

THIS DOCUMENT IS AN UNOFFICIAL ENGLISH TRANSLATION OF THE PROSPECTUS OF SOCIETATEA DE ASIGURARE-REASIGURARE ASTRA SA BUCURESTI, ORIGINALLY WRITTEN IN ROMANIAN, APPROVED BY THE ROMANIAN FINANCIAL SUPERVISORY AUTHORITY ON MAY 27 2015 BY DECISION NO. 1004, WHICH IS THE ONLY LEGAL BINDING DOCUMENT PROVIDING INFORMATION ON THE COMPANY, THE OFFER AND THE OFFERED SHARES FOR THE PURPOSES OF THE OFFER. THE COMPANY, THE SPECIAL ADMINISTRATOR AND THE INTERMEDIARY DO NOT AND WILL NOT BEAR ANY LIABILITY TOWARDS ANYONE FOR THIS TRANSLATION.

ASTRA ASIGURĂRI

Prospectus related to the share issuance within the share capital increase by rendering the pre-emption rights, with cash contribution of

SOCIETATEA ASIGURARE – REASIGURARE ASTRA S.A. Bucharest

Intermediary: **S.S.I.F. BROKER S.A.**



www.ssifbroker.ro

Approved by FSA by Decision no 1004 / 27.05.2015

Read the Prospectus before subscribing!

The issuance of pre-emption rights is offered to the shareholders of SOCIETATEA DE ASIGURARE-REASIGURARE ASTRA S.A. registered with the Shareholder Register as at 07.04.2015.

THE PROSPECTUS ENDORSEMENT HAS NO SECURITY VALUE AND IT DOES NOT REPRESENT FSA'S APPRAISAL REGARDING THE OPPORTUNITY, ADVANTAGES OR DISADVANTAGES, PROFIT OR RISKS WHICH COULD RESULT FROM THE TRANSACTIONS TO BE CONCLUDED BY ACCEPTING THE PUBLIC OFFER WHICH WAS APPROVED; THE APPROVAL DECISION CERTIFIES ONLY THE COMPLIANCE OF THE OFFER REGARDING THE LAW AND THE NORMS ENACTED IN THE APPLICATION THEREOF.

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APPENDIX I – The Financial Supervisory Authority Decision no. 42/ 18.02.2014 on commencing the financial recovery procedure by special administration at Societatea de Asigurare-Reasigurare ASTRA S.A.

APPENDIX II - The Financial Supervisory Authority Decision no. 43/ 18.02.2014 on appointing KPMG Advisory SRL as the Special Administrator of Societatea de Asigurare-Reasigurare ASTRA S.A.

APPENDIX III – The annual financial statements of the Issuer for the financial year ending on 31 December 2013 and the related audit report and

The annual financial statements of the Issuer for the financial year ending on 31 December 2014 together with the related audit report

APPENDIX IV – The Organization Chart of Societatea de Asigurare-Reasigurare ASTRA S.A.

APPENDIX V – Letter no. 250/ 25.04.2014, sent by The Nova Group Investments Romania SA to Societatea de Asigurare-Reasigurare ASTRA S.A. regarding the structure of the Group of which the Issuer is a party

NOTE TO THE INVESTORS

This Prospectus ("Prospectus") comprises the necessary information regarding the shares offer ("Offer") for the share capital increase by cash contribution. According to Decision no. 1 of the Extraordinary Shareholders' General Meeting of Societatea de Asigurare – Reasigurare ASTRA S.A. from 12.05.2014, published in the Romanian Official Journal, Part IV, no. 3078 from 30.05.2014, ("Shareholders' Decision on the Share Capital Increase") it was approved to delegate to KPMG Advisory SRL, as the Company's Special Administrator, appointed by FSA Decision no. 42 from 18.02.2014 ("The Special Administrator"), respectively to the Company's Management Board (if further to convening the EGMS, the management of the Company would be resumed to the Management Board), the prerogative to operate the share capital increase of the Company, in compliance with the requirements stipulated by art. 236, para. 2 Law 297/2004 on capital markets, as subsequently amended and supplemented, subject also to the compliance with the following rules:

- The delegation for the share capital increase is valid for maximum one year, being subsequent to the diagnosis analysis performed by the Special Administrator in accordance with the mandate rendered by FSA Decision no. 42/18.02.2014, from which resulted, among other things, the need to perform a recapitalization of the Company, in order to improve its financial indicators;
- In executing the delegation, the Special Administrator/Management Board may decide, by one or more decision(s), to increase the share capital of the Company by issuing new shares, while the new share capital amounts cannot exceed, in total, the sum of RON 490,000,000;
- The share capital increase can be performed by cash contributions fully paid up on the date of subscription and/or by converting uncontested, liquid and enforceable receivables deriving from loans granted to the Company, and, in this latter case, the conversion would be exclusively performed in regard to amounts borrowed comprising of principal collected by the Company;
- The share capital subscription (as approved by the decision of the Special Administrator/Management Board) can be performed by complying with the pre-emption rights of shareholders at the Registration Date.

According to the Special Administrator's Decision no. 26 from 27.06.2014, published in the Official Journal of Romania, Part IV, no. 3867 from 15.07.2014, the Company approved the share capital increase, by a cash contribution of RON 70,000,001.4 – from RON 192,712,533.86 to RON 262,712,535.26 – through the issuance of 26,315,790 nominative shares, with a par value of RON 2.66/share.

Subsequently, according to the Special Administrator's Decision no. 26/27.06.2014 regarding the centralization of subscriptions and the final report on shares subscription and payments made during the Company's share capital increase, communicated by authorized intermediary by Decision no. 68 from 03.10.2014, as corrected by Decision no. 70 from 07.10.2014, it has been approved the Company' share capital increase, from RON 192,712,533.86 to RON 257,797,193.08, paid in, by the amount of

RON 65,084,659 – through the issuance of 24,467,917 nominative shares, with a par value of RON 2.66/share, thus therefore 1,847,873 shares were not subscribed.

The Special Administrator's Decision no. 99 from 18.05.2015 approved the second share capital increase, in cash, for the amount of RON 424,915,339.94, leading to an increase in share capital from RON 257,797,193.08 to RON 682,712,533.02 through the issuance of 159,742,609 registered shares with a par value of RON 2.66/share.

According to Special Administrator's Decision No. 99 / 18.03.2015, the share capital increase will include the following steps:

- I. The newly-issued shares will firstly be offered for subscription to pre-emption rights holders. They will have the right to subscribe the new shares proportionally with the number of pre-emption rights held at the date when the settlement of transactions with pre-emption rights performed during their trading period has been completed, as established in the Prospectus (Phase I).

Furthermore, according to this Prospectus, the subscription period during which the new shares can be subscribed in Phase I will be of one month. The number of pre-emption rights necessary to purchase one new share is of 0.6067024859973334. The subscription price of a new share in Phase I is RON 2.66/share.

- II. The unsubscribed shares in Phase I will be offered for subscription to investors that have validly subscribed shares in Phase I. An investor is entitled to subscribe shares proportionally to the ratio between the number of shares subscribed by itself in Phase I and the total number of shares subscribed in Phase I.

According to this Prospectus, the shares subscription period in Phase II is 5 business days. If no investor validly subscribes shares in Phase I, the shares may be offered for subscription in Phase III, according to paragraph III below.

The subscription price for a new share in Phase II is 2.66 RON / share.

- III. According to the Special Administrator's Decision No. 99 from 18.03.2015, the unsubscribed shares in Phase II or shares not validly subscribed by investors in Phase I will be offered for subscription to Qualified Investors (the term "Qualified Investor" is defined under the Prospectus) in two sub-phases, in the order listed below (Phase III). The subscription price for a new share in Phase III is of RON 2.67/share:

- (i) The shares are firstly offered for subscription to Qualified Investors, within a period of 10 business days, under the conditions set out in this Prospectus. If oversubscription occurs, the shares will be allocated to Qualified Investors according to the criteria set out in this Prospectus;
- (ii) The shares still unsubscribed, following the offer to Qualified Investors, will be offered for public subscription, for a period of 10 business days, under the

conditions set out in this Prospectus. If oversubscription occurs, the shares will be allocated to investors proportionately.

Following the submission of the Prospectus and of the related documentation for approval by the Financial Supervisory Authority (FSA), the FSA transmitted that the document does not comply with the requirements of Law no. 297/2014, Art. 184 regarding the capital market, as amended, so that the share capital increase of the Company cannot be achieved by offering new shares to the public, in accordance with sub-step (ii) of the above Phase III (according to the initial version of the Prospectus submitted for approval by the FSA, the concept of „public” was defined” as any person or entity, resident or non-resident, which holds the legal capacity to subscribe shares under the current Offer”). Thus, this Prospectus incorporates the FSA requirement, meaning that in Phase III of the share capital increase under the current Prospectus, the shares that were not subscribed in Phase I and, if the case in Phase II, solely to Qualified Investors, and the subscription price of new shares in a Phase II is RON 2.67/share.

Any unsubscribed shares following the Phases I and II will be canceled by a decision of the Special Administrator. The shares shall be fully paid in, on the date of subscription, in accordance with the requirements set in this Prospectus; and all share subscriptions will be validated by rounding down to the nearest even number.

The information comprised in this Prospectus was provided by the Issuer, the Special Administrator or were obtained from other sources, as indicated in this Prospectus; the selection of sources and of information were performed by the Intermediary.

The Issuer declares that it took all reasonable care to ensure that all information included in this Prospectus is real, accurate and it is not misleading, in all significant concerns. The Prospectus, together with the financial information and with the appendixes thereof were prepared in accordance with the applicable legal requirements and with the FSA regulations. The Prospectus prepared was elaborated based on appendixes I, II and III of the Regulation of the European Commission no. 809/2004, concerning the implementation of Directive 2003/71/EC, as subsequently amended and supplemented, in regard to the information to be comprised in prospectuses, as well as the format, inclusion and publication of such prospectuses and the dissemination of publicity materials.

No one may rely on the Prospectus for its decision to invest in the shares issued by the Company and the Issuer has no liability or responsibility towards persons other than those towards which the current offer was addressed for with regards to the information comprised in this Prospectus, neither throughout the period of the Offer, nor following the Offer closure on the secondary market. Hence, investors that shall trade the shares issued by the Company after closing the Offer may not rely, in any way their investment decision on the information comprised in this Prospectus. SSIF BROKER S.A., as the Intermediary, has fulfilled all necessary steps in order to ensure that, in accordance with the documents and information made available by the Issuer, and the information from other sources as indicated in the Prospectus, supplied by the Issuer, the information comprised in the Prospectus is real and do not comprise omissions that are likely to significantly impact the content of the Prospectus.

Neither the Special Administrator, nor the Intermediary assume any liability in regards to the future performance or evolution of the Issuer. None of the content of this Prospectus shall be considered as an investment recommendation or as an opinion of the Intermediary, or of the Special Administrator or of the Issuer, in regards to the standing of the Issuer, nor as a legal or tax advice (to invest). Each prospective investor should perform an independent evaluation by its own means, evaluation that should not rely solely on the information comprised in this Prospectus. The Issuer and the Intermediary recommend potential investors to assign specialized consultants in regard to the independent evaluation concerning legal, tax, commercial or financial issues.

No one was authorized by the Issuer, the Special Administrator or by the Intermediary to provide other information or to make other statements or assessments, except those included in this Prospectus. The dissemination of such information, statements or assessments not included in this Prospectus should be deemed as made without the authorization of the Issuer or of the Intermediary, who assume no liability in this view.

The information comprised in this Prospectus are accurate at the date of the Prospectus, unless other reference dates are specially indicated in this Prospectus are for certain specific information. Nevertheless, it should be also considered that the standing of the Issuer and the data and information included in the Prospectus may change after the approval of this Prospectus by FSA. Neither the Issuer, nor the Intermediary committed to update the information included in this Prospectus after the date of the Prospectus or after the date indicated in this Prospectus as the reference date for some of the information, unless bound by law to update certain pieces of information or expect for the cases when, after the date of the Prospectus, a new significant fact, or a material error or inaccuracy that occurs in regard to the information comprised in Prospectus, that is likely to influence the valuation of the shares, which are the subject matter of this Offer.

The information published on the webpage of the Issuer, of the Special Administrator, or of the Intermediary or on any other webpage directly or indirectly linked to the webpage of the Issuer, of the Special Administrator, or of the Intermediary, or on any other webpage provided in this Prospectus is not incorporated by reference in this Prospectus, unless there is a mention to the contrary comprised in this Prospectus.

The Financial Supervisory Authority approved this Prospectus by Decision no. 1004 from 27.05.2014.

DEFINITIONS

In the content of this Prospectus, unless otherwise stated, the following terms and abbreviations used in the Prospectus with capital letters shall have the following meaning applicable both to the plural and the singular forms:

Articles of Incorporation	The Articles of Incorporation of Societatea de Asigurare – Reasigurare ASTRA S.A., updated by the date of the Prospectus
Significant Shareholder	Any person who, directly and on its own or in conjunction with other individuals or legal entities, exercises rights deriving from owning shares which, cumulated account for at least 10% of the share capital of an insurer / reinsurer or confer at least 10% of the total voting rights in the Ordinary General Meeting of the Shareholders (OGMS) or which grant the owner a significant influence over the management of an insurer/ reinsurer.
Special Administrator or KPMG Advisory SRL	Special Administrator of Societatea de Asigurare – Reasigurare ASTRA S.A., KPMG Advisory SRL, with the registered office in Bucharest, 69-71 șos. București-Ploiești, Sole Registration Code 13204347, registered with the Trade Register Office under no. J40/6657/2000, appointed by FSA's Decision no. 43/18.02.2014
ADAS	Administrația Asigurărilor de Stat (State Insurance Administration), set up by virtue of Decree no. 38/1952, under the general management of the Finance Ministry, authorized to perform insurance and reinsurance operations, as well as any other operations regarding the insurance activity according to the provisions of Decree no. 470/1971. ADAS ceased its activity under Decision no. 1279/1990 and its assets and liabilities were taken over as of 1 January 1991 by the following trading companies: Asigurarea Romaneasca SA, Astra SA and Carom SA. ¹
BSE	Bucharest Stock Exchange

¹ <http://lege5.ro/Gratuit/g42tknjx/decretul-nr-38-1952-privind-unele-asigurari-si-infiintarea-administratiei-asigurarilor-de-stat>
<http://lege5.ro/Gratuit/gyydaajs/decretul-nr-470-1971-privind-organizarea-si-functionarea-administratiei-asigurarilor-de-stat>
<http://www.lexex.ro/Hotararea-1279-1990-1816.aspx>

EGMS	Extraordinary General Meeting of the Shareholders of the Company
OGMS	Ordinary General Meeting of the Shareholders of the Company
Employees handling claims	The employees involved in handling the evaluation of damages or incidents covered by the insurance policies.
Support staff	The employees who are not engaged in selling insurance policies and/or assessing damages/incidents
Sales employees	The employees involved directly in selling insurance policies.
FSA	Autoritatea de Supraveghere Financiară (The Financial Supervisory Authority)
BSE	Bucharest Stock Exchange
NACE	Classification of Activities in the National Economy
MOTOR HULL	Optional vehicle insurance for accidental damages and theft
CNVM	Comisia Națională a Valorilor Mobiliare (National Securities Commission - currently the Financial Supervisory Authority)
CNADNR	Compania Națională de Drumuri și Autostrăzi din România SA (Romanian National Company of Motorways and National Roads)
Collector Account or Offer Account	The account opened by the Intermediary for collecting the amounts from the Offer subscriptions, with the IBAN code RO26BTRLRONCRT00R1814004, opened at Banca Transilvania, Zorilo Branch, Cluj-Napoca.
Intermediation Agreement	Contract established between the Issuer and the Intermediary in order to mediate the Offer
Registration Date	07.04.2015
The final date for settlement of pre-emption rights	The second work day from the last trading day of pre-emptive rights, the date of pre-emptive rights are transferred from the seller's account to the buyer's account and the funds are transferred from the buyer to the seller
The Romanian Central Depository	The company holding the Shareholder Register, and serves as the clearing and settlement system and register for the operations carried out by the issuers admitted to trading on the trading platforms managed by BSE.

Becoming a Significant Shareholder

The intent of a person to become a significant shareholder. For the purposes of the Prospectus, becoming a significant shareholder also means the intention of a person or group of persons acting together who: a) whose intentions are to become a direct or indirect Significant Shareholder within an insurer; b) intends to increase its direct or indirect voting rights or capital owned so that its participation will reach or exceed 20%, one-third or 50% of the voting rights of the Insurer's share capital or will become a subsidiary.

The Issuer, Company, Societatea de Asigurare – Reasigurare ASTRA S.A. or ASTRA

Societatea de Asigurare – Reasigurare ASTRA S.A., a company managed in a 2-tier system, with the registered office in Bucharest, 3 Nerva Traian street, M101 Building, Floor 11, District 3,
telephone (+40) 21 318 80 80,
fax (+40) 21 318 80 74,
webpage www.astrasig.ro,
Sole Registration Code 330904,
Registration number with the Trade Register J40/305/1991

Revocation Form

Form that has to be filled in for the revocation of the subscriptions made under the Offer, in compliance with the provisions of the Capital Market Law, according to the model which is attached to this Prospectus

Subscription Form

Form that has to be filled in for the subscription under the Offer, according to the model which is attached to this Prospectus

Shareholders' Decision on the Increase

EGMS' Decision no.1 from 12.05.2014, published in the Official Journal of Romania, Part IV, no. 3078 from 30.05.2014 regarding the conferral of competences for increasing the Company's share capital

Qualified investors

Individuals or entities who possess the experience, knowledge, and ability to make investment decisions regarding the Company's shares and assess the risks associated with those decisions. Those individuals or entities can be constituted/registered in Romania or in another State, as follows:

- I. Persons or entities who have to be authorized or regulated to operate in financial markets, namely:

1. insurance companies and / or reinsurance brokers;
 2. banks and other credit institutions;
 3. investment/financial services companies;
 4. authorized or regulated financial institutions;
 5. undertakings for collective investment and their management companies
- II. Persons or holding companies whose principal activity is the ownership and management of shareholdings in one or more persons or entities as referred to paragraph I above.
- III. International institutions and/or supranational institutions like the World Bank or other person or entity within the World Bank Group, European Bank for Reconstruction and Development and other similar international organizations
- IV. Persons or entities under direct or indirect control of one or more persons or entities as mentioned in points I, II and III above

Solvency Margin

The available solvency margin equals the aggregate asset elements free of any burdens, except intangible assets, as defined by the President of the Insurance Supervisory Commission in Order No. 3/2008 for non-life insurance, and Order No. 4/ 2008 for life insurance.

