230	87 983
N-1	R0240	531 495	172 169										R0240	158 672
N	R0250	672 757											R0250	632 452
												Total	R0260	1 142 527

Annex I
S.22.01.21
Impact of long term guarantees and transitional measures

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010					
Basic own funds	R0020					
Eligible own funds to meet Solvency Capital Requirement	R0050					
Solvency Capital Requirement	R0090					
Eligible own funds to meet Minimum Capital Requirement	R0100					
Minimum Capital Requirement	R0110					

Annex I
S.23.01.01
Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation (EU) 2015/35						
Ordinary share capital (gross of own shares)	R0010	506 352	506 352			
Share premium account related to ordinary share capital	R0030	123 421	123 421			
initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	-53 809	-53 809			
Subordinated liabilities	R0140	110 685			110 685	
An amount equal to the value of net deferred tax assets	R0160	61 976				61 976
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	748 625	575 965		110 685	61 976
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					

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Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	748 625	575 965		110 685	61 976
Total available own funds to meet the MCR	R0510	686 649	575 965		110 685	
Total eligible own funds to meet the SCR	R0540	748 625	575 965	0	110 685	61 976
Total eligible own funds to meet the MCR	R0550	620 631	575 965	0	44 667	
SCR	R0580	496 298				
MCR	R0600	223 334				
Ratio of Eligible own funds to SCR	R0620	150,84%				
Ratio of Eligible own funds to MCR	R0640	277,89%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	665 428
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	27 488
Other basic own fund items	R0730	691 749
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	-53 809
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non- life business	R0780	33 347
Total Expected profits included in future premiums (EPIFP)	R0790	33 347

Annex I
S.25.01.21
Solvency Capital Requirement - for undertakings on Standard Formula

		Gross solvency capital requirement	Simplifications
		C0110	C0120
Market risk	R0010		
Counterparty default risk	R0020		
Life underwriting risk	R0030		
Health underwriting risk	R0040		
Non-life underwriting risk	R0050		
Diversification	R0060		
Intangible asset risk	R0070		
Basic Solvency Capital Requirement	R0100		

		USP
		C0090
Life underwriting risk	R0030	
Health underwriting risk	R0040	
Non-life underwriting risk	R0050	

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	
Capital add-on already set	R0210	
of which, capital add-ons already set - Article 37 (1) Type a	R0211	
of which, capital add-ons already set - Article 37 (1) Type b	R0212	
of which, capital add-ons already set - Article 37 (1) Type c	R0213	
of which, capital add-ons already set - Article 37 (1) Type d	R0214	
Solvency capital requirement	R0220	
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirement for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

		Yes/No
		C0109
Approach based on average tax rate	R0590	

		LAC DT
Calculation of loss absorbing capacity of deferred taxes		C0130
LAC DT	R0640	
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

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S.25.05.21
Solvency Capital Requirement - for undertakings using an internal model (partial or full)
Solvency Capital Requirement information

		Solvency Capital Requirement	Amount modelled	USP	Simplifications
		C0010	C0070	C0090	C0120
Risk type					
Total diversification	R0020	-142 588	0		
Total diversified risk before tax	R0030	496 298	288 354		
Total diversified risk after tax	R0040	496 298	288 354		
Total market & credit risk	R0070	310 075	0		
Market & Credit risk - diversified	R0080	173 244	0		
Credit event risk not covered in market & credit risk	R0190	99 724	0		
Credit event risk not covered in market & credit risk - diversified	R0200	96 200	0		
Total Business risk	R0270	0	0		
Total Business risk - diversified	R0280	0	0		
Total Net Non-life underwriting risk	R0310	302 932	288 354		
Total Net Non-life underwriting risk - diversified	R0320	288 699	288 354		
Total Life & Health underwriting risk	R0400	3 482	0		
Total Life & Health underwriting risk - diversified	R0410	2 600	0		
Total Operational risk	R0480	65 215	0		
Total Operational risk - diversified	R0490	65 215	0		
Other risk	R0500	0	0		

Calculation of Solvency Capital Requirement		C0100
Total undiversified components	R0110	638 886
Diversification	R0060	-142 588
Adjustment due to RFF/MAP nSCR aggregation	R0120	0
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	0
Solvency capital requirement, excluding capital add-ons	R0200	496 298
Capital add-ons already set	R0210	0
of which, Capital add-ons already set - Article 37 (1) Type a	R0211	0
of which, Capital add-ons already set - Article 37 (1) Type b	R0212	0
of which, Capital add-ons already set - Article 37 (1) Type c	R0213	0
of which, Capital add-ons already set - Article 37 (1) Type d	R0214	0
Solvency capital requirement	R0220	496 298
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	
Amount/estimate of the loss absorbing capacity for deferred taxes	R0310	
Capital requirement for duration-based equity risk sub-module	R0400	0
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	0
Total amount of Notional Solvency Capital Requirements for ring-fenced funds	R0420	0
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	0
Diversification effects due to RFF nSCR aggregation for article 304	R0440	0
Method used to calculate the adjustment due to RFF nSCR aggregation	R0450	
Net future discretionary benefits	R0460	0