Minimum solvency margin = the minimum level of the available solvency margin that insurers authorized to practice non-life insurance or life insurance respectively are bound to permanently hold, as defined by the President of the Insurance Supervisory Commission in Order No. 3/2008 for non-life insurance, and Order No. 4/ 2008 for life insurance.

Insurance Law

Law no. 32/2000 on the insurance activity and supervision, with its subsequent amendments and supplementations

Capital Market Law

Law no. 297/2004 on the capital market, with its subsequent amendments and supplementations

Offer

Offer related to the share capital increase by cash contribution, by issuing new shares, as described in this Prospectus

Subscription Period	The period related to Phases I, II and III of the subscription process described in this Prospectus.
Subscription Period Phase I	One month, starting with the next work day from the date of the pre-emptive rights settlement, i.e. during 17.06.2015 – 17.07.2015 (including this day), period which includes a number of 31 calendar days.
Subscription Period Phase II	5 business days, starting from the fifth business day after the conclusion of Phase I, i.e. 24.07.2015 – 30.07.2015 (including this day).
Subscription Period Phase III	10 business days, counting from the tenth business day after the conclusion of Phase II of the subscription, i.e. 06.08.2015 – 19.08. 2015 (including this day). At this phase the shares are offered for subscription to qualified investors.
Potential Purchaser	The person who wants to Become a Significant Shareholder.
Property	Insurance against fire, natural disasters and other damage to property insurance.
Prospectus	This proportionate Offer prospectus drafted in accordance with the provisions of Appendices I, III, and XXII of Regulation no. 809/2004
MTPL	Motor Third Party Liability
Shareholder Register	The Company Shareholder Register is kept by the Romanian Central Depository under a service contract concluded between the Company and the Romanian Central Depository in accordance with the applicable regulations.
Regulation no. 1/2006	CNVM Regulation no. 1/2006 on issuers and operations with securities, with subsequent amendments and supplementations
Regulation no. 809/2004	EC Regulation no. 809 on the implementation of Directive 2003/71/EC in regards to the information comprised in prospectuses, as well as the format, inclusion and publication of such prospectuses and the dissemination of publicity materials.
RON or leu	National currency of Romania
Financial Statements 2013	The Issuer's Individual financial statements for the financial year ending on 31 December 2013, financial statements that were subject to the audit performed by Deloitte Audit SRL and

in regards to which Deloitte Audit SRL has expressed no opinion due to uncertainties which are detailed in the audit report.

**SSIF Broker S.A./ Broker/
Intermediary**

SSIF Broker S.A., a company with the registered office in Cluj-Napoca, 119 Calea Moșilor, Cluj County, authorized by the National Securities Commission (current FSA) as a financial investment service company by Decision 3097/2003.

telephone (+40) 364 401709

fax (+40) 364 401710,

email: secretariat@ssifbroker.ro,

site web www.ssifbroker.ro,

Sole Registration Code 6738423,

Registration number with the Trade Register J12/3038/1994

EU

European Union

Business Day

Any day on which both the interbank Romanian market and the trading, clearing and settlement systems of the Bucharest Stock Exchange/the Romanian Central Depository are carrying out their activity.

Throughout this Prospectus, the following abbreviations used with capital letters represent the short names of the following companies:

Company name	Name used in the prospectus
ALICO ASIGURARI ROMANIA S.A.	ALICO
ALLIANZ - TIRIAC ASIGURARI S.A.	ALLIANZ - TIRIAC ALLIANZ
ASIROM VIENNA INSURANCE GROUP S.A.	ASIROM
AXA LIFE INSURANCE S.A.	AXA LIFE INSURANCE
BCR ASIGURARI DE VIATA VIENNA INSURANCE GROUP SA	BCR ASIGURARI DE VIATA BCR
BRD ASIGURARI DE VIATA S.A.	BRD ASIGURARI DE VIATA BRD
CARPATICA ASIG S.A.	CARPATICA
CERTASIG - SOCIETATE DE ASIGURARE SI REASIGURARE S.A.	CERTASIG
SOCIETATEA DE ASIGURARE SI REASIGURARE CITY INSURANCE S.A.	CITY INSURANCE
ERGO ASIGURARI DE VIATA S.A.	ERGO ASIGURARI DE VIATA
EUREKO ASIGURARI S.A.	EUREKO
EUROINS ROMANIA ASIGURARE REASIGURARE S.A.	EUROINS
EFG EUROLIFE ASIGURARI DE VIATA S.A.	EUROLIFE ERB ASIGURARI DE VIATA EUROLIFE ERB
GARANTA ASIGURARI S.A.	GARANTA
GENERALI ROMANIA ASIGURARE REASIGURARE S.A.	GENERALI
GOTHAER ASIGURARI REASIGURARI S.A.	GOTHAER
GRAWE ROMANIA ASIGURARE S.A.	GRAWE
GROUPAMA ASIGURARI S.A.	GROUPAMA
ING ASIGURARI DE VIATA S.A.	ING ASIGURARI DE VIATA ING
METROPOLITAN LIFE ASIGURARI S.A.	METROPOLITAN LIFE
OMNIASIG VIENNA INSURANCE GROUP S.A.	OMNIASIG
SIGNAL IDUNA ASIGURARI DE VIATA S.A.	SIGNAL IDUNA ASIGURARI DE VIATA
UNIQA ASIGURARI DE VIATA S.A.	UNIQA ASIGURARI DE VIATA
UNIQA ASIGURARI S.A.	UNIQA

FORWARD-LOOKING STATEMENTS

This Prospectus comprises of, among others, statements reflecting the expectations of the Issuer's management regarding the business opportunities, development plans and, generally the perspectives of the Issuer. Forward-looking statements may be identified in the current Prospectus by using an appropriate terminology, including words such as: "believes", "considers", "expects", "plans to", "has the objective", "anticipates", "estimates", "assesses", "intends", "considers", "forecasts", "may", "shall", "considers", or, as the case may be, the negative forms or similar to such expressions or by references to the strategies, plans, objectives, intentions or future events. Such forward-looking statements involve not only known risks, but also unknown risks, a certain degree of uncertainty, as well as other factors that in the future may substantially modify the actual results, the financial position or the performance of the Company and it is possible that certain predictions, perspectives, projections or other forward-looking statements would not materialize or prove to have been incorrect. The factors that may lead to such changes include, but are not limited to, the issues presented in the Chapter "Risk Factors". The presentation of the risk factors is not exhaustive.

Considering the above, investors are warned not to substantiate their decision to subscribe to the Offer on any of the forward-looking statements included in this Prospectus or in any other document related to the Offer. The Issuer assumes no liability for updating the forward-looking statements included in the Prospectus in order to reflect possible changes of the forecasts of the Issuer or upon changes of the state of facts, conditions or circumstances on which the concerned statements relied

SPECIAL ADMINISTRATION OF THE COMPANY

By FSA Decision no. 42 from 18 February 2014, ("Decision no. 42") enforced by FSA Decision no. 43 from 19 February 2014 ("Decision no. 43"), the FSA decided the commencement of the financial recovery procedure through special administration, under the provisions of art. 8 para. (1) lit. b) corroborated with the provisions of art. 7 letter a) of Law no. 503/2004 on financial recovery, bankruptcy, dissolution and voluntary winding up in the insurance activity, republished, and has appointed KPMG Advisory SRL as the Special Administrator of the Company. The FSA Decisions 42/2014 and 43/2014 are included in Appendix I and Appendix II to the Prospectus.

The Special Administrator is KPMG Advisory SRL, having its office registered in Bucharest, 69-71 sos. Bucuresti-Ploiesti, Sole Registration Code 13204347, registered with the Trade Register Office under no. J40/6657/2000, appointed by the FSA by Decision no. 42/18.02.2014, officially represented by Mr. Toader Serban Cristian.

In accordance with Decision no. 42, the FSA has enforced the suspension, throughout the financial recovery procedure, by special administration of the legal prerogatives of the significant shareholders and of the significant persons of the Company, of the voting rights in regards to the appointment and revocation of the members of the Company's Supervisory Board, the shareholders' rights to receive dividends, the activity, as well as the right to remuneration of the members of the Supervisory Board, whereas the Special Administrator fully takes over the prerogatives of the significant persons of the Company.

In accordance with Decision no. 42, FSA ordered the suspension throughout the financial recovery procedure by special administration of the legal prerogatives of the significant shareholders and of the significant persons of the Company, voting rights in regard to the appointment and revocation of the members of the Company's Supervisory Board, the shareholders' rights to dividends, the activity, as well as the right to remuneration of the members of the Supervisory Board, whereas the Special Administrator fully takes over the prerogatives of the significant persons of the Company.

In accordance with Decision no. 42, one of the main prudential measures that has to be applied by the Company through the Special Administrator refers to the commencement under an emergency regime of the legal procedures to increase the share capital up to a level enabling the Company to observe the solvency and liquidity requirements.

Other prudential measures provided by Decision no. 42 refer to the inventory of the claims files registered with the records of the Company, the taking of measures necessary to compute adequately and in accordance with the legal requirements the technical reserves set up by the Company, the interdiction of investing in securities and real estate, except placements in bank deposits and government securities/treasury bills, the interdiction to alienate goods and/or assets of the Company without the prior approval of FSA, the taking of measures necessary in view of accelerating the reimbursement of the loans granted within the group out of which the Company is a party and the interdiction of granting new loans, the inventory and assessment in accordance with the applicable norms of receivables recorded in the registers of the Company and the annulment of insurance receivables related to contracts the validity period of which expired, the reanalysis of the corporate insurance policy and the transfer of risks to reinsurers with rating assigned by reputed rating agencies.

Thus, in accordance with Decision no. 43, the Special Administrator examined the corporate activity and drafted a diagnose analysis of its financial condition, based on the unaudited financial information of the Company for the financial year ending on 31 December 2013, by specifying the real and operative recovery possibilities of the Company and the recovery measures proposed to be undertaken by the Special Administrator in this view.

The Company depends upon the successful implementation of the recovery measures proposed to be undertaken in view of the financial recovery and approved by FSA, in order to avoid the bankruptcy procedure, by the recovery of the Company through measures of re-establishing the liquidity and solvency according to the identified real and operative recovery possibilities, considering the applicable economic constraints, the cumulated requirements of the insurance law, the capital market law and the companies law and the complex diagnose of aggravated symptoms that were generalized and accumulated in time at corporate level.

On 12 May 2014, EGMS approved the delegation to the Special Administrator, to the corporate Management Board respectively (if further to convening EGMS, the corporate management was resumed by the Management Board), of the authority to increase the share capital of the Company. The delegation of the authority to increase the share capital operates for a term of maximum one year as of the date of the EGMS decision. The Special Administrator/Management Board may decide by one

or several decisions upon the increase of the share capital of the Company by issuing new shares by amounts that may not exceed in aggregate the amount of RON 490,000,000.

On 27 June 2014, based on the mandate of Special Administrator of the Company, vested to it by Decision FSA no. 42, and having regard to the Shareholders' Decision on the Increase, KPMG Advisory SRL issued Decision no. 26 by which it approved the increase of the share capital of the Company by cash contribution, by the amount of RON 70,000,001.40 – from the value of RON 192,712,533.86 to the value of RON 262,712,535.26 by issuing a number of 26,315,790 new shares with a nominal value of RON 2.66.

Given the centralization of subscriptions and final report on the subscription of shares and payments made under the Company's share capital increase decided by Special Administrator's Decision no. 26/27.06.2014 from 07.10.2014, under the mandate that was entrusted by FSA by Decision no.42, KPMG Advisory SRL issued Special Administrator's Decision no. 68/03.10.2014, as it corrected by the Special Administrator's Decision no. 70/10.07.2014 which approved the capital increase of the Company in the amount of EUR 192,712,533.86 to EUR 257,797,193.08 EUR, in cash, for an amount of EUR 65,084,659.22, representing a number of 24,467,917 registered shares with nominal value of RON 2.66/share and cancellation of a number of 1,847,873 shares remained unsubscribed. The publication of the Special Administrator's Decision no. 68/03.10.2014 and the Special Administrator's Decision no. 70/10.07.2014 in the Official Journal of Romania held on 13 March 2015. The amendment of the articles of incorporation as a result of the capital increase with the amount of 65,084,659.22 lei FSA was approved by Decision no. 280 / 02.19.2015 and the specifications regarding changes in the capital have been registered in the Trade Register under Resolution No. 26547 / 02.27.2015.

Also, the Special Administrator's Decision No. 99, on 18 March 2015 approved the capital increase of the Company, in cash, for an amount of EUR 424,915,339.94 by EUR 257,797,193.08 to EUR GBP to EUR 682,712,533.02 by issuing a total of 159,742,609 registered shares with nominal value of 2.66 RON / share.

Publication in the Official Journal of the Special Administrator's Decision no. 99 / 18.03.2015 was held on March 30, 2015.

On the date of this Prospectus, the Company is undergoing the financial recovery process by special administration, by virtue of the recovery measures approved by FSA.

The recovery possibilities of the Company by virtue of the recovery measures mainly depend upon the materialization of the corporate shareholders' undertaking to perform the initial capital infusion and to cover the short-term liquidity demand and the interest of potential strategic investors in regard to the Company.

SUMMARY OF THE PROSPECTUS

This summary ("the Summary") comprises the publicity requirements known as publicity elements ("the Elements"). Such elements are numbered under the sections A – E (A.1 – E.7).

The Summary comprises all Elements necessary to be included in a summary required for this type of securities and for this type of issuer. Having regard to the fact that certain Elements do not require information that has to be included in the Summary, there may be some discrepancies in the succession of numbering the Elements.

Even if an Element should be included in the Summary considering the type of security and the issuer, there is a possibility that no piece of relevant information can be supplied for the concerned Element. In this case, a brief description of the Element is included in the summary with the note "N/A".

A. Introduction and Warning

A.1	Warnings	<p>This Summary ("Summary") should be read as an introduction to the prospectus prepared by SOCIETATEA DE ASIGURARE – REASIGURARE ASTRA S.A. ("Prospectus") for the purpose of increasing the share capital through the issuance of new shares, rendering pre-emption rights to the shareholders ("Offer").</p> <p>Any decision of an investor to invest in shares that shall be issued by virtue of the Prospectus ("Shares") should be taken by the investor, by taking into consideration the Prospectus in its entirety.</p> <p>If a claim is filed with a court of law in regard to the information comprised in the Prospectus, there is a possibility that, in accordance with the applicable national legislation of the Member States within the European Economic Space, the complaining investor should be bound to incur the costs related to the translation of the Prospectus before the commencement of any legal procedures.</p> <p>The civil liability is incumbent only upon SOCIETATEA DE ASIGURARE-REASIGURARE ASTRA S.A. ("Astra" or "Company"), 3 Nerva Traian Street, M101 Building, Floor 11, Bucharest, District 3, Romania (as the Issuer in the Offer, "Issuer"), which elaborated this Summary in a modular structure, only if in case in which the Summary is misleading, incorrect or inconsistent with other parts of the Prospectus or if it does not include, when read in conjunction with other parts of the Prospectus, the key-</p>
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		information, in order to facilitate investors in their assessment of the possibility to invest in Shares.
A.2	The approval of the Issuer or of the person in charge for the elaboration of the Prospectus regarding the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries.	N/A. The Issuer does not approve the use of the Prospectus for subsequent resale or final placement of the Shares to any dealer or financial intermediary.
	The specification of the Offer term in which a subsequent resale or a final placement of the Shares can be performed by financial intermediaries and in which the approval for the use of the Prospectus is valid.	N/A. The Issuer has not approved the use of the Prospectus for subsequent resale or final placement of the Shares by any dealer or financial intermediary.
	Any other clear conditions and objective terms associated to the agreement, which are relevant for the use of the Prospectus.	N/A. The Issuer has not approved the use of the Prospectus for subsequent resale or final placement of the Shares by any dealer or financial intermediary.
	Note by which the investors are informed about the fact that the information on the terms and conditions of the Offer carried out by a financial intermediary shall be supplied at the moment at which the Offer shall be carried out by the financial intermediary.	N/A. The Issuer has not approved the use of the Prospectus for subsequent resale or final placement of the Shares by any dealer or financial intermediary.

B. Issuer

B.1	Legal name and trade name of the Issuer:	The legal name of the Issuer is "SOCIETATEA DE ASIGURARE – REASIGURARE ASTRA S.A.", its trade name is "ASTRA".
B.2	The registered office and legal form of the Issuer, the legislation based on which the Issuer carries out its activity and the country in which it was set up:	Astra is a joint-stock company, set up and with the registered office in Romania, carrying out its activity in accordance with the Romanian law. The registered office of Astra is in 3 Nerva Traian Street, M101 Building, Floor 11, Bucharest, District 3, Romania.
B.3	A brief description of the operations and main activities of the Issuer, as well as any significant changes that had an impact upon such operations and activities, mentioning any new products or services that were launched or developed and the identification of the main markets on which the Issuer acts	<p>The main activities of the Issuer comprise non-life insurance and life insurance and reinsurance services.</p> <p>Throughout time, the Issuer ensured a proportionate diversification of the sales activity, by using a mixture of: own sales force, agents and intermediaries. Astra's network comprises of more than 9,000 agents – individuals with effective contracts, who carried out the activity of intermediating insurance policies within the first 6 months of the year 2014. Also, with regards to the placement in reinsurance of risks, both under conventional treaties and under individual reinsurance contracts (facultative treaties), the Issuer works together with international reinsurance intermediaries, such as: Willis Limited UK, Guy Carpenter, Robert Fleming Insurance Brokers, as well as with international intermediaries with local representation: Stellar Re and Olsa Re.</p> <p>According to the annual activity report issued by the Financial Supervisory Authority ("FSA") for 2013, Astra held the leading position of the Romanian insurance market (classification based on the value of the gross written premiums).</p> <p>Furthermore, the Issuer performs insurance activities outside Romania, through the 3 branches set up in: Hungary (opened in 2010), Slovakia (opened in 2012) and Germany (authorized for insurance subscription activity since December 2013).</p>

B.4	A description of any recent significant trends impairing the Issuer and the industry in which he is carrying out his activity	Favorable forecasts regarding the prosperity and economic growth place Romania as a market attractive for investments. In May 2014, after a period of six years, Standard&Poor's has revised positively Romania's rating for long-term loans denominated in foreign and local currencies, from "BB+" to "BBB-".
B.5	If the Issuer is part of a group, a description of the group and of the position of the Issuer therein:	<p>The Issuer is part of the group of companies held by Nova Group Investment S.A., office registered in Bucharest, District 3, Unirii Square, Unirea Shopping Center, no. 1, 5 and 6th floors, Trade Register number J40/6208/1994, company entirely owned by THE NOVA GROUP INVESTMENT BV, with registered office in the Netherlands, Delft, Martinus Nijhofflaan 2, 2624ES.</p> <p>The Nova Group is a financial holding whose main activity field is the management of investments in various companies. The Nova Group is active in fields such as: financial services, media, real estate developments, constructions, hotels and trade. The Issuer owns four subsidiaries: Astra Activ Imob SRL, Astra Safe Imob SRL, Astra Training SRL and Novacuart SRL.</p>
B.6	According to the knowledge of the Issuer, the firms/names and holding of any persons, who directly or indirectly hold a participation in the share capital of the Issuer or voting rights that are the subject matter of the notification according to the Romanian legislation:	<p>According to the knowledge of the Issuer, the following persons held, as at the date of the Prospectus, participations exceeding 5% in the total number of votes corresponding to shares issued by the Issuer (thresholds that are the subject matter to the obligation to be notified: 5%, 10%, 15%, 20%, 25%, 33%, 50%, 75% or 90% in the total number of voting rights):</p> <p>The Nova Group Investments Romania S.A. -70,510,096 shares representing 72.7536% from the total number of voting rights;</p> <p>Epsilon Estate Provider S.R.L -24,478,537 shares representing 26.2892% from the total number of voting rights.</p>

	<p>Indication of the fact whether the main shareholders of the Issuer have different voting rights</p>	<p>The main shareholders of the Issuer do not have different voting rights, by comparison to any other shareholder of the Issuer.</p> <p>However, the Decision of the Financial Supervisory Authority no. 42/18.02.2014 stipulates that, as of the date of communicating the decision the following were suspended:</p> <ul style="list-style-type: none"> a) the legal prerogatives of the significant shareholders; b) the voting rights in regard to the appointment and revocation of the members in the Supervisory Board of the Company, the shareholders' right to dividends. <p>The suspension is effective throughout the entire term of the financial recovery through special administration.</p>
	<p>Insofar such information is known by the Issuer, it is specified whether the Issuer is directly or indirectly held or controlled or by whom; a description of the nature of the control</p>	<p>The direct majority shareholders of the Issuer are The Nova Group Investments Romania S.A., with a holding of 72,7536% in the total number of shares of the Issuer and Epsilon Estate Provider S.R.L., with a holding of 26,2892% from the shares of the Issuer.</p> <p>The Nova Group Investments BV holds 99.9% of the shares of both The Nova Group Investments Romania S.A. and of Epsilon Estate Provider S.R.L.</p> <p>In accordance with the most recent information known by the Issuer, The Nova Group Investments BV is entirely owned by STICHTING ADMINISTRATIEKANTOOR TNG. The Issuer has no information with regards to the shareholding structure of STICHTING ADMINISTRATIEKANTOOR TNG, according to the information made available to the Issuer, by the management of the group which the Issuer belongs to.</p> <p>Bogdan Alexander Adamescu is the legal representative of The Nova Group Investments Romania SA.</p> <p>The Nova Group Investments Romania SA (duly represented by Bogdan Alexander Adamescu) is the legal entity administrator of Epsilon Estate Provider SRL.</p>

B.7

The selected key historical financial information on the Issuer for each financial year within the period covered by the financial information and for any intermediary financial period.

Part of the financial information selected to be included in this section was extracted from the annual individual financial statements of the Issuer for the financial year ended 31 December 2014, which were subject to audit by DELOITTE AUDIT SRL. This financial information should be read altogether with and by reference to the annual individual financial statements.

Also, the financial information as at 31 December 2013 was included together with the comparative financial information, extracted from the Issuer's individual financial statements as at 31 December 2013, subject to audit by DELOITTE AUDIT SRL. This financial information should be read together with and by reference to the annual individual financial statements.

The main elements of the balance sheet are presented below:

	31.12.2012	31.12.2013	31.12.2014
Name of element	RON	RON	RON
Intangible assets	6.047.874	3.638.325	3.601.313
Investments in tangible assets	91.923.352	80.424.484	70.222.922
Investments in related parties, equity investments and other investments in financial assets	22.297.181	25.449.117	24.864.534
Other financial investments	169.380.158	86.535.033	48.339.730
Reinsurer's share of technical reserves, out of which:	420.488.233	101.042.596	79.314.829
Reinsurer's share of technical reserves for non-life insurance	409.570.334	98.660.110	76.835.883

		Reinsurer's share of technical reserves for life insurance	10.917.899	2.382.486	2.478.946
		Amounts receivable from related parties	110.414.606	8.220.754	5.396.444
		Receivables from direct insurance operations	527.751.678	184.415.571	144.553.409
		Receivables from reinsurance operations	201.957.286	26.036.243	7.066.912
		Other receivables	121.275.212	55.240.359	32.064.200
		Tangible assets and inventories	11.365.790	8.742.376	6.108.102
		Cash at bank and in hand	19.845.427	6.250.901	11.228.847
		Accrued interest and prepaid rent	201.656	63.060	16.665
		Deferred acquisition costs	155.440.297	109.756.023	95.792.267
		Other prepayments	8.786.923	7.292.316	316.223
		TOTAL ASSETS	1.867.175.673	703.107.158	528.886.398
		Share capital	192.712.534	192.712.534	192.712.534
		Revaluation reserves	55.281.367	55.281.367	45.453.965
		Legal and other reserves	29.952.086	29.952.086	29.952.086
		Retained earnings representing undistributed profit or loss brought forward	(11.185.935)	(4.514.877)	(921.843.619)
		Retained earnings arising from first time adoption of IAS, except for IAS 29	7.382.386	7.382.386	7.382.386

		Retained earnings from the correction of accounting errors	(72.630.571)	(138.071.143)	(256.182.722)
		Profit or Loss for the year	6.671.058	(917.328.742)	30.704.600
		Total capital and reserves	208.182.925	(774.586.389)	(871.820.771)
		Technical reserves related to non-life insurance	1.166.577.709	1.226.479.797	1.054.323.677
		Technical reserves related to life insurance	40.111.604	32.271.408	31.546.351
		Provisions	-	6.497.729	101.383.515
		Liabilities from direct insurance operations	730.488	423.924	413.013
		Amounts payable to related parties	-	10.900.834	3.147.714
		Liabilities from reinsurance operations	302.291.299	57.761.055	35.729.011
		Other liabilities, including tax and other social security charges	130.283.940	130.245.213	161.684.135
		Accruals and deferred income	18.997.708	13.113.587	12.479.754
		TOTAL LIABILITIES	1.867.175.673	703.107.158	528.886.398

		The main elements of the Non-Life Insurance Technical Account are presented below:		
		31.12.2012	31.12.2013	31.12.2014
Name of element		RON	RON	RON
Earned premiums, net of reinsurance, out of which:				
		752.760.787	511.981.838	697.472.165
Gross written premiums (+)		1.107.387.211	905.003.566	761.322.644
Premiums ceded to reinsurers (-)		312.216.145	333.500.295	143.226.576
Change in unearned premium reserve(+/-)		90.424.053	(92.167.082)	(82.534.958)
Changes in unearned premium reserve ceded in reinsurance (+/-)		48.013.774	(151.688.515)	(3.158.861)
Share of the net investment return (difference between the investment income and expenses), transferred from the non-technical account		16.756.707	-	-
Other technical income, net of reinsurance		60.444.546	103.834.106	76.166.098
Claim expenses, net of reinsurance		283.129.398	559.074.334	227.465.363
Change in other technical reserves, net of reinsurance		51.220.147	5.553.912	(44.733.768)
Net operating expenses		325.954.530	505.773.963	357.978.395
Other technical expenses, net of reinsurance		174.044.737	235.793.382	117.659.413

		Technical result non-life insurance		
Profit/(Loss)		(4.386.772)	(690.379.647)	115.268.860
		The main elements of the Life Insurance Technical Account are presented below:		
		31.12.2012	31.12.2013	31.12.2014
Name of element		RON	RON	RON
Earned premiums, net of reinsurance, out of which:				
		26.095.358	14.908.687	11.057.478
Income from GWP's (+)		24.157.572	14.282.368	8.793.683
Premiums ceded to reinsurers (-)		116.137	306.405	158.325
Change in premium reserve (+/-)		(2.053.923)	(932.724)	(2.422.120)
Investment income		1.199.961	1.972.545	1.798.083
Other technical income, net of reinsurance		-	110.962	22.623
Claim expenses, net of reinsurance		3.220.625	20.491.187	4.409.743
Change in life insurance technical reserves		9.599.247	(7.091.745)	117.924
Net operating expenses		5.599.574	4.577.030	3.941.468
Investments charges		281.903	1.586	451.751
Other technical expenses, net of reinsurance		-	128.569	37.815
Technical result life insurance				
Profit/(Loss)		8.593.970	(1.114.433)	3.919.483

		The main elements of the Non-technical Account are presented below:		
		31.12.2012	31.12.2013	31.12.2014
	Name of element	RON	RON	RON
Technical result of non-life insurance				
	Profit/(Loss)	(4.386.772)	(690.379.647)	115.268.860
Technical result of life insurance				
	Profit/(Loss)	8.593.970	(1.114.433)	3.919.483
	Investment income	18.803.350	12.301.534	3.730.724
	Unrealized gains from investments	-	111.556	2.304.256
	Investment charges	2.046.643	31.388.546	1.301.069
	Unrealized losses on investments	-	-	2.560.060
	Share of net gains from investments transferred to the non-life insurance technical account	16.756.707	-	-
	Other non-technical income	10.057.727	4.192.249	15.717.741
	Other non-technical income, inclusively provisions and value adjustments	7.269.836	210.905.643	106.234.040
	Current result			
	Profit/(Loss)	6.995.089	(917.182.930)	30.845.894
	Total income	1.461.908.608	1.186.505.009	1.054.673.904
	Total expenses	1.454.913.519	2.103.687.939	1.023.828.010

		Gross result			
		Profit/(Loss)	6.995.089	(917.182.930)	30.845.894
		Income tax	-	145.812	128.415
		Other taxes (not included in the previous items)	324.031	-	12.879
		Net result			
		Profit/(Loss)	6.671.058	(917.328.742)	30.704.600

	Description of the main changes in the financial position and in the operating results of the Issuer within the period covered by the key financial information or subsequently:	The main changes in the financial position and in the operating results of the Issuer within the period covered by the key financial information were captured in the evolution of the balance item "Total capital and reserves" which recorded a significant decrease, mainly due to changes in accounting policies and corrections of accounting errors presented in Note 2(v) in the 2013 Financial Statements as well as Note 2(v) in the 2014 Financial Statements.
B.8	Selected pro forma financial information:	N/A; The Issuer decided not to include in the Prospectus any pro forma financial information.
B.9	If forecasts or an estimation of the profit are drafted, the figure shall be specified:	N/A; The Issuer decided not to include in the Prospectus any profit forecast or estimates on the profit.
B.10	A description of the nature of all reserves included in the audit report regarding the historical financial information:	<p>In the independent auditor's report related to the 2013 Financial Statements, Deloitte Audit SRL has not expressed an opinion due to multiple significant uncertainties in regards to the Issuer and their potential impact on the financial statements of the Issuer. Amongst the significant uncertainties presented in the audit report as reasons underlying the auditor's impossibility of expressing an opinion, are the following:</p> <p>(a) the fact that, as at December 31, 2013 the Company's net assets reported in the individual financial statements as total assets minus total liabilities, is negative in amount of RON 774.586.389.</p> <p>(b) as indicated in the initial financial recovery plan prepared by the Special Administrator, a critical step for restating the financial stability of the Company in the foreseeable future was the identification of a strategic investor or investors. These steps were at the non-binding stages of discussions and therefore, until the date of the audit report, the Auditor has not been able to obtain sufficient appropriate audit evidence regarding the binding willingness of these potential investors to restate the financial stability of the Company. The outcome of the on-going negotiations with potential investors was</p>

		<p>therefore uncertain.</p> <p>(c) the financial recovery plan approved by FSA includes finalizing the acquisition and merger transaction with another Romanian insurance company by January 15, 2015. FSA has requested additional steps to be implemented in order for the successful completion of this transaction. As of the date of the audit report, the auditor has not been able to obtain sufficient appropriate audit evidence regarding the outcome of the transaction.</p> <p>(d) The reported but not settled claim reserve included a number of four claims with a total value of RON 141.985.647 generated by insurance policies underwritten for SC ROMSTRADE SA as insured party. The amicable resolution of SC ROMSTRADE SA litigations is part of the financial recovery plan. However, at the date of the report, the outcome, the timing and the amounts to be ultimately paid by the Company for these litigations were still uncertain. The potential negative outcome of these cases would have severe consequences regarding the Company's future liquidity position.</p> <p>Furthermore, the auditor included in the audit report a statement that he was not able to obtain sufficient appropriate audit evidence with regards to the opening balance as at 1 January 2013 and, due to the fact that significant adjustments have been made to the financial statements of 2013, some of which should have been applied to prior periods. Consequently, they were unable to satisfy their selves concerning opening balances as at January 1, 2013. Since the opening balances enter into the determination of the financial performance, and cash flows, they were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the income statements, net cash flows reported in the statement of cash flows and statement of changes in equity for the year end December 31, 2013.</p>
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		<p>In the independent auditor's report related to the 2014 Financial Statements, Deloitte Audit SRL has not expressed any opinion due to multiple significant uncertainties which could have a potential impact upon the financial statements. Amongst the significant uncertainties presented in the audit report as reasons for the impossibility of expressing an opinion are the following: (a) the fact that as at 31 December 2014 the net asset value of the Company is negative in the amount of RON 871,820,771. (b) one of the significant measures of the second phase of increasing the share capital and consolidating the financial recovery process in the near future is to attract a strategic investor or strategic investors, and the fact that this process is in the early stages of development makes it hard to assess the investor's willingness to consolidate the Company's financial position. (c) The uncertainty surrounding litigations related to insurance policies for ROMSTRADE S.R.L., the beneficiary of the insurance policies being the "Romanian National Company of Motorways and National Roads" (CNADNR), for whom the final and irrevocable settlement and foreclosure decision has not been made yet. (d) The Company's capacity to meet its short term obligations depends mainly on: the support of its current shareholders, winning the CNADNR settlement, FSA accepting the Company's failure to meet the minimum legal requirements, maintaining its current day-to-day operations and successfully signing a deal with a strategic investor.</p> <p>Moreover, in the „Emphasis of Matter” section of the audit report, the auditor made the following statements (a) the individual financial statements include reported and incurred and not-reported claim technical provisions estimated as of December 31, 2014 at RON 702,767,565. These have been determined by the management based on actuarial methods that include significant assumptions and estimates, which are subject to significant uncertainties, risks and judgments. The actual amounts realized upon claims development may materially differ from estimated amounts presented in the individual financial statements. (b) the Company registered VAT receivables related to repair costs invoices for insured</p>
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		vehicles under property of various leasing companies. The recovery of these amounts depends on the ability of the Company and related leasing entities to successfully settle these amounts with the state authorities within the established maturity of recovering. Actual recoveries may differ from the recoverable amounts shown in these individual financial statements. These individual financial statements do not include any adjustments that might result from the outcome of this uncertainty.
B.11	In cases when the working capital of the Issuer is not sufficient to cover current liabilities, provide the reasoning of the insufficiency	Meeting the short term cash flow requirements through capitalization of the Issuer was one of the recovery measures imposed by the FSA and detailed in the recovery measures approved by the FSA. The first share capital increase (performed by the existing shareholders) consisted of RON 65 million subscribed and paid in shares. The successful completion of the second share capital increase (through payment) depends on both the availability of the current shareholders to further capitalize the Company and the materialization of certain strategic investors' interests in the Issuer.

C. Securities

C.1	The description of the type and category of securities subject matter of this public Offer and/or are admitted for trading, including any identification number of the securities:	<ul style="list-style-type: none"> - Type and class of Offered securities: ordinary shares - ISIN: ROATRAACNOR2 - Bloomberg Code BBGID: BBG000CYN648 - Market symbol: ATRA <p>The shares issued by the Issuer are ordinary, nominative, dematerialized shares.</p>
C.2	Currency of the securities issuance:	RON
C.3	The number of securities issued and fully paid, the number of securities issued and not fully paid. The nominal value of one	<ul style="list-style-type: none"> - The number of shares issued and fully paid: 96,916,238 shares - The number of shares issued and unpaid: 0 shares

	security or the specification of the fact that the securities have no nominal value	The nominal value of one share: RON 2.66
C.4	Description of the rights attached to the securities to be issued	<p>The rights related to shares include, without limitation to:</p> <ul style="list-style-type: none"> - the right to receive dividends; - the right to vote; - the right to receive information; - the right to participate in the surplus in case of winding up; - the right to participate or be represented in the general shareholders' meeting; - the pre-emption right in case of a share capital increase or in case of an issuance of convertible bonds ; - the right to elect and to be elected within the shareholders meetings for appointing the Supervisory Board of the Issuer; - the right to withdraw from the Issuer under certain circumstances; - the right to request the annulment or nullity of certain decisions of the general meeting of shareholders, decisions that were enacted by breaching the legal provisions and/or the provisions registered with the Articles of Incorporation of the Issuer; - the right of shareholders, who individually or jointly own a share of at least 5% in the share capital of the Issuer, to request the convening of a general shareholders meeting ; - the right of shareholders, who individually or jointly own a share of at least 5% in the share capital of the Issuer, to request the amendment with new items in a general shareholders' meeting agenda or to present decision draft projects with regards to the items included in the general shareholders' meeting agenda; - the right of shareholders, who individually or jointly own a share of at least 5% in the share capital of the Issuer, to

		<p>request the financial auditors of the Company to prepare additional reports;</p> <ul style="list-style-type: none"> - the right of shareholders, who individually or jointly own a share of at least 10% in the share capital of the Issuer, to request for the election of the members in the Supervisory Board by cumulative voting method. <p>In accordance with Decision no. 42, the FSA ordered the commencement of the financial recovery procedure by special administration of Societatea de Asigurare – Reasigurare ASTRA S.A., and KPMG Advisory SRL was appointed as the Special Administrator of the Issuer ("Special Administrator"), enforced at the date when the decision was published, while the following were suspended:</p> <ul style="list-style-type: none"> - the legal prerogatives of the significant shareholders and of the significant persons in the Company, the Special Administrator fully taking over the prerogatives of the significant persons of the Company. - the voting rights in regard to the appointment and revocation of the members of the Company's Supervisory Board, the shareholders' rights to dividends, as well as the activity, the right to any remuneration for the members of the Supervisory Board.
C.5	The description of any restriction regarding the free transferability of these securities:	<p>Generally, the shares issued by the Issuer are freely transferable.</p> <p>The share subscribed within this Offer may not be transferred, by any means, prior to the registration of the share capital increase corresponding to the Offer with the Romanian Central Depository. Prior to the registration of the share capital increase with the Romanian Central Depository, no transactions may be carried out in relation to the shares to be issued.</p> <p>Theoretically, the shares to be issued could be traded only after their registration at with the Romanian Central Depository.</p>

		<i>In fact</i> , starting as at 18.02.2014, the shares issued by the Company are suspended from trading; as a consequence, neither the shareholders of the Company nor any investors may sell or buy shares issued by the Company through the trading system of RASDAQ market, within the period when the shares are suspended from trading.
C.6	The indication on whether these securities are or will be the subject matter of an application for their admission for trading on a regulated market and the identification of all regulated markets on which the securities are or will be traded	<p>N/A Starting as at 27.11.1997, the shares of the Company were traded on RASDAQ, market administrated by BSE, which is not a regulated trading market, under the scrutiny of art. 125 /Law no. 297/2004 on the capital market or an alternative trading system. The Issuer does not intend to submit an application for the admission of the shares to trading on a regulated market.</p> <p>Following EGMS's decision taken on February 2015, the Issuer decided to conduct all legal proceedings for the admission for trading in the alternative trading system administered by BSE of its shares.</p> <p>The decision was taken in order to implement the requirements of Law no. 151/2014 and of the FSA's Regulation no. 17/2014, covering the legal status of shares traded on RASDAQ market.</p>
C.7	Description of the policy on dividends	During the last three years, the Issuer has not paid any dividends. The Issuer does not holds any policy with regards to the distribution of dividends.