		Yes/No
Approach to tax rate		C0109
Approach based on average tax rate	R0590	Yes

		LAC DT
Calculation of loss absorbing capacity of deferred taxes		C0130
Amount/estimate of LAC DT	R0640	0
Amount/estimate of LAC DT justified by reversion of deferred tax liabilities	R0650	0
Amount/estimate of LAC DT justified by reference to probable future taxable economic profit	R0660	0
Amount/estimate of LAC DT justified by carry back, current year	R0670	0
Amount/estimate of LAC DT justified by carry back, future years	R0680	0
Amount/estimate of Maximum LAC DT	R0690	0

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

		C0010
MCR_{NL} Result	R0010	233 151

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020	13 727	78 580
Income protection insurance and proportional reinsurance	R0030	0	0
Workers' compensation insurance and proportional reinsurance	R0040	0	0
Motor vehicle liability insurance and proportional reinsurance	R0050	463 845	279 332
Other motor insurance and proportional reinsurance	R0060	403 670	1 032 904
Marine, aviation and transport insurance and proportional reinsurance	R0070	25 919	32 522
Fire and other damage to property insurance and proportional reinsurance	R0080	143 454	220 802
General liability insurance and proportional reinsurance	R0090	65 702	51 358
Credit and suretyship insurance and proportional reinsurance	R0100	4 572	2 106
Legal expenses insurance and proportional reinsurance	R0110	0	0
Assistance and proportional reinsurance	R0120	3 056	19 398
Miscellaneous financial loss insurance and proportional reinsurance	R0130	2 859	6 774
Non-proportional health reinsurance	R0140	0	0
Non-proportional casualty reinsurance	R0150	0	0
Non-proportional marine, aviation and transport reinsurance	R0160	0	0
Non-proportional property reinsurance	R0170	0	0

Annex I
S.28.01.01
Minimum Capital Requirement - Only life or only non-life insurance or reinsurance activity

Linear formula component for life insurance and reinsurance obligations

		C0040
MCR_L Result	R0200	487

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240	23 185	
Total capital at risk for all life (re)insurance obligations	R0250		0

Overall MCR calculation

		C0070
Linear MCR	R0300	233 638
SCR	R0310	496 298
MCR cap	R0320	223 334
MCR floor	R0330	124 074
Combined MCR	R0340	223 334
Absolute floor of the MCR	R0350	19 859

		C0070
Minimum Capital Requirement	R0400	223 334

Annex I
S.28.02.01
Minimum capital Requirement - Both life and non-life insurance activity

		Non-life activities	Life activities
		MCR$_{(NL,NL)}$ Result	MCR$_{(NL,L)}$ Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010		

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020				
Income protection insurance and proportional reinsurance	R0030				
Workers' compensation insurance and proportional reinsurance	R0040				
Motor vehicle liability insurance and proportional reinsurance	R0050				
Other motor insurance and proportional reinsurance	R0060				
Marine, aviation and transport insurance and proportional reinsurance	R0070				
Fire and other damage to property insurance and proportional reinsurance	R0080				
General liability insurance and proportional reinsurance	R0090				
Credit and suretyship insurance and proportional reinsurance	R0100				
Legal expenses insurance and proportional reinsurance	R0110				
Assistance and proportional reinsurance	R0120				
Miscellaneous financial loss insurance and proportional reinsurance	R0130				
Non-proportional health reinsurance	R0140				
Non-proportional casualty reinsurance	R0150				
Non-proportional marine, aviation and transport reinsurance	R0160				
Non-proportional property reinsurance	R0170				

Annex I
S.28.02.01
Minimum capital Requirement - Both life and non-life insurance activity

		Non-life activities	Life activities
		$MCR_{(L,NL)}$ Result	$MCR_{(L,L)}$ Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200		

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210				
Obligations with profit participation - future discretionary benefits	R0220				
Index-linked and unit-linked insurance obligations	R0230				
Other life (re)insurance and health (re)insurance obligations	R0240				
Total capital at risk for all life (re)insurance obligations	R0250				

Annex I
S.28.02.01
Minimum capital Requirement - Both life and non-life insurance activity

Overall MCR calculation

		C0130
Linear MCR	R0300	
SCR	R0310	
MCR cap	R0320	
MCR floor	R0330	
Combined MCR	R0340	
Absolute floor of the MCR	R0350	

		C0130
Minimum Capital Requirement	R0400	

Notional non-life and life MCR calculation		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500		
Notional SCR excluding add-on (annual or latest calculation)	R0510		
Notional MCR cap	R0520		
Notional MCR floor	R0530		
Notional Combined MCR	R0540		
Absolute floor of the notional MCR	R0550		
Notional MCR	R0560		