D. Risks

D.1	Essential information on the key-risks specific to the Issuer or the industry:	<p>Risks associated with the Issuer's activity and the field in which the Issuer is carrying out its activity.</p> <p>The Company is undergoing a financial recovery procedure by special administration and its failure to accomplish the recovery measures can result in the Issuer's commencement of the bankruptcy procedure.</p> <p>The failure to raise the capital necessary to cover the short-term liquidity demand may result in the Issuer's commencement of the insolvency or even bankruptcy</p>
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		<p>procedure;</p> <p>The Company's financial auditor has not expressed any opinion upon the Issuer's Individual Financial Statements for the financial years 2013 and 2014 due to the possible implications of the multiple uncertainties regarding the Issuer;</p> <p>The Issuer is carrying out its activity in a very extensive and diverse legal framework that may generate increased costs and compliance issues;</p> <p>The failure to observe the requirements of the Solvency Margin or the requirements regarding the assets admitted to cover the gross technical reserves can have a negative effect upon the Issuer;</p> <p>The Issuer will have to observe more restrictive requirements concurrently with the implementation of Solvency II (estimative term: January 2016);</p> <p>The Issuer is exposed to concentration risk;</p> <p>It is impossible to quantify the risks associated with the reinsurance portfolio subscribed by the former state-owned company ADAS;</p> <p>The accelerated increase in the level and volatility of claims paid as moral prejudices for bodily injury and death can negatively affect the Issuer's financial standing</p> <p>The Issuer is exposed to liquidity risk;</p> <p>The Issuer holds certain non-liquid assets or assets which are subject to significant fluctuations and it may not be able to sell such assets in due time or sell them at a price lower than the market value.</p> <p>The Issuer's income is subject to seasonal fluctuations</p> <p>The Issuer is exposed to foreign exchange risk, interest risk and inflation risk;</p> <p>The Issuer is exposed to operational risk;</p> <p>The Issuer is exposed to reputational risk;</p>
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		<p>The Issuer is exposed to credit risk;</p> <p>The Issuer is exposed to the risk of reconsidering the tax treatment applied to certain operations;</p> <p>The Issuer is exposed to the risk of non-compliance with the corporate governance requirements;</p> <p>The Issuer also sells insurance products through external distribution networks and an erroneous presentation of its products and services may have a direct negative impact;</p> <p>The growing significance of the internet and media platforms could have an impact upon the distribution of insurance policies and there's no guarantee that the Issuer will be able to efficiently adapt its strategy to the changing business environment;</p> <p>It is possible that the actual standing of the claims, the assumptions considered on subscription and the pricing policy do not accurately reflect the Issuer's exposure risk, therefore the claim reserves set up by the Issuer could prove insufficient to cover the claims;</p> <p>The Issuer is carrying out its activity in a very competitive environment;</p> <p>The Issuer may be negatively affected by the reinsurers' incapacity to fulfil their contractual obligations or by possible variations in the reinsurance nature and coverage area or an increase in reinsurance costs;</p> <p>The Issuer is exposed to the risks deriving from the activities it carries outside Romania;</p> <p>The Issuer is exposed to the risk of IT system failure or malfunction</p> <p>Fraud cases in the insurance activity may have a negative effect upon the Issuer;</p> <p>It is possible that the Issuer cannot recruit and/or maintain well-trained key-employees;</p> <p>The Issuer could change the accounting reporting standards and this could induce significant changes to its financial</p>
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		<p>standing</p> <p>The amendment of the legal norms governing the Issuer's activity could have a negative impact upon the Issuer;</p> <p>The US Foreign Account Tax Compliance Act ("FATCA") could compel the Issuer to withhold certain payments it performs;</p> <p>The Issuer might sustain losses due to disputes in which it is a part of. Moreover, it is exposed to a growing litigation risk;</p> <p>Potential conflicts of interest and related party transactions may have a negative impact upon the Issuer's activity;</p> <p>The Issuer might not get reasonable or representative results during the comprehensive insurance market stress test and/or the results could indicate the necessity of assigning significant resources for complying with the prudential recommendations;</p> <p>Implementation of Law no. 151/2014 and of FSA's Rule no. 17/2014 regarding the juridical standing of shares traded on RASDAQ or on the private real estate market could determine the Issuer to allow its shareholders to sell their shares, which equates to the issuer having to perform a share buyback</p> <p>The Romanian market is still riskier than other developed markets;</p> <p>Romania could face difficulties related to the process of adhering to the European Union;</p> <p>The macroeconomic environment could have a significant impact upon the Issuer's operations and its financial position;</p> <p>Romanian fiscal regulations could undergo significant changes</p> <p>Political instability in Romania could create a poor environment for business;</p> <p>The changes and loopholes in the Romanian judiciary system could affect the Issuer's business;</p>
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		<p>Corruption creates a poor business environment in Romania</p> <p>In the past, Romania has struggled with high exchange rates and inflation volatility</p> <p>Public information is not as transparent as it is in other European states.</p>
D.2	Essential information on the main risks specific to securities:	<p>The main risks associated with the Issuer's shares</p> <ul style="list-style-type: none"> - On the date of this Prospectus, the shares issued by the Issuer are suspended from trading; - The liquidity of the shares issued by the Issuer is very low; - The very low liquidity of the Issuer's shares might result in a significant volatility of the shares' market price - Gaining the right over shares underwritten and paid for during the "Offer" may not be completed if FSA does not approve the share capital increase and/or the process of becoming a significant shareholder. - FSA's evaluation period could have a significant duration

E. The Offer

E.1	Net funds to be obtained in this Offer:	Up to RON 424,915,339.94, depending on the final number of shares that will be subscribed.
	An estimation of the total costs of the Offer, including expenses estimated to be charged to investors by the Issuer	<ul style="list-style-type: none"> - FSA commission – 0.1% of the total value of subscriptions realized within the offer – to be paid of the own funds of the Issuer. - FSA commission – RON 500, tariff charged for the registration of securities with the FSA – to be paid of the own funds of the Issuer. - Intermediary fee – fixed fee of EURO 4,500, to be paid of the own funds of the Issuer in RON equivalent. - Other expenses to be incurred with regards to the Offer and not yet quantified were estimated at an amount of maximum RON 10,000 – to be paid of the own funds of the Issuer. <p>Investors shall be liable for the payment of the bank charges</p>

		related to the fund transfers made for any subscription within this Offer.
E.2	The reasons of the Offer, the use of funds and the estimated net value of the funds	<p>One of the measures imposed by the FSA and detailed within the recovery measures approved by the FSA is the capitalization of the Issuer by one or more share capital increases. This measure, along with other recovery measures approved by the FSA aim to improve the financial and prudential indicators of the Issuer, including also to meet the liquidity requirements of the Issuer and to capitalization the Company and improvement of the financial indicators of the Issuer; the estimated net value of the funds to be obtained from the share capital increase is equal to the total value approved of the share capital increase (i.e. RON 424,915,339.94, net of any costs to be incurred in relation to this process).</p>
E.3	Description of the Offer terms and conditions	<p>The decision no. 99 of the Special Administrator of the Issuer from 18.03.2015 (published in the Official Journal of Romania, Part IV, no. 1671/30.03.2015) approves the share capital increase of the Company, through cash contribution, for an amount of RON 424,915,339.94 - from RON 257,797,193.08 to RON 682,712,533.02, through the issuance of 159,742,609 nominative shares, with a par value of RON 2.66/share.</p> <p>According to the Special Administrator's Decision no. 99 from 18.03.2015, trading of the pre-emption rights (prior to all three subscription phases) was approved for the shareholders recorded in the Shareholder Register of the Issuer at the Registration Date (i.e. 07.04.2015), for a period of 5 business days.</p> <p>Each shareholder registered at the Registration Date will hold a number of pre-emption rights equal to the number of shares held at the same date.</p> <p>The admission for trading of the pre-emption rights was based on the Securities Registration Certificate issued by the FSA. The pre-emption rights trading time period will begin within 3 business days from the publication date of the Prospectus on the Issuer's website (www.astrasig.ro) and on the</p>

		<p>Intermediary's website (www.ssifbroker.ro), from 08.06.2015 up until and including 12.06.2015.</p> <p>The specific details with regards to the trading process (of the pre-emption rights) which will be performed on the Bucharest Stock Exchange will be made available to investors through the issuance of a current report. The report will be published on the website of the Bucharest Stock Exchange (www.bvb.ro) prior to their commencement of the trading period (of the shareholders' pre-emption rights).</p> <p>Once the transactions performed during the trading of pre-emption rights have been settled, the subscription process will begin as part of the share capital increase, as follows:</p> <p>I. The newly-issued shares will firstly be offered for subscription to pre-emption rights holders. They will have the right to subscribe the new shares proportionally with the number of pre-emption rights held at the date when the settlement of transactions with pre-emption rights performed during their trading period has been completed, as established in the Prospectus (Phase I).</p> <p>The subscription period during which the new shares can be subscribed in Phase I will be of one month, starting from the next business day immediately following the Final Date of Pre-Emption Rights Settlement, i.e. from 17.06.2015 up until and including 17.07.2015, a time interval which includes a total of 31 days..</p> <p>The number of pre-emption rights necessary to purchase one new share is 0.6067024859973334. The subscription price of a new share in Phase I is RON 2.66 / share.</p> <p>II. Phase II: The unsubscribed shares in Phase I will be offered for subscription to investors that have validly subscribed shares in Phase I. An investor is entitled to subscribe shares proportionally to the ratio between the number of shares subscribed by itself in</p>
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		<p>Phase I and the total number of shares subscribed in Phase I.</p> <p>The shares subscription period in Phase II is 5 business days, starting from the fifth business day after the completion of the subscription process in Phase I, i.e. from 24.07.2015 up until and including 30.07.2015.</p> <p>If no investor validly subscribes shares in Phase I, the shares may be offered for subscription in Phase III, according to paragraph III below.</p> <p>The subscription price for a new share in Phase II is 2.66 RON / share.</p> <p>III. Phase III: The unsubscribed shares in Phase II or shares not validly subscribed by investors in Phase I will be offered for subscription to Qualified Investors over a subscription period of 10 business days, starting from the fifth business day after the end of Phase II, respectively from 06.08.2015 up until and including 19.08.2015. If oversubscription occurs, shares will be allocated based on the following criteria (the list is not exhaustive):</p> <ul style="list-style-type: none"> - Business line of Investors or entities within the Investors' group or their knowledge regarding the Issuer's business line - Investors' Investment Policy - Number of shares subscribed during the Offer - Chronological order of subscriptions - The time period in which the Investor would keep the shares subscribed from the offer, according to the Issuer and/or the Intermediary - Other qualitative criteria that would allow a solid base of shareholders and a positive development of the Company's financial situation
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		The subscription price of a newly-issued share in Phase III is RON 2.67/share.
E.4	The description of all interests that could influence the issuance/Offer, inclusively of the conflict interests:	The Issuer has no knowledge about the existence of interests, inclusively conflict of interests that could significantly influence the issuance of shares.
E.5	Lock-up contracts:	Not applicable.
E.6	The amount and percentage of dilution directly determined by the issuance/offer	If all shareholders exercise their pre-emption right, the shareholding and the percentage holdings of each shareholder shall remain unchanged and only the number of held shares shall be modified.
	The amount and percentage of immediate dilution that could take place in case of not subscribing to the new offer	The amount and percentage of immediate dilution that shall be recorded by a shareholder opting not to exercise his pre-emption right depend upon the number of shares that shall be subscribed by shareholders exercising their pre-emption right and hence it cannot be determined before the end of the Subscription Period.
E.7	The estimation of expenses charged from the investor by the Issuer or bidder:	Investors shall be liable for the payment of bank charges related to the transfer of funds for the subscription within the Offer.

Registration document regarding the shares

1. RESPONSIBLE PERSONS

The information used to prepare this Prospectus on the Issuer and its activity were provided by Societatea de Asigurare – Reasigurare ASTRA S.A., a company managed in 2-tier system, with the registered office in Bucharest, 3 Nerva Traian street, M101 Building, Floor 11, District 3, Sole Registration Code 330904, registration number with the Trade Register J40/305/1991.

The persons responsible for the information included in the Prospectus are:

Societatea de Asigurare – Reasigurare ASTRA S.A., a company managed in 2-tier system, with the registered office in Bucharest, 3 Nerva Traian street, M101 Building, Floor 11, District 3, Sole Registration Code 330904, registration number with the Trade Register J40/305/1991

and

SSIF Broker S.A., a company with the registered office in Cluj – Napoca, 119 Calea Moșilor, Cluj County, Sole Registration Code 6738423, registration number with the Trade Register J12/3038/1994, authorized by CNVM by Decision no. 3097/2003, registered with the FSA Register under no. PJR01SSIF/120072.

This Prospectus was drafted based on the information made available by the Issuer, as well as from other sources indicated as such in the Prospectus, provided by the Issuer, by SSIF Broker S.A., a company with the registered office in Cluj – Napoca, 119 Calea Moșilor, Cluj County, Sole Registration Code 6738423, registration number with the Trade Register J12/3038/1994, authorized by CNVM by Decision no. 3097/2003, registered with the FSA Register under no. PJR01SSIF/120072.

STATEMENT OF THE RESPONSIBLE PERSONS

After reviewing the information included in this Prospectus, SSIF Broker S.A. and Societatea de Asigurare – Reasigurare ASTRA S.A. claim that after conducting a due diligence process, the information included in the Prospectus is, according to their knowledge, accurate and does not omit anything able to significantly affect the content of the Prospectus.

Moreover, it is specified that all opinions, forecasts and plans of the Issuer included in this document are expressed in good faith and there is no other fact or issue that has been omitted and that would have been useful for investors and their consultants in order to perform an accurate evaluation of all assets and liabilities, financial condition, profitability and prospects of the Issuer. Any omission of this kind would be able to result in an erroneous evaluation of some relevant issues about the Issuer's activity

2. THE FINANCIAL AUDITOR

2.1. The name and address of the Issuer's financial auditors from the period covered by the historical financial information (including information on the affiliation to a professional body):

The individual financial statements of Societatea de Asigurare – Reasigurare ASTRA S.A. related to the financial year ending on 31 December 2013 were subject to the audit performed by DELOITTE AUDIT SRL, with the registered office in Bucharest, 4-8 Nicolae Titulescu street, Floor 2 –Deloitte Area and Floor 3, District 1, registered with the Trade Register under number J40/6775/1995, Sole Registration Code 7756924, member of the Chamber of Financial Auditors from Romania (CAFR) with authorization number 25/25.06.2001.

2.2. If the financial auditors resigned, were dismissed or have not been re-elected within the period covered by the historical financial information, detailed information on these circumstances shall be provided if the information is regarded as important:

At OGMS no. 1 from 12 May 2014 it has been decided to revoke the statutory auditor of the Company, Societatea de Contabilitate, Expertiză și Consultanță Contabilă – SOCECC SRL and to appoint the new statutory auditor, DELOITTE AUDIT SRL

3. SELECTED FINANCIAL INFORMATION

3.1. Selected historical financial information regarding the issuer, for each financial year for the period covered by the historical financial information and any subsequent interim financial period, in the same currency. The selected historical financial information must contain key information which provides a summary of the issuer's financial situation.

Section 20.1 of the Prospectus contains the balance sheet, the income statement, statement of changes in equity, and cash flows statements, which have been extracted from the 2013 Financial Statements and 2014 Financial Statements.

3.2. If financial information for interim periods is selected, comparative information from the same period in the previous year has to be included. However, the presentation of the annual balance sheet is enough to fulfill the requirements for comparative balance sheet information.

Section 20.1 of the Prospectus contains financial information as of 31 December 2014 along with comparative financial information, which were extracted from the Issuer's 2014 Financial Statements.

4. RISK FACTORS

4.1. Risks associated with the Issuer's activity and the field in which the Issuer is carrying out its activity.

The Company is undergoing a financial recovery procedure by special administration and its failure to accomplish the recovery measures can result in the commencement against it of the bankruptcy proceedings.

By Decision no. 42 of 18 February 2014, FSA ordered the commencement of the financial recovery procedure by special administration, appointing KPMG Advisory SRL as the Special Administrator. According to the applicable legal provisions, such procedure may be initiated by FSA in order to prevent the insolvency status of an insurance company and to avoid commencement of bankruptcy proceedings against it. FSA approved the recovery measures proposed by the Issuer's Special Administrator, measures aimed at achieving the financial recovery of the Company and which at the date of this Prospectus have been implemented or are being implemented/reanalyzed. If the measures taken under the financial recovery procedure are not adequately accomplished or the application thereof do not result in the financial recovery and in the removal of the causes generating such procedure, FSA could order the withdrawal of the Issuer's operating license and, if the Issuer is found to be insolvent, FSA would immediately request the commencement of the bankruptcy proceedings against it.

If the Issuer reaches the stage of being insolvent and/or bankrupt, the effects on the Issuer's business, financial standing and operations would be substantial and the investors could lose the entire value invested in the Issuer's shares.

Failure to raise the necessary capital to cover the short-term liquidity demand may result in the Issuer's insolvency or even bankruptcy.

One of the measures imposed by FSA and detailed in the recovery measures approved by FSA is the capitalization of the Issuer through one/several increases of the share capital aimed at covering among other the Issuer's liquidity demand. Raising the necessary financial resources by increasing the share capital depends on the willingness of the current shareholders to capitalize the company, as well as on the successful alignment of the interests of certain strategic investors with those of the Issuer. The failure to raise the necessary financial resources may determine FSA to order the withdrawal of the Issuer's operating license and, if the Issuer is found insolvent, to immediately initiate the bankruptcy proceedings.

If insolvency and/or the bankruptcy proceedings are initiated against the Issuer, the effects on the Issuer's business, financial standing and operations would be substantial and the investors could lose the entire value invested in the Issuer's shares.

The Company's financial auditor has not expressed any opinion on the Issuer's Individual Financial Statements for the financial years ending on 31 December 2013 and on 31 December 2014, respectively, due to the potential effects of the multiple uncertainties regarding the Issuer

In the independent auditor's report for the 2013 Financial Statements, Deloitte Audit SRL has not expressed any opinion due to multiple significant uncertainties which could have a potential impact on the financial statements. Among the significant uncertainties presented in the audit report as reasons for the impossibility by the auditor to express an opinion are the following: (a) the fact that as at 31 December 2013 the net asset value of the Company in the amount of RON 774,586,389 is negative, (b) one of the critical step for restating the financial stability of the Company in the foreseeable future is the identification of a strategic investor or investors; these steps are at the non-binding stages of discussions and therefore, it has not been possible to obtain sufficient appropriate audit evidence regarding the binding willingness of these potential investors to restate the financial stability of the Company; hence the outcome of the ongoing negotiations with potential investors is uncertain; (c) one of the recovery measures provides for the finalization of the transaction with a Romanian life insurance entity by 15 January 2015 and FSA has requested additional steps to be implemented for the successful completion of this transaction, and (d) the reported claim reserve includes a number of four litigations having a total value of RON 141,985,647 and on the date of the audit report, the outcome, the timing and the amounts to be ultimately paid by the Company for these litigations are uncertain.

In the independent auditor's report related to the 2014 Financial Statements, Deloitte Audit SRL has not expressed any opinion due to multiple significant uncertainties which could have a potential impact

on the financial statements. Among the significant uncertainties presented in the audit report as reasons for the impossibility by the auditor to express an opinion are the following: (a) the fact that as at 31 December 2014 the net asset value of the Company in the amount of RON 871,820,771 is negative; (b) one of the critical step for the second phase of the share capital increase and for reinstatement of the Company's financial stability in the foreseeable future is the closing of a transaction with a strategic investor/strategic investors; this process is currently in an early stage of negotiation and hence the binding willingness of the investors to restate the financial stability of the Company is uncertain; (c) the uncertainty in relation to the litigations resulting from the insurance policies underwritten for ROMSTRADE S.R.L., the beneficiary of which is the "Romanian National Company of Motorways and National Roads" ("CNADNR"); the final and irrevocable ruling on the settlement of the litigations and on the foreclosure proceedings in this matter has not been yet rendered; (d) The Company's ability to fulfil its current and future financial obligations depends mainly on: the continuous support of its current major shareholders, the successful settlement of the litigation against and foreclosure of CNADNR, the FSA's acceptance of regulatory non-compliance, the ongoing business activities and a successful completion of a potential transaction with a strategic investor.

Moreover, in the „Emphasis of Matter” section of the audit report, the auditor made the following statements (a) the individual financial statements include reported and incurred and not-reported claim technical provisions in the total amount as of December 31, 2014 of RON 702,767,565. These have been determined by the management based on actuarial methods that include significant assumptions and estimates, which are subject to significant uncertainties, risks and judgments. The actual amounts related to such claims as they develop may materially differ from estimated amounts presented in the individual financial statements; (b) the Company registered VAT receivables related to repair costs invoices for insured vehicles under property of various leasing companies. The recovery of these amounts depends on the ability of the Company and related leasing entities to successfully settle these amounts with the state authorities within the established maturity for recovery. Actual amount recovered may differ from the recoverable amounts shown in these individual financial statements and are subject to significant uncertainties and risks. These individual financial statements do not include any adjustments that might result from the outcome of this uncertainty.

If any of the aforementioned uncertainties occur to the disadvantage of the Issuer, the effects on the Issuer's business, financial standing and operations would be substantial and the investors could lose the entire value invested in the Issuer's shares.

The Issuer is carrying out its activity in a very extensive and diverse legal framework that may generate increased costs and compliance issues

Apart from the legal provisions generally applicable to any company (e.g. general provisions applicable to companies, the provisions applicable to labor relations, tax regulations, private data protection), the Issuer has to comply with the legal requirements provided by the legislation governing insurance-reinsurance companies, as well as those provided in the capital markets legislation. The

general trend in the Romanian legal framework is overregulation which is transposed into the legal norms being amended with a high frequency and to the laws or other regulations being applied inconsistency which results into different interpretations on the content and applicability of the legal norms. The insurance field was and continues to be subject to legal instability, due to enactment of new regulations and the frequent amendments to the current regulations (primary or secondary legislation). This dynamics of the legal framework is also due to the legislative convergence required as a result of accession of Romania to the European, as well as to the internal economic, social and political developments.

Compliance with the applicable legal framework imposes ever increasing resources, as the legal framework is rapidly changing and becomes even more burdening.

Furthermore, given the difficulties inherent to the attempt to adapt to the continuously changing legal provisions, it is possible that non-compliance with the legal framework may occur, in which case FSA may impose sanctions that, once made public, increase the reputational risk of the Issuer.

The occurrence of any of the above risks could have a material adverse effect on the business, the financial standing and the Issuer's operational results.

The failure to observe the requirements of the Solvency Margin or the requirements regarding the assets eligible to cover the gross technical reserves can have a negative effect on the Issuer

Insurance companies are bound to permanently hold an available solvency margin depending on the activity carried out, at least equal to the minimum solvency margin computed in accordance with the applicable norms. Insurance companies are concurrently bound to cover gross technical reserves related to the non-life insurance activity and life insurance activity respectively, with asset categories established in the norms issued by FSA by observing the provisions established in the respective norms.

On the date of the Prospectus, the Issuer does not meet the legal requirements on the available solvency margin and the assets eligible to cover gross technical reserves. If this situation is not remedied in the future, further to the implementation of recovery measures, material adverse effects may occur in the Issuer's financial standing and results of operations, among which could also be the withdrawal of the operating license, possibly followed by the triggering of the bankruptcy proceedings.

The Issuer will have to observe more restrictive requirements concurrently with the implementation of Solvency II (estimative term: January 2016).

FSA's activity on the risk-based supervision of insurance companies has mainly focused on continuing to create the conditions in order to pass on to a new supervision regime (Solvency II) established by Directive 2009/138/EC, the implementation term of which was postponed for 1 January 2016.

The new supervision regime pursues the continuation of a unitary set of rules at European level that shall become applicable to all insurers, reinsurers and supervisors from the internal European market and targeting *inter alia*:

- The assessment and quantification of risks to compute the capital in order to increase the quality of the capital elements available for insurers and reinsurers
- The computation of the capital demand in order to cover the solvency requirements
- The harmonization and standardization of supervision practices at the level of the domestic market
- The increased accountability of the members of the board of directors /supervisory board, the management board and of the executive management of insurance companies

In accordance with the applicable norms, insurance companies should draw up and apply measure plans in view of the transition to the Solvency II regime.

The implementation of Solvency II will bring higher compliance costs and probably increased capital requirements, which could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer is exposed to the concentration risk

The main activity of the Issuer includes accepting the risk to pay claims in case any of the insured risks occurs under the insurance contracts sold by the Issuer. If the Company has a significant concentration of exposure to risk for a certain insured person or a group of insured persons, for a certain category of insured risks, for a certain geographical area (for example in case of insurance against disasters) or for a certain activity sector, the occurrence of the associated risks would have a major impact able to generate significant losses for the Issuer. Thus, the Issuer is subject to the risk of natural disasters able to generate obligations of the Issuer to pay significant compensation amount within a short time period of time in case the risk is concentrated within the affected areas.

A significant exposure of the activity of the Issuer on certain risk categories, on certain insured persons/groups of insured persons or on certain geographical areas could have an adverse material effect on the Issuer's business, financial standing and results of operations.

It is impossible to quantify the risks associated with the reinsurance portfolio subscribed by the former state-owned company ADAS

In 1991, the Issuer was incorporated as a result of the split-up of the former state-owned company ADAS, as a result of which it was mandated to manage and liquidate the reinsurance portfolio subscribed by ADAS and took over the assets related to the insurance and reinsurance related to foreign affair operations in the amount of ROL 3,500 million (old RON) and, within the limits thereof, the corresponding liabilities. The amount of ROL 3,500 million (old RON) in respect of liabilities was exhausted during the management/liquidity activity of the taken over portfolio. The Issuer still

encounters reinsurance claims subscribed by ADAS related to the risks of diseases that generally manifest themselves after very long time periods (e.g. asbestosis). The Issuer can make no estimation regarding the aggregate value of the risks that have not yet materialized from the respective reinsurance portfolio. A large volume of claims generated by the reinsurance portfolio taken over from ADAS, doubled by a potentially unsuccessful promotion of court actions by the Issuer in respect of such claims could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The accelerated increase in the level and volatility of claims paid as moral damage for bodily injury and death can negatively affect the Issuer's financial standing

Law 136/1995 on insurance and reinsurance regulated the possibility of victims of traffic accidents to be compensated under the MTPL policies for the incurred material damages and established that the right to moral damages may be exercised by filing a motion in court against the MTPL insurer. In 2005 the possibility of amicably solving claims for moral damages was also recognized by the applicable law.

The liability limits for the MTPL insurance increased in time (at the date of the Prospectus, their level was of EUR 1 million for pecuniary claims and EUR 5 million for bodily injuries or death).

It is noticed that in recent years, an increase has been registered in the compensations granted by court rulings for claims of moral damages in case of bodily injury and death. On one hand, this factor is able to encourage many insured persons to resort to courts of law while on the other hand, the case-law is not sufficiently unitary, so as to supply the benchmarks that could be considered in order to anticipate with a reasonable error margin the court solutions, especially in the context in which it is very difficult sometimes to find a correlation between the level of granted compensation and the income level of the beneficiary, or Romania's economic growth or life standard.

As the trend of increasing compensations for moral damages is not counteracted at the aggregate level of the insurance market by increasing the insurance premiums, these factors could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer is exposed to liquidity risk

The Issuer must fulfil its current payment obligations. The Issuer has major difficulties with short-term liquidities necessary to cover the current expenses. Procuring the necessary liquidities depends on maintaining or increasing the sales volume, capitalizing on its assets, cashing in on investment yields and gathering funds from the shareholders/investors. The difficulty of meeting the liquidity requirements is exponentially higher in case foreclosure proceedings are initiated against the Issuer; thus, the "Romanian National Company of Motorways and National Roads" S.A. (hereinafter "CNADNR") has obtained in October 2014 a final and binding court ruling ordering the Issuer to pay RON 93,930,037.02 as guarantee and RON 955,749.36 as court fees. In April 2015 the Issuer's accounts have been suspended as a result of foreclosure proceeding being initiated against it by account garnishment. The Issuer succeeded in temporarily suspending the foreclosure process until a ruling in substance of the

application to suspend the foreclosure is rendered. This suspension is temporary and a resumption of the foreclosure or the initiation of new foreclosures will amplify the difficulties by the Company to raise liquidity.

Therefore, as these elements are not under the full control of the Issuer, the risk of the Issuer being unable to generate sufficient liquidities for the payment of due obligations cannot be excluded and this situation could have a material adverse impact on the Issuer's business, financial standing and results of operations.

The Issuer holds certain non-liquid assets or assets which are subject to significant fluctuation and it may not be able to sell such assets in due time or may sell them at a price lower than the market value

The Issuer holds certain real estate assets, the value of which or the potential disposal of which is exposed to the risk of price fluctuation on the real estate market. Moreover, the Issuer holds shares in unlisted companies that are difficult to be disposed of and sometimes may be disposed of at prices lower than their market value.

Such factors could have a material adverse impact on the Issuer's business, financial standing and results of operations.

The Issuer's income is subject to seasonal fluctuation

There is seasonality in generating income (e.g. higher income from insurance premiums related to the MTPL policies is registered in certain months). Although not generated by objective factors, the seasonality is explicable by the habits of individual insured persons that are beyond the control of the Issuer.

An increase in the seasonality of the Issuer's income could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer is exposed to the foreign exchange risk, interest risk and inflation risk

The Issuer issued a series of insurance policies with an insured amount expressed in a foreign currency and it registers both payments and collections for contracts with the reinsurers, or for a series of insurance policies mainly for marine risks in foreign currency. Hence, an unfavorable fluctuation of the exchange rate between RON and the currencies in which the Issuer operates (EUR, USD, and HUF) can negatively impair the results of the Issuer, particularly since the Issuer does not use any type of hedging instruments to protect itself against the unfavorable fluctuation of the foreign exchange rates.

The decrease of the reference yields, as well as a possible increase of the inflation are able to generate lower yields for the Issuer's investments.

Any unfavorable fluctuation of the foreign exchange rate, of the reference interest rates and of the inflation level could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer is exposed to the operational risk

The Issuer is exposed to the operational risk, i.e. the risk of incurring losses as a result of certain inconsistencies in the Issuer's systems and processes, of erroneous operation of systems or of human errors. Thus, the Issuer's policies, procedures and systems aimed at identifying, monitoring and controlling these risks may prove to be inefficient and thus generate losses. In the particular case of the Issuer, from issuance of the insurance policy and until the registration in the system of the collected premiums, a large number of persons perform cash operations, which increase the risk of registering errors in the cash management or in the adequate registration process. Some of the risk management methods were developed in-house by the Issuer as a result of monitoring the conduct and standards from the insurance markets; these could prove inadequate in the sense that they may not accurately assess the exposure to risk and therefore may not be able to generate the optimal solutions to reduce the risk. The occurrence of any of the above factors could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer is exposed to the reputational risk

Among other significant litigations in which the Company is involved is the litigation with court file number 11570/3/2013 against CNADNR. In this court case, an action of foreclosure by garnishment of the Company's accounts was initiated for the amount of RON 95,951,709.72. This litigation was highly presented in the media, possibly influencing third parties about the Company's financial standing and performance.

The incurrence by the Issuer of financial difficulties followed by FSA instituting the recovery procedure by special administration impaired the image and reputation of the ASTRA brand. Furthermore, the legal issues encountered by the suspended Chairman of the Supervisory Board are able to increase the Issuer's reputational risk. Where the activity of the Issuer decisively depends on a high level of integrity and trust of the insurer's clients, an accelerated increase in the reputational risk of the Issuer could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer is exposed to the credit risk

The credit risk consists in the failure by the contractual counterparties of the Issuer to meet their obligations towards the Issuer. Thus, the Issuer is exposed to the credit risks by, among other, selling insurance policies to individuals or legal entities. A possible occurrence of the credit risk in relation to the Issuer's counterparties on a large scale could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer is exposed to the risk of having the tax treatment for certain operations reconsidered

The Romanian tax law is continuously changing and is subject to controversial interpretation. Moreover, the lack of clarity of certain legal provisions results into application thereof in different manners by the various representatives of the tax authorities. On the date of the Prospectus, the Issuer

is undergoing a detailed tax control by tax authorities. If the Issuer fails to comply with all requirements imposed by the tax legislation and/or the tax authorities interpret different from the Issuer the tax treatment of certain operations, the tax authorities can reconsider the basis for the calculation of the Issuer's tax results and may apply fines or may impose the payment of additional amounts to the state budget. The occurrence of such risks could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer is exposed to the risk of non-compliance with the corporate governance requirements

Given the extraordinary situation generated by institution of the recovery procedure by special administration at the beginning of 2014, and the appointment of the Special Administrator, doubled by the suspension of the powers of the members of the Supervisory Board/Management Board, all efforts were focused on the accomplishment of the diagnosis analysis and on the identification and application of the recovery measures aimed at ensuring the path for financial recovery of the Issuer. Furthermore, although aimed at providing an increased comfort for an accurate presentation of the financial standing of the Company, the appointment of a new financial auditor for auditing the 2013 financial statements has generated delays in finalizing the Financial Statements as well as in the audit procedures. In this context, the financial statements for 2013 and 2014 financial years were not subject to the approval of the shareholders within the 4-month term as of the end of the financial year, as required under the capital markets special regulations. It was also found that the Issuer did not comply with certain practices with respect to capital markets legal reporting obligations.

The 2013 Financial Statements also revealed the existence of a negative net asset value, which has resulted into the Special Administrator being required to convene the Extraordinary Shareholders' Meeting (EGMS), having the agenda imposed by the Companies Law. At the date of this Prospectus, the Ordinary General Shareholders' Meeting (AGOA) was convened for 27/28 May 2015 having on the agenda the approval of 2014 Financial Statements. Therefore, the breach of obligation to approve the 2013 Financial Statements within the legally prescribed period will be repeated in respect of the approval of 2014 Financial Statements, including in respect of consequences of having registered a negative net asset value.

The above could have a material adverse effect on the Issuer's business and results of operations.

The Issuer also sells insurance products through external distribution networks and an erroneous presentation of its products and services may have a negative impact thereon

The Issuer has a very large external sales network and therefore it relies on agents and brokers to promote its products. The erroneous presentation of its products or improper activities of the sales staff network may have a negative impact on the corporate activity, and can trigger various investigations carried out by the relevant authorities that, depending on the findings, can impose penalties.

The staff distributing the products of the Issuer on a non-exclusive basis, such as insurance brokers, may decide based on their assessment to promote to the clients products of certain insurance companies; these assessments are made based on a mix of elements, such as the characteristics and price of the product, as well as the fee obtained by the intermediary. A negative assessment of the Issuer's products by the broker result into the insurance policies offered by the Issuer not being actively promoted, an issue that could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The growing importance of the internet and media platforms could have an impact on the distribution of insurance policies and there's no guarantee that the Issuer will be able to efficiently adapt its strategy to the changing business environment

The distribution of insurance products is generally performed in the presence of the client and of the insurer's representatives. However, market behavior is changing, in the sense that an insurance policy can also be purchased online, can be offered as a promotion by various traders; also the price of various insurance policies can be compared using price comparison engines. These market trends could have an impact on the types of distribution networks used by insurance companies and a potential inability of the Issuer to adapt quickly enough to the new trends could have a material adverse effect on the Issuer's business, financial standing and results of operations.

It is possible that the actual status of the claims, the assumptions based on which the subscription and the pricing policy were made may not accurately reflect the Issuer's exposure risk, therefore the claim reserves set up by the Issuer could prove insufficient to cover the claims

Setting up sufficient claim reserves is a legal obligation. In order to determine the methodology of setting up the reserves, the Issuer uses a series of assumptions that could prove inaccurate and hence could generate a situation in which the reserves would prove insufficient to cover the claims.

Apart from potential administrative penalties to which the Issuer is exposed, the occurrence of this kind of risks could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer carries out its activity in a very competitive environment

The insurance field, in which the Issuer operates, is highly competitive. One of the most significant factors in getting a competitive advantage is the price of one's products which puts pressure on the prices practiced by the insurers. Concurrently, brand recognition is another factor that may determine the market position of an issuer. Failure by the Issuer to keep up with the competition may have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer may be negatively affected by the reinsurers' inability to fulfil their contractual obligations towards the Issuer or by possible variations in the nature and coverage area of reinsurance or by an increase in reinsurance costs

The premiums assigned in reinsurance do not cancel the Issuer's obligation to pay claims on the occurrence of an insured event. Hence, the Issuer is exposed to the reinsurers' credit risk as concerns the possibility of recovering the amounts owed by the reinsurer. Furthermore, the reinsurers' availability to cover claims and the cost of reinsurance depend upon the market conditions which may significantly fluctuate.

The inability of reinsurers to fulfil their contractual obligations undertaken towards the Issuer and/or the increase of the reinsurance costs could have a material adverse effect on the Issuer's business, financial standing and result of operations.

The Issuer is exposed to the risks deriving from the activities it carries outside Romania

The activities carried out by the Issuer outside Romania generate risks deriving from the business environment, as well as from the economic and political environment of the respective countries. Hence, the deterioration of the business conditions of the countries in which the Issuer is carrying out its activity could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer regularly uses IT systems, the failure or malfunction of which is a source of risk for the Issuer

The integrity, functionality, safety and operational performance of the IT systems used by the Issuer are critical for the proper conduct of the Issuer's business. Thus, during the normal activity of the Issuer, various IT systems are used for claim management, registration of issued insurance policies, sales network quality control, and for registration of sales volume, premiums and commissions. Furthermore, the extended sales network of the Issuer contributes to a high number of people being registered in the data bases controlled by the IT systems and this generates a high probability of human error. IT system failure, inefficient system protection or lack of adequate systems, are factors that could have a material adverse effect on the Issuer's business, financial standing and results of operations.

Fraud cases in the insurance activity may cause damages to the Issuer

The occurrence of fraud cases, such as the issuance of fictive insurance policies or the issuance of insurance policies after the date when the insured event occurs and the pre-dating thereof result in losses for the Issuer. Other than various intentional activities of criminal nature, the Issuer is exposed to the risk of frauds occurring due to negligence, lack of knowledge of the applicable legal norms by persons acting on behalf or in the interest of the Issuer and there is no guarantee such conducts may be fully prevented. The occurrence of such situations could have a material adverse effect on the Issuer's business, financial standing and results of operations.

It is possible that the Issuer cannot recruit and/or maintain well-trained key-employees

The activity of the Issuer depends to a large extent on its ability to recruit and keep highly skilled employees in key-management positions. The competition regarding recruiting and soliciting highly skilled employees is rather high in Romania. The Issuer's failure to solicit and/or keep highly-skilled employees might generate a loss of experience and knowledge and this could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer could change its accounting reporting standards and this could induce significant changes to its financial standing in accordance with the new standards

In the future, the Issuer could be required to prepare its financial statements in accordance with the international financial reporting standards (IFRS). By changing the accounting reporting standards, the previous financial statements may no longer represent a basis able to ensure the comparability of the financial information. Last but not least, the Issuer's past performance is not indicative of its future performance.

Currently, there is no defined methodology available to insurance companies regulating the computation and reporting method of prudential indicators resulting from potential changes determined by transfer to IFRS.

A possible change of the accounting reporting system might result into significant changes to the financial standing and results of operations of the Issuer.

Moreover, the obligation of preparing financial statements in accordance with IFRS would impose the implementation of changes in the operational, reporting and accounting systems of the Company, generating additional implementation costs and investments.

Such changes that increase the resources assigned to comply with the new requirements could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The amendments to the legal regulations governing the Issuer's activity could have a negative impact on the Issuer;

New legal provisions may be enacted or current legal provisions might be amended to such an extent that the Issuer's compliance effort would be difficult and costly. Any legal amendments increasing the level of resources assigned to achieve compliance could have a material adverse effect on the Issuer's financial standing and results of operations.

The US Foreign Account Tax Compliance Act ("FATCA") might requires the Issuer to withhold certain payments it performs

The US law enacted in 2010 and known as FATCA, as well as the norms issued for its application impose a withholding tax of 30% applied for certain payments by certain financial institutions that are not from the US and that do not conclude a contractual arrangement with the US Treasury Department in order to report on an annual basis information on the interests and accounts opened for certain

institutions fully or partially held by entities/persons of American citizenship. The Romanian financial institutions targeted by FATCA are: credit institutions, custodians, investment entities and insurance companies.

According to information published by the Ministry of Public Finance, after negotiating with the US Treasury, as a response to the US' proposal of the final draft of the bilateral agreement regarding FATCA measures, the Ministry of Public Finance has submitted at the end of February 2015 its final remarks regarding this project.

According to Law No. 590/2003 on treaties, in order to sign the treaty, the Ministry of Public Finance sent a Memorandum regarding the successful conclusion of the negotiations and the approval for signing the Treaty between Romania and the US on enhancement of the international fiscal compliance and implementing the FATCA measures. The memorandum was sent for endorsement to the institutions involved in implementing the treaty provisions and/or supervising the financial institutions targeted by the provisions. The memorandum is in the process of being endorsed, after which it will be sent to the Government and the President of Romania for approval.

According to the provisions of the Treasury Note No. 201417/2.04.2014, prior to the signing of the FATCA treaty, Romanian financial institutions are allowed to register on the FATCA web-site as institutions which are compliant with FATCA measures (registered deemed-compliant FFI). Having this status, financial institutions will have to report according to the sample treaty made available by the US based on which the specific information is automatically exchanged on a reciprocity basis by the fiscal authorities. Furthermore, such financial institutions are allowed to confirm this statute to the income payers who are withholding agents.

Therefore, if the Issuer choses to register before the treaty is signed but does not comply with FATCA requirements or if after the treaty is signed and is enforced in Romania the Issuer does not comply with FATCA reporting requirements, it could be sanctioned by being forced to apply a withholding tax, which could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer may be adversely affected by the outcome of the litigations to which it is a party. It is exposed to an increasing litigation risk

As at 31 December 2014, the Issuer was a party in 4,713 court files in which it had the capacity of defendant, third-party claimant, insurer or debtor; the cumulated value of the claims filed against the Issuer in these files is of RON 1,315,083,757 including claims for moral damages in the amount of RON 952,875,150 and claims for material damages in the amount of RON 362,039,535, as well as claims in relation to salary rights in the amount of RON 169,072. Therefore, if courts will rule against the Issuer in a high number of those files the Issuer would become liable to pay large amounts which would have a negative material effect on the financial standing of the Issuer.

Among the aforementioned disputes, one can notice a series of high value disputes, generated by the insurance policies for performance bonds (related to files in which the Issuer was sued by CNADNR or by Banca de Export-Import a României Eximbank S.A.; the detailed information on such files are presented in section 20.8 Legal and Arbitration Procedures of this Prospectus); the premiums related to such insurance policies are not assigned in reinsurance and hence, the risk of an unfavorable settlement of such litigations are borne entirely by the Issuer.

The management of such high number of court files requires significant resources allocated to the legal representation in court in relation to such litigations.

The very large number of disputes in which the Issuer is involved, the unfavorable to the Issuer settlement of such litigation and the lack of any instruments to decrease the risk of unfavorable settlement of court files could have a material adverse effect on the Issuer's business, financial standing and results of operations.

Potential conflicts of interest and related party transactions may have a negative impact on the Issuer's activity

Before setting up the financial recovery procedure by special administration, the Issuer concluded a rather significant number of transactions with related parties (among them being: the sale of insurance policies, the granting of loans or the obtaining of loans, investment management, etc.). If, as a result of a tax control, the tax authorities will deem that such transactions among related parties were not concluded at arm's length, the tax authorities could reclassify the expenses or the income related to such transactions and hence it may result into reclassification of the method based on which the profit or loss was calculated.

Before setting up the recovery procedure by special administration which triggered the suspension of the powers of the members of the Issuer's Supervisory Board and Management Board, some board members were holding similar positions in other affiliated entities, which may generate conflicts of interests when approving transactions with affiliated parties.

The occurrence of any of the abovementioned risks could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The Issuer might not get reasonable or representative results during the comprehensive insurance market stress test and/or the results could indicate the necessity of allocating significant resources to comply with the prudential recommendations

Following the joint mission of the International Monetary Fund (IMF) and the European Commission in Bucharest in June 2014 (MEMO/14/420) which took place as part of the third evaluation of the Stand-By Agreement signed with the IMF and the first evaluation of the preemptive program of balance of payments support signed between Romania and the EU. During this mission, an agreement was reached regarding the independent evaluation of assets and liabilities and a stress test for the insurance

sector in Romania (BSR – Balance Sheet Review and Stress Test), the purpose of which is to consolidate the soundness of the Romanian insurance market.

The FSA Council approved the launch of the assets and liabilities review program for the main insurance companies in Romania. The BSR Project (Balance Sheet Review) covers over 80% of the insurance market assets. The evaluation includes a stress test designed to measure the market shock impact (adverse market condition scenarios) upon the financial stability of the Romanian insurance market.

The Issuer has been selected by FSA to participate in the BSR project. On the date of this Prospectus, the BSR exercise was ongoing; the finalization of such tests could show unsatisfactory or representative results for the Issuer. Moreover, at the end of the evaluation period, FSA will communicate the aggregate results together with the subsequent prudential recommendations. Depending on FSA's prudential recommendations, the Issuer could be required to engage significant resources for compliance which could have a material adverse effect on the Issuer's business, financial standing and results of operations.

Implementation of Law no. 151/2014 and of FSA's Rule no. 17/2014 regarding the legal status of shares traded on RASDAQ or on traded but not listed market could require the Issuer to grant its shareholders the right to withdraw from the Company which would require the Company to buy the shares

By resolution adopted by the Extraordinary Shareholders' Meeting (EGMS) in February 2015, the Issuer approved to undertake the legal steps to list the shares issued by the Company on the alternative trading system AeRO operated by BSE. This approval does not represent a guarantee that the listing of the shares on the alternative trading system will be successful, particularly because of the special situation of the Issuer that has been placed in a financial recovery procedure by special administration.

Therefore, there is a risk that BSE or FSA could reject the Issuer's application to list on the alternative trading system. Thus, if the listing application is rejected, according to Law No. 151/2014 and FSA Order No. 17/2014, the Issuer's stockholders could be granted the legal right to exercise its option to withdraw from the Issuer, which could have a material adverse effect on the Issuer's business, financial standing and results of operations.

4.2. Country Risks

Romania is a still a market posing higher risks than developed markets

Persons investing in emergent or frontier markets, such as Romania, are warned that such markets pose higher risks than developed markets which have a stable economy and mature legal and political systems. The country risk is generated by the probability that rapid and sometimes unpredictable political, legal, social and economic changes occur, including high inflation rates, fluctuations of the foreign exchange rate, major market imbalances and significant and frequent amendments of the

legislation. Romania might also be affected by the effects caused by the political, legal, social and economic changes that occur in the European Union or neighboring countries.

Because the development and activities of the Issuer depend, to a large extent, on Romania's social and economic environment, the occurrence of any events similar to the aforementioned ones could affect the investors' confidence in Romania's economic and financial environment, which could have a material adverse effect on the Issuer's business, financial standing and results of operations.

Romania could encounter difficulties related to the process of post-adherence to the European Union

By adhering to the European Union, it is assumed that Romania meets the criteria of a functional market but implementing critical structural reforms remains a serious concern. Corruption in Romania continues to remain at high levels while anti-corruption legislation, although well developed and in spite of the progress registered in the past years is still inefficient in practice.

Although progress has been made in terms of freedom of movement in financial services, Romania should focus on strengthening its administrative capacity in order to efficiently manage the budgetary resources and increase the capacity of EU fund absorption.

It may not be ignored the fact that the accession of Romania to the European Union triggers a series of risks generated by economic, social and competitive pressure as a result of free movement of goods, services and capital. The occurrence on a large scale of any of the difficulties related to the post-accession process may have an impact of the trust of the investors in the Romania's economic and financial environment which could have a material adverse effect on the Issuer's business, financial condition and results of operations or on the market price of the Issuer's shares.

The macroeconomic environment could have a significant impact on the Issuer's operations and on its financial position

The results of the Issuer's operations depend on Romania's macroeconomic environment as well as on the regional and EU macroeconomic environment. The Issuer's operations are affected by current or potential factors, such as: inflation rate, foreign exchange rate, unemployment rate, average salaries, national tax policy and monetary policy. The deterioration of any of the aforementioned factors could have a negative impact, especially on the consumer behavior in relation to the insurance products, in terms of reducing the expenses assigned to the insurance against various risks.

The occurrence of unfavorable macroeconomic conditions in Romania, in the region or in the European Union could have a material adverse effect on the Issuer's business, financial standing and results of operations.

Romanian fiscal regulations could undergo significant changes

Romania's tax legal framework is unstable, as the Tax Code of Romania has undergone significant changes through tens of amendments in the last ten years. Hence, there is a particular uncertainty with

respect to the taxes and duties that will be owed in the future both by the Issuer and the shareholders on income/gains.

The frequent tax legislation amendments could have a material adverse effect on the Issuer's business, financial standing and results of operations, as well as on the investment in shares issued by the Issuer.

Political instability in Romania could create a poor environment for business

Romania's recent history is defined by major political and economic changes. Despite the constant reforms, Romanian economy still has a series of structural flaws. Frequent political changes, including at the government level generate difficulties in an efficient and structured implementation of structural reforms. Although Romania created new institutions and a new regulatory framework which is similar to those active in other parliamentary democracies, those institutions do not function as efficiently as their more developed counterparts. The restructuring and privatization process of state owned companies unfolded at a relatively slow pace. Economic development and the pace generated by the economic development depend upon the economic and political factors which are beyond the Issuer's control.

Economic fluctuations and inconsistencies in implementing government policies, as well as political and economic uncertainties could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The changes and loopholes in the Romanian judiciary system could affect the Issuer's business

The Issuer's activity is carried out within a strictly regulated framework, by Romanian laws and regulations which govern a series of matters such as insurance, data protection, labor relations, competition and taxation. In Romania, the primary legislation often takes immediate effect, before the issuance of secondary regulations.

Fundamental changes have occurred in the Romanian civil law system in recent years: (i) the enactment of new codes, including the Civil Code (effective as of 1 October 2011) and the Code of Civil Procedure (effective as of 15 February 2013) ("CPC"), (ii) the significant amendments of the Labor Code, (iii) the enactment of a new Insolvency Code by Law 85/2014 (effective as of 28 June 2014), one of the main purposes of which is to unify and harmonize under a sole legal act the regulatory regime applicable to the insolvency/bankruptcy of various entities, including insurance companies.

Also, the legislation regulating working conditions and social dialogue, companies, competition, capital markets, consumer protection, taxation and other fields continues to be amended on a constant and frequent basis. Any failure to observe the applicable laws and regulations shall result in fines or other penalties applied by the relevant regulation/supervisory authority and it might have negative consequences on the Issuer's reputation.

The Romanian legal and judicial systems are also not as developed as in other countries of the European Union. The current laws and regulations, including the current legislation at the European Union level, can be implemented and/or applied in a non-unitary manner in certain cases, and it is possible that legal remedies are not obtained within a reasonable time period. Furthermore, the rather limited experience of certain magistrates, the novelty of certain parts from the applicable legal framework, including parts of the new Civil Code and CPC, the existence of certain debatable issues related to the independency of the judicial system, the absence of legal precedents or of implementation norms that should be clear and mandatory, could result in ungrounded or erroneous decisions.

The effort of continuously adapting to the ever changing legal regulations, as well as the absence of certainty and the incapacity of obtaining effective legal remedies within a reasonable time period could have a material adverse effect on the Issuer's business, financial standing and results of operations.

Corruption creates a poor business environment in Romania

Romania, together with Italy, Greece, and Bulgaria are perceived as being among the most corrupt countries in the EU according to Transparency International's Corruption Perception Index 2014. Despite the weaknesses of Romania's judiciary system, there is an increase in the corruption cases investigated by prosecutors' office, submitted for trial in court and even in the number of persons convicted for economic criminal offences. However, the efficiency of the Romanian judicial system is still well under the standards of other EU countries.

The failure to implement or the delayed implementation of suitable and efficient measures in the fight against corruption in Romania could have a material adverse effect on the Issuer's business, financial standing and results of operations.

In the past, Romania has struggled with high exchange rates and inflation volatility

The Romanian leu (RON) is subject to a foreign exchange regime of controlled variation, where the value of the national currency compared to the foreign currencies is determined on the interbank forex market. Romania encountered in the past a high volatility level of the foreign exchange rate. Any future depreciation of international economic perspectives might result in the RON's subsequent depreciation. The significant depreciation of the national currency could negatively influence the economic and financial standing of the country. An inflation rate above the expected level could determine the temporary decrease of the purchase power and could erode the clients' trust and this could have a material adverse effect on the Issuer's business, financial standing and results of operations.

The transparency level of issuers and availability of public information is lower than that of other European states

Although Romania is undergoing a continuous process of application/implementation of European regulations in the national legislation, its practices in areas of reporting, accounting and book keeping may differ in certain respects from those applicable to companies from other member states of the European Union. The level of available information on the shares and financial standing of companies

admitted to trading in Romania is sometimes lower than in case of similar companies from other European States.

4.3. Risks related to Shares

On the date of this Prospectus, the shares issued by the Issuer are suspended from trading

According to the data published on BSE's webpage, the shares issued by the Issuer are suspended from trading by virtue of Decision no. 42. Nevertheless, Decision no. 42 does not expressly provide the suspension from trading throughout the period when the Issuer is undergoing the financial recovery procedure by special administration.

However, it is important to mention the fact that BSE is entitled to suspend the trading of listed shares, in the following cases: (i) if the Issuer fails to observe the disclosure requirements imposed for the shares being maintained to trading or (ii) in view of maintaining an orderly market and ensuring the equal access to the necessary information for decision making (investors' protection) or (iii) on FSA's request, if FSA believes that the situation of the Issuer is such that the trading would be to the detriment of investors.

Another case of suspension from trading of an issuer's shares is provided by Law no. 85/2014 regarding the insolvency prevention and insolvency proceedings, according to which the suspension occurs when the insolvency proceedings are commenced against an issuer, starting on the date when the notice of insolvency is received by the FSA and until the date when the proposed recovery measures are confirmed. This suspension case is however not applicable to the Issuer, considering that the insolvency proceedings against it have not been commenced.

Hence, it is not clear on what grounds the Issuer's shares were suspended from trading and whether such suspension will last throughout the period in which the Issuer is undergoing financial recovery by special administration. Also, when applying for admission to trading of the shares issued by the Issuer on the alternative trading system, the BSE shall review the measure of suspension of the shares from trading.

Furthermore, if the implementation of the recovery measures fails and the Issuer is bankrupt, the shares issued by the Issuer shall be withdrawn from trading on the date on which FSA receives the bankruptcy notification.

Any suspension from trading of the Issuer's shares may negatively and significantly impair the investment in the respective shares and the investors could lose the entire investment, especially if the bankruptcy proceedings are initiated against the Issuer and the shares are withdrawn from trading.

The liquidity of the shares issued by the Issuer is very low

According to the data published by the Romanian Central Depository on BSE's webpage, on 25 March 2015, the free float of the Issuer was of only 0.9572% of the share capital (72.7536% being held by The Nova Group Investments Romania and 26.2892% being held by Epsilon Estate Provider SRL).

After closing of the Offer, there is a risk that the free float would be even lower, if the persons holding pre-emption rights choose not to subscribe new shares during the share capital increase. Investors could encounter significant difficulties if they decide to liquidate the investments in the shares issued by the Issuer due to the very low free float of the Issuer's shares. Liquid markets theoretically generate a lower price volatility and a more efficient execution of purchase or sales orders for investors.

The very low liquidity of the Issuer's shares might result in a significant volatility of the shares' market price

Regarding the very low liquidity of the shares issued by the Issuer, the market price of the shares can be very volatile and it can be subject to sudden and significant variations, which could negatively impact the investment in shares.

The ownership right over subscribed and paid up shares acquired in the Offer may not be registered if the FSA does not approve the share capital increase and/or the shareholder that becomes a Significant Shareholder

The subscription and payment of the shares according to this Prospectus does not guarantee share ownership. The share capital increase and becoming a Significant Shareholder both depended on FSA's prior approval.

FSA's prior approval process of the share capital increase procedure, as well as the procedure of becoming a Significant Shareholder of an insurance company, is regulated by the Norms issued on 24 August 2012 regarding the authorization and functioning of insurance companies, approved by Ordinance No. 16/2012 for the application of the norms regarding the authorization and functioning of insurance companies, issued by the Chairman of the Insurance Supervisory Commission ("The Norms").

To become a Significant Shareholder, according to the Norms, FSA's prior approval required assessment of the quality of the Potential Investor according to certain criteria of which some are mentioned below (the list is not exhaustive):

- Financial strength of the Potential Investor, especially when compared to the present and future activity of the insurer/reinsurer involved in the acquisition process
- The source of the funds about to be invested and the transparency of those funds
- previous links to financial, banking or other commercial activities
- integrity and reputation of the shareholder within the business community
- the shareholders' holdings in other entities etc.

For the purpose of the assessment process, direct and indirect Potential Investors must notify FSA in advance, in writing, regarding their intention of becoming a Significant Shareholder of the Company, specifying the targeted share size and attaching all the documents required under the Norms.

Amongst the documents and information which must accompany the notification mentioned above according to the Norms are the following (the list is not exhaustive): official identification documents or, as applicable, incorporation/registration of the Potential Investor, fiscal and, if applicable, judicial records, audited financial statements for the previous three financial years, affidavits etc.

According to the Norms, the volume of documentation varies among other depending on the size of the potential investment in the targeted insurer/reinsurer. For example, in case the Potential Investor targets over 50% of the voting rights or share capital, the documentation must include, inter alia, feasibility study which must contain all the information provided in detail by the Norms.

The assessment period by FSA could have a significant duration

The Norms do not expressly regulate the period applicable for the assessment by the FSA of a share capital increase in an insurer/reinsurer (for example, a share capital increase effected exclusively through investments by current shareholders).

For the purpose of approving a Significant Shareholder, according to the Norms, FSA conducts an assessment of the Potential Investor and of its acquisition plan within 60 business days. The 60 days assessment period starts on the date of written confirmation by FSA that the application for the potential acquisition and all related documents were received. This period can be extended, amongst other, in case FSA requires additional documents during the assessment period.

Basically, FSA's assessment period to approve a share capital increase and/or a person becoming a Significant Shareholder in the Company could be long-lasting, depending *inter alia* on the time necessary to prepare the documentation required under the Norms, the number of entities in the chain of control of the direct Potential Investor for which documents and information must be presented for the purpose of assessment process by FSA, additional documents and information which FSA may require during the assessment period as well as the time necessary to prepare such documents and information etc.

5. INFORMATION ON THE ISSUER

5.1. Company's history and evolution

5.1.1. Legal and Trade name of the company:

The issuer has the legal name of "Societatea ASIGURARE – REASIGURARE ASTRA S.A."; and trades under the name of "ASTRA". In all documents, insurance policies, invoices, correspondence, announcements, publications and all other documents issued by the company, the company's name will be preceded by the word "Societate" (Company) and will end with the words "societate pe actiuni" (joint stock company) or with the initials SA followed by "societate administrată în sistem dualist" (a company managed in a two tier system). Furthermore, the following have to be mentioned: location of headquarters, the subscribed share capital, including the paid-up capital, according to the latest

approved financial statements, the National Trade Register Office registration number and registration code.

5.1.2. Place and registration number of the Company

Astra is a joint-stock company registered in Romania, with the Sole Registration Code 330904 and the National Trade Register Office registration number J40/305/1991.

5.1.3. Date when the company was founded and operating period if unlimited

The company was founded on the 1st of January 1991 having an unlimited operating period.

5.1.4. The Issuer's registered office and legal form, the legislation based on which the Issuer carries out its activity, the country in which it was set up, address and telephone no. of the registered office (or main business place if different from the registered office):

The registered office is in Romania, 3 Nerva Traian Street, M101 Building, 11th floor, Sector 3, Bucharest with the following phone number: (+40) 21 318.80.80.

5.1.5. Important events in the development of the Issuer

By FSA's Decision no. 42 from 18 February 2014, ("Decision no. 42") implemented through Decision no. 43 from 19 February 2014 ("Decision no. 43"), the Financial Supervisory Authority ordered the commencement of the financial recovery procedure by special administration, according to the provisions of art. 8 para. (1) lit. b) corroborated with the provisions of art. 7 letter a) from Law no. 503/2004 on financial recovery, bankruptcy, dissolution and voluntary winding up in the insurance activity, republished, appointed KPMG Advisory SRL as the Special Administrator of the Company. FSA Decisions 42/2014 and 43/2014 are found in Appendix I and Appendix II to the Prospectus.

In accordance with Decision no. 42, FSA ordered the suspension throughout the financial recovery procedure by special administration of the legal prerogatives of the significant shareholders and persons of the Company, voting rights in regards to the appointment and revocation of the members of the Company's Supervisory Board, the shareholders' rights to dividends, the activity, as well as the right to remuneration of the members of the Supervisory Board, while the Special Administrator fully takes over the prerogatives of the significant persons of the Company.

In accordance with Decision no. 42, one of the main prudential measures that has to be applied by the Company through the Special Administrator refers to the commencement under an emergency regime of the legal procedures to increase the share capital up to a level which enables the Company to meet the solvency and liquidity requirements.

Other prudential measures provided by Decision no. 42 refer to the inventory of claim files registered with the Company's records, taking the measures necessary to compute adequately and in accordance with the legal requirements the technical reserves set up by the Company, the interdiction of investing in securities and real estate, except placements in bank deposits and government securities/treasury bills, the interdiction to alienate goods and/or assets of the Company without the

prior approval of FSA, taking the necessary measures to accelerate the reimbursement of the loans granted within the group out of which the Company is a party and the interdiction of granting new loans, the inventory and assessment in accordance with the applicable norms of receivables recorded in the registers of the Company and the cancellation of insurance receivables related to contracts whose validity expired, the reanalysis of the corporate insurance policy and the transfer of risks to reinsurers with rating assigned by reputable rating agencies.

Thus, in accordance with Decision no. 43, the Special Administrator examined the corporate activity and drafted a diagnosis analysis of its financial condition, based on the unaudited financial information of the Company for the financial year ending on 31 December 2013, by specifying the real and operative recovery possibilities of the Company and the recovery measures proposed to be undertaken by the Special Administrator in this view.

The Company depends upon the successful implementation of the recovery measures proposed to be undertaken in view of the financial recovery and approved by FSA, in order to avoid the bankruptcy procedure, by the recovery of the Company through measures of re-establishing the liquidity and solvency according to the identified real and operative recovery possibilities, considering the applicable economic constraints, the cumulated requirements of the insurance law, the capital market law and the companies law and the complex diagnosis of aggravated symptoms that were generalized and accumulated in time at the corporate level.

On 12 May 2014, EGMS approved the delegation to the Special Administrator and to the Management Board (in case after the EGMS, the corporate management would be resumed by the Management Board), of the authority to increase the share capital of the Company. The delegation of the authority to increase the share capital operates for a term of maximum one year as of the date of the EGMS decision. The Special Administrator/Management Board may decide by one or several decisions upon the increase of the share capital of the Company by issuing new shares which may not exceed an aggregate of RON 490,000,000.

On 27 June 2014, based on the mandate of Special Administrator of the Company, vested to it by FSA's Decision no. 42, and having regard to the Shareholders' Decision on the Increase, KPMG Advisory SRL issued Decision no. 26 by which it approved the increase of the share capital of the Company by cash contribution, in the amount of RON 70,000,001.40 – from the value of RON 192,712,533.86 to the value of RON 262,712,535.26 by issuing a number of 26,315,790 new shares with a nominal value of RON 2.66.

Considering the subscriptions and final report on the subscription of shares and payments made under the Company's share capital increase decided by Special Administrator's Decision no. 26/ 27.06.2014, on 7 October 2014, KPMG Advisory SRL issued Decision no. 68/ 03.10.2014, as corrected by Decision No 70 / 10.07.2014 which approved the capital increase of the Company in the amount of RON 192,712,533.86 to RON 257,797,193.08, in cash, for an amount of RON 65,084,659.22,

representing a number of 24,467,917 registered shares with face value of 2.66 RON/ share and canceled a total of 1,847,873 shares which remained unsubscribed.

The cash contribution for the registered subscriptions was transferred in the Company's account on 10 October 2014. The publication of the Special Administrator's Decision no. 68/03.10.2014 and the Special Administrator's Decision no. 70/10.07.2014 in the Official Journal of Romania was held on 13 March 2015. The amendment of the articles of incorporation as a result of the capital increase with the amount of 65,084,659.22 lei was approved by FSA by Decision no. 280 / 02.19.2015 and the specifications regarding changes in capital have been registered in the National Trade Register Office under Resolution No. 26547 / 02.27.2015.

Also, the Special Administrator's Decision No. 99, on 18 March 2015 approved the capital increase of the Company, in cash, for the amount of RON 424,915,339.94 by RON 257,797,193.08 to RON 682,712,533.02 by issuing a total of 159,742,609 registered shares with a nominal value of 2.66 RON/share.

Special Administrator's Decision no. 99 / 18.03.2015 was published in the Official Journal on March 30 2015.

5.2. Investment

5.2.1. A description of the principal investments (including the amount) made by the end of the period covered by the latest audited and published financial statements until the date of the registration document.

The company has not invested between December 31 2014 – the end of the financial year and the date of the Prospectus for general insurance or life insurance business

5.2.2. A description of the issuer's main investments in progress, including the geographic distribution of these investments (national territory and abroad) and funding sources (internal or external).

N/A

5.2.3. Information on main investments that the issuer wishes to achieve in the future and for which its management bodies have already made firm commitments.

N/A.

6. GENERAL OVERVIEW OF THE ISSUER'S ACTIVITIES

The presentation of the company

Societatea de Asigurare – Reasigurare ASTRA S.A. was set up on 1 January 1991 by virtue of Government Decision no. 1279/08.12.1990. The Company is registered as a Romanian legal entity,

having the legal status of a joint-stock company and carries out its activity in accordance with the Romanian legislation and with its Articles of Incorporation.

The subscribed and paid up share capital of the Company as at 31 December 2014 was of RON 192,712,534 representing 72,448,321 ordinary, nominative shares with a nominal value of RON 2.66 each, issued in dematerialized form. The shares issued by the Company were admitted to trading on RASDAQ market, managed by BSE and are currently suspended from trading.

Subsequent to the approval of the capital increase, for the capital amount paid in in October 2014, the share capital of the Company fully subscribed and paid up is of RON 257,797,193.08, representing a total of 96,916,238 shares, each share with a nominal value of RON 2.66.

In Romania, the Company was authorized by the Insurance Supervisory Commission ("Comisia de Supraveghere a Asigurărilor"), currently the FSA, for carrying out insurance activities, since 2001, based on Decision no. 6/ 30.10.2001, its license being amended in 2004 and 2014. On the date of the Prospectus, the Company is authorized to carry out insurance activities for all insurance classes provided by the Insurance Law, except for insurance class XVII. "Legal support insurance", as follows:

Non-life insurance classes:

1. Accidents insurance (including labor accidents and vocational diseases);
2. Health insurance;
3. Insurance of means of road transportation (other than railway);
4. Insurance of means of railway transportation;
5. Insurance of means of air transportation;
6. Insurance of means of sea, lake and river transportation;
7. Insurance of goods in transit;
8. Insurance against fire and other natural disaster;
9. Other asset insurance;
10. Civil liability insurance for vehicles covering the damage resulting from the use of road vehicles (inclusively the carrier's liability);
11. Civil liability insurance for means of air transportation;
12. Civil liability insurance for means of sea, lake and river transportation;
13. General civil liability insurance covering: damages from prejudices inflicted upon third parties, other than such provided at item 10, 11 and 12;
14. Insurance of credits covering the following risks;
15. Insurance of guarantees;

16. Insurance of financial losses;

18. Insurance for the assistance of persons in distress during travels or absences from the domicile or from the place of permanent residence.

Life insurance classes:

A I. Life insurance, annuities and additional life insurance

A III. Life insurance and annuities related to the investment funds;

In 2011, the Company received the approval of the FSA to extend its insurance activities on the territory of the European Union (more precisely on the territory of the following states: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Greece, Germany, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, UK, the Netherlands, Poland, Portugal, Sweden, Slovakia, Slovenia, Spain), based on the freedom to supply service ("FOS"). The approval from the FSA to extend its insurance activities on the territory of the European Union was obtained for the following insurance classes:

Non-life insurance classes:

2. Health insurance

3. Insurance of means of road transportation

5. Insurance of means of air transportation

7. Insurance of goods in transit

8. Insurance against fire and other natural disaster

9. Other asset insurance

11. Civil liability insurance for means of air transportation

13. Civil liability non-life insurance

18. Insurance for the assistance of persons in distress during travels or absences from the domicile or from the place of permanent residence

Classes of life insurance:

A I. Life insurance, annuities and additional life insurance

A III. Life insurance and annuities that are related to investment funds.

The issuer's branch in Hungary was authorized to underwrite insurance policies for means of road transportation (class 3), insurance against natural disaster and natural fires (class 8) and civil liability insurance of car owners (class 10) as of the year 2010.

In 2011, ASTRA Hungary received an underwriting license for the following non-life insurance classes: accidents and health (classes 1 and 2), means of transportation (classes 4 – 7), civil liability (classes 11 – 13), insurance of credits (class 14), guarantees (class 15) and travel (class 18), as well as for classes I and III of life insurance.

Issuer's branch from Slovakia was authorized to underwrite insurance policies for means of road transportation (class 3), insurance against natural disaster and natural fires (class 8), insurance of assets (class 9) and civil liability insurance of car owners (class 10) in 2012.

Issuer's branch from Germany was authorized, as of December 2013, to underwrite general civil liability insurance (class 13).

At the moment of incorporation, the Company received a mandate to manage and liquidate the reinsurance portfolio underwritten by the former State-company ADAS, within the limits provided by Government Decision 1279/1990.

Currently, **the Issuer offers cross border reinsurance services**, participating with full or partial quotas in facultative accounts and reinsurance treaties covering a diversified range of industrial risks on the business lines dedicated to Property, Aviation, Marine, etc.

Labor force characteristics

The labor force of Astra is divided into two areas, an area mainly responsible for sale and management of non-life insurance policies and of the reinsurance activity, whereas the second area focuses on the sales and management of the life insurance and health insurance portfolios. At a territorial level, the sales units are of a composite nature, carrying out sales activities both of life insurance and of non-life insurance. The Company has specialized teams dedicated to the sales and management of specific insurance lines (e.g. life insurance, marine, aviation). The average number of the employees of the Company remained constant during the last two financial years, counting less than 1,500 employees.

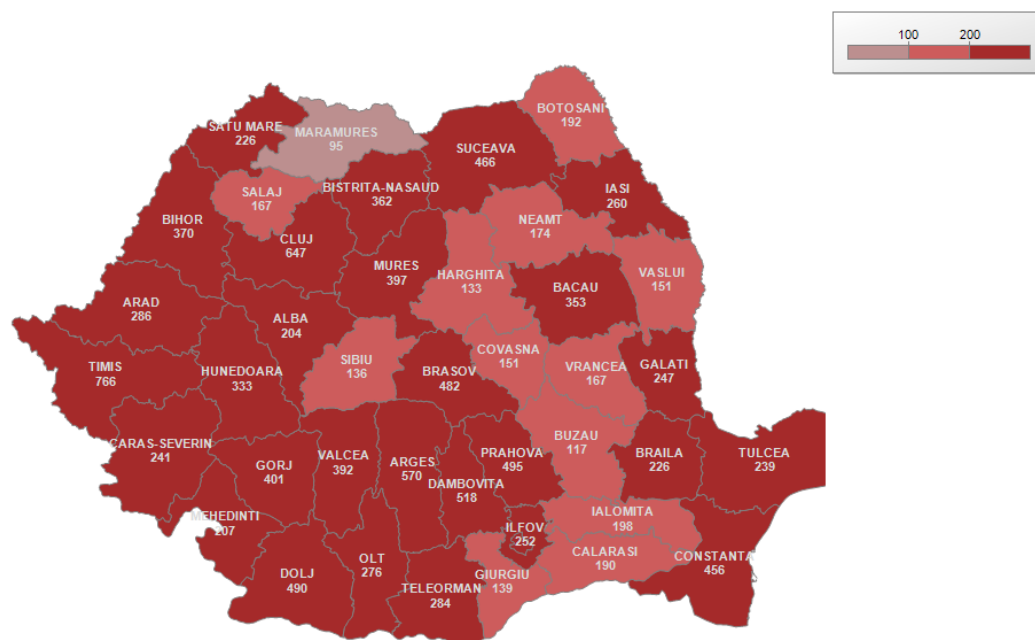
In addition, at 31.12.2014, the Company had 9,482 active agents selling insurance policies, divided by geographical area:

Area	Number of agents	Gross Earned Premiums (RON)	% GEP
Moldova	2,483	24,751,292	27%
Transilvania	2,695	26,264,414	28%
Muntenia	3,280	29,710,997	32%
Bucharest	1,124	11,858,470	13%
Total	9,582	92,585,174	100%

Distribution Channels

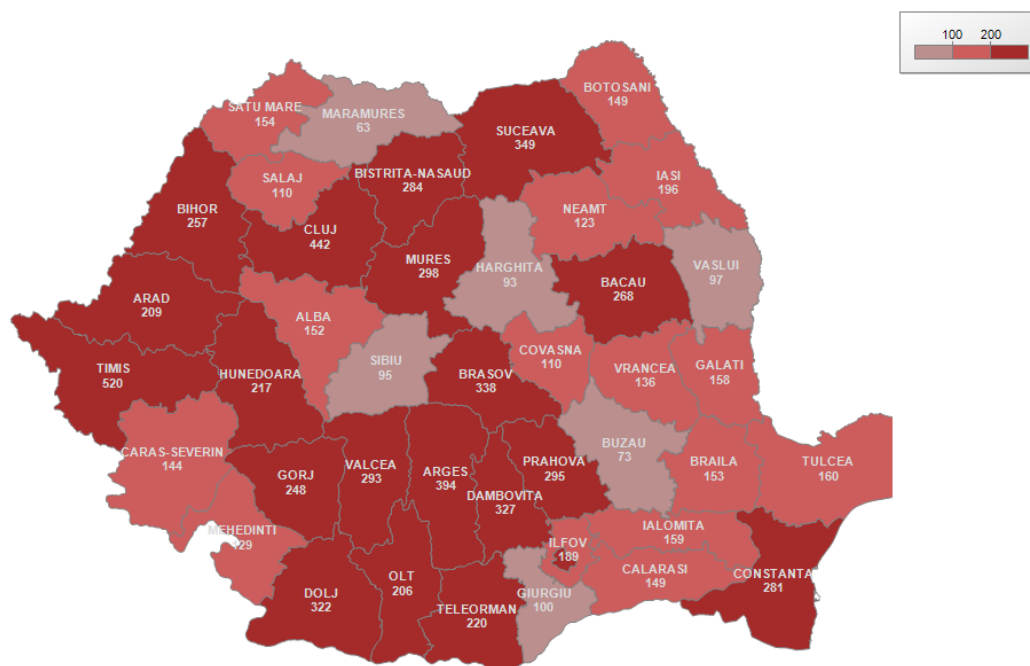
The Company ensured over time the proportionate diversification of the sales activity by a mixture of own forces, agents and intermediaries. It was expected that the number of active agents could change until the end of the year further to finalizing the licensing process (for agents that have not yet procured the mandatory license) and due to the seasonal activity from the insurance market, expecting an intensification of the sales activity during the last term of the year. The sales force infrastructure illustrates that the Company collaborates with more than 400 intermediaries and direct sales companies.

The distribution of the number of active sales agents countrywide based on the information as at 31 December 2013 (illustrating the allocations of agents on counties at the end of the year 2013):



Source: ASTRA

The distribution of the number of active sales agents countrywide as at 31 December 2014 (illustrating the allocations of agents on counties at the end of the year 2014)



Source: ASTRA

6.1. Main activities

6.1.1. A description of the nature of the issuer's operations and its main activities, including their related key factors, stating the main categories of products sold and services performed for each financial year for the period covered by the historical financial information;

The main activities of ASTRA comprise of non-life insurance, reinsurance services and life insurance, carried out through the branches, agencies and business units that have no legal personality.

On 30 June 2014, the Company was carrying out its activity through its registered office located in Bucharest, the 48 branches, 147 agencies and 25 business units, the regional center located in Bucharest, on the territory of Romania and through the three branches from Hungary, Slovakia and Germany.

6.1.1.1. Reinsurance program policy

One of the main competitive elements of ASTRA is the Company's policies regarding its reinsurance programs.

ASTRA carries out an ample reinsurance program, concluding contracts for the entire risk range and **collaborating with reinsurance intermediaries and reinsurers with a very good reputation worldwide**. The reinsurance activity and **international relations developed in time with international reputable reinsurers** constitute a considerable advantage of the strategy of ASTRA, both on short and on medium and long term.

The Company developed and consolidated its external collaboration relation with worldwide reputable reinsurers, among which:

- **PartnerRe Ltd. („PARTNER RE”)**
- **Hannover Rück SE („HANNOVER RE”)**
- **XL Re Ltd. („XL RE”)**
- **Lloyd's of London („LLOYD'S”)**
- **Sirius International Insurance Company (“Sirius”)**
- **HCC Insurance Holdings, Inc. (“HCC”)**
- **SCOR SE (“SCOR”)**
- **Deutsche Rückversicherung Aktiengesellschaft (“DEUTSCHE RUCK”)**

The Company's policy with regards the reinsurance programs aims to ensure the best possible risks coverage, thus the Company acts on a permanent basis to improve the reinsurance placements, so that the entire reinsurance program should reflect the changes registered in the structure of the insured risks.

The appropriateness of the coverage offered by reinsurance treaties was materialized by improvements brought thereon further to diversifying and updating the ASTRA products to the requirements of the market and further to the continuous development of the Company.

Starting with reinsurance contracts concluded in the second quarter of 2014, the Company cooperates only with reinsurers with an S & P / AM BEST official rating of at least A-.

During 2014, the Company successfully implemented the extension of the reinsurance program for the catastrophic risk, including the decrease of the corporate retention at the level of EUR 3 million, a measure that resulted in the decrease of the required capital by the amount of RON 26.5 million (net of the additional costs in the amount of RON 4.2 million for the period spanning between 1 April 2014 and 31 December 2014).. Also in 2014, **territoriality was extended** so as to cover the risks subscribed by the insurance policies concluded in the branches of Astra from **Romania, Hungary, Slovakia and Germany.**

This approach proved efficient and ASTRA obtained the **extensions of the coverage offered by the reinsurance contracts both as territoriality and as the exposure limits and clauses that would have been otherwise excluded** from the standard treaties practiced by reinsurers.

For the placement of risks to reinsurers, both those covered under the treaties and those that are of individual nature (the optional reinsurance), the Company collaborates with some of the most important **reinsurance intermediaries worldwide**, among which we mention **Willis Limited UK, Guy Carpenter, Robert Fleming Insurance Brokers**, as well as with locally represented international

intermediaries: Stellar RE Europa Broker de Asigurare-Reasigurare SRL ("**Stellar Re**") and Olsa RE Intermediar de Asigurare-Reasigurare SRL ("**Olsa Re**"). Each of these intermediaries developed internal market security departments by which the evolution and stability of the financial security ratings of reinsurers are monitored and ASTRA is informed on a permanent basis by periodic notifications on the financial condition of its reinsurers.

The main business lines covered under the treaties concluded with reinsurers are:

Contract	Reinsurer – leader	Limit	ASTRA withholding
Property per Risk XoL	Partner RE, Sirius	20,000,000 EUR	500,000 EUR
Catastrophe XoL	Sirius, HCC, Hannover RE	265,000,000 EUR	3,000,000 EUR
Marine XoL	Sirius	10,000,000 USD	500,000 USD
MTPL XoL	Partner RE, Hannover RE	unlimited	500,000 EUR
GTPL XoL	Partner RE	15,000,000 EUR	150,000 EUR

Source: ASTRA

Besides the above-mentioned reinsurance treaties ASTRA also holds:

- Optional reinsurance treaties as a result to the fact that the insured amount exceeds the limit of the insurance contract
- Special acceptance contracts that are necessary / imposed if the insured requests a coverage that is usually an exclusion of the reinsurance contract.
- Reinsurance treaties for the fronting type policies, for each insurance account, placed to an extent of 100% in reinsurance.
- Optional placements for aviation risks.

These facultative reinsurance placements are set up for individual policies and cover various business lines – from aviation, third-party general insurance, buildings and content, terrorism, etc. and are concluded with significant reinsurers, such as ACE European Group (ACE) or the Lloyd's syndicates.

For general aviation particularly, the Company concluded a reinsurance treaty in share quota with Allianz Global Corporate and Specialty AG by which it takes over the policies issued for such accounts to an extent of 100% in reinsurance.

6.1.1.2. The certification of the integrated management system – quality, environment, health and labor security

In the current economic context, marked by globalization, by acknowledging the interdependencies between the environment, security and development, a continuous increase of

corporate demands in regard to the quality of supplied products and services, environment protection and labor health and security, demands materialized in more and more severe regulations.

The management of the Company acknowledges the maintaining of the Integrated Quality Management System – Environment – Health and Vocational Security as a priority and an important factor for the development of the Company. The corporate management has considered the need of establishing policies, strategies, programs and practices for the management of processes and activities in such manner that reflects respect towards the environment, respectively the vocational health and security.

The SR EN ISO 9001:2001 standard of the Quality Management System was implemented and applied, certified by SIMTEX–OC certification body (in November of the year 2004)..

In 2007 it has been recertified that the quality management system is operating according to the requirements of the standard SR EN ISO 9001:2008.

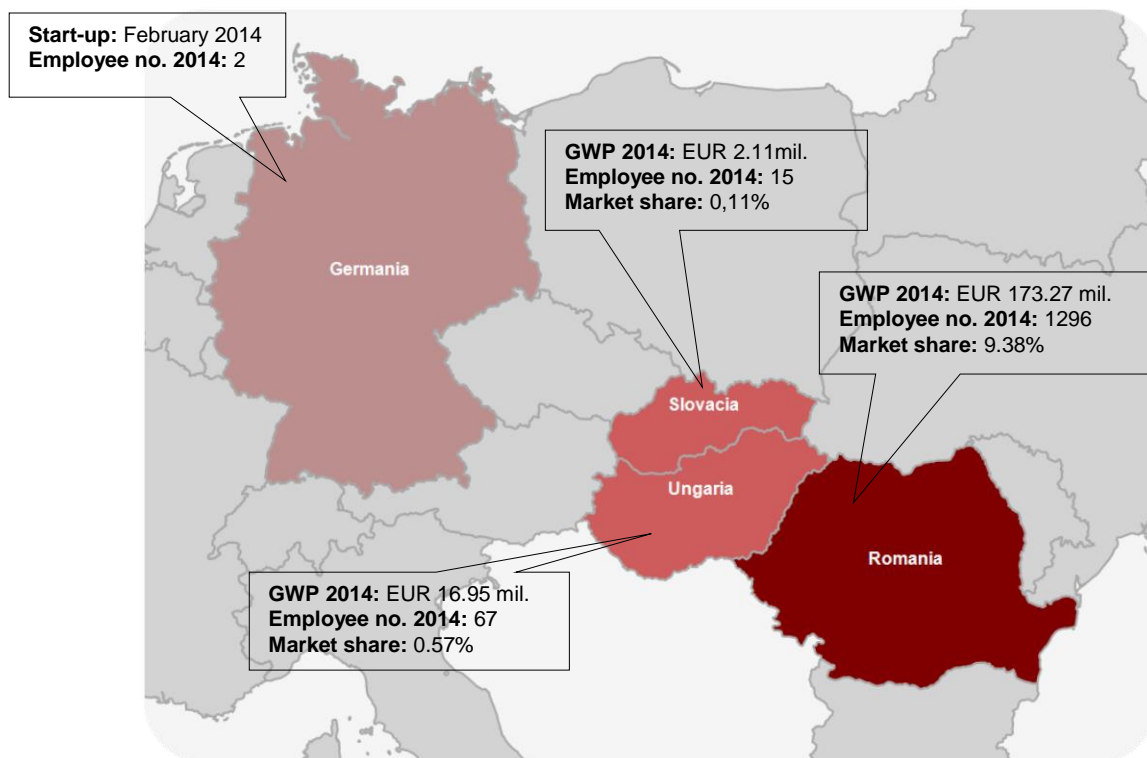
At the beginning of 2010, the corporate management decided upon the extension of the quality management system by implementing two more new management systems, that is the environment management system and the health management and labor security system (according to the requirements of the SR EN ISO 14001:2005 standards and respectively SR OHSAS 18001:2008.), in view of a better control and management of the professional risks (accidents, incidents and vocational diseases).

6.1.2. An indication of any significant new product and service launched on the market and, as far as the development of new products or services has been publicly disclosed, the status of development.

N/A.

6.2. Main markets

Besides Romania, where Astra is one of the largest insurers (determined according to the value of the gross written premiums, according to the information annually published by FSA), the Company carries out insurance activities also overseas by three branches set up in: Hungary (opened in the year 2010), Slovakia (opened in the year 2012) and Germany (authorized to carry out underwriting activity as of December 2013).



Source: Association of Hungarian Insurance Companies (MABISZ) - Insurance Market 2014

National Bank of Slovakia (<http://www.nbs.sk/en/financial-market-supervision/insurance-supervision/data>); Slovak Insurance Association (SLASPO) (<http://www.slaspo.sk/en/13075>)

XPrimm Insurance Profile 2014 Report

2014 Financial Statements

6.2.1. Romanian Market

According to the Annual FSA Report for the year 2013, Romania has one of the lowest values in the European Union on the **density of insurance**². As in the case of the **insurance penetration indicator**, Romania registered a negative evolution of this indicator within the period 2008-2012, similar to the evolution of insurance markets from the majority of member states. Romania is the only country from the European Union for which during the year 2012, **the gross written premiums were in average less than EUR 100 /capita**³. In 2013, this indicator dropped to eur/capita⁴ 91,83 and in 2014 data points to a penetration degree of eur/capita⁵ 93,36. The below EU average living standards, the effects of the economic crisis upon the consumption behavior and upon the strategies of economic agents, as well as the insufficient financial culture are factors which contribute to a currently reduced

² Computed as a ratio between the value in EUR of the gross written premiums and the size of the total population;

³ Source: Insurance Europe, Eurostat;

⁴ GWP value was 405,82 RON per capita, computed at an average fx rate of EUR/RON of 4,4190 RON computed by NBR for 2013;

⁵ GWP value was 414,96 RON per capita, computed at an average fx rate of EUR/RON de 4,4446 RON computed by NBR for 2014 and a population of 19.781.410 at 31 December 2014 according to INSSE.

level of the expenses allocated in the corporate and household budgets for insurance against risks, except those that are mandatory by law.

According to the quarterly XPRIMM Report for Q1 2015, the insurance market grew in the first quarter of 2015 by 8.6% in real terms and by 10.71% in nominal terms compared with the same period last year.

The aggregated value of gross written premiums for life and non-life insurance in Romanian market decreased in 2013 compared with 2012 by 1.60% in EUR (respectively 5.37% in RON)⁶. During 2014, as compared to 2013, gross written premiums for the two insurance categories decreased by 1.9% in EUR (respectively 2.3% in RON)⁷.

ASTRA's gross written premiums in 2014 compared to the gross written premiums' value in Romania for the main insurance classes is presented in the table below:

Insurance type	Gross written premiums (million RON)		Weight in the portfolio		Market share
	Market(*)	Astra(**)	Market	Astra	
MTPL	2,802.90	476.09	34.15%	61.82%	16.99%
MOTOR HULL	1,738.49	98.59	21.18%	12.80%	5.67%
PROPERTY	1,119.09	60.95	13.63%	7.91%	5.45%
LIFE	1,621.09	8.79	19.75%	1.14%	0.54%
OTHERS	927.00	125.70	11.29%	16.32%	13.56%
TOTAL	8,208.57	770.12	100.00%	100.00%	9.38%

Source: (*) XPrimm 2014 Report / (**) adjusted value as per 2014 Financial Statements

Weight by insurance types (computed according to the total volume of the gross written premiums) at Issuer's level and of the insurance market from Romania, in 2014

Regarding the structure of the portfolio of policies subscribed by the Issuer versus the structure at the market level from Romania, a higher focus of the Issuer upon the motor sector is observed (74.62% of total portfolio) versus the concentration of the Romanian insurance market registered on the same sector (52.43% from the total gross written premiums)⁸.

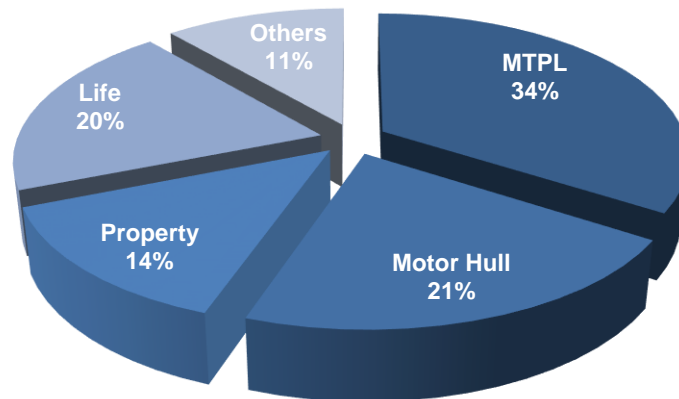
Furthermore, according to the data from the above table, it can be noticed that the weighting of the gross written premiums of the Issuer in the total ASTRA portfolio is lower on the life insurance segment, registering however significantly larger weightings for specialized insurance classes (especially aviation and marine), segments on which ASTRA was a market leader in 2014.

⁶ 2013 Annual FSA Report

⁷ 2014 XPrimm Report

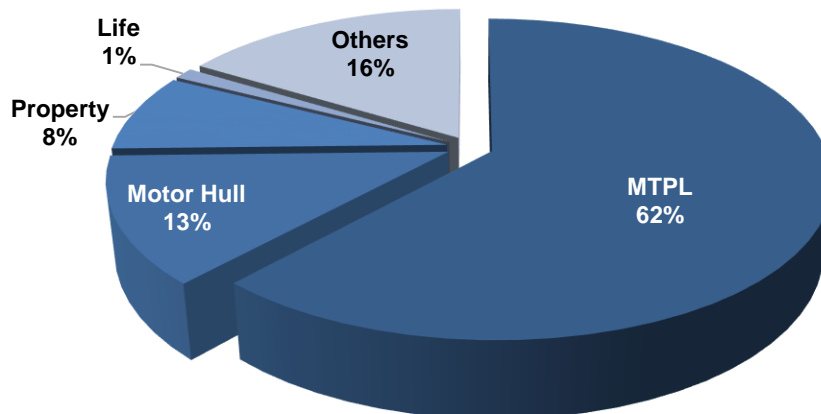
⁸ ASTRA

Weighting on insurance types
determined according to the total volume of gross premiums
subscribed at market level(*)



Source: XPrimm 2014 Report / (*) Adjusted according to Astra's 2014 Financial Statements

Weighting on insurance types determined according to the total
volume of subscribed gross premiums - ASTRA



Source: ASTRA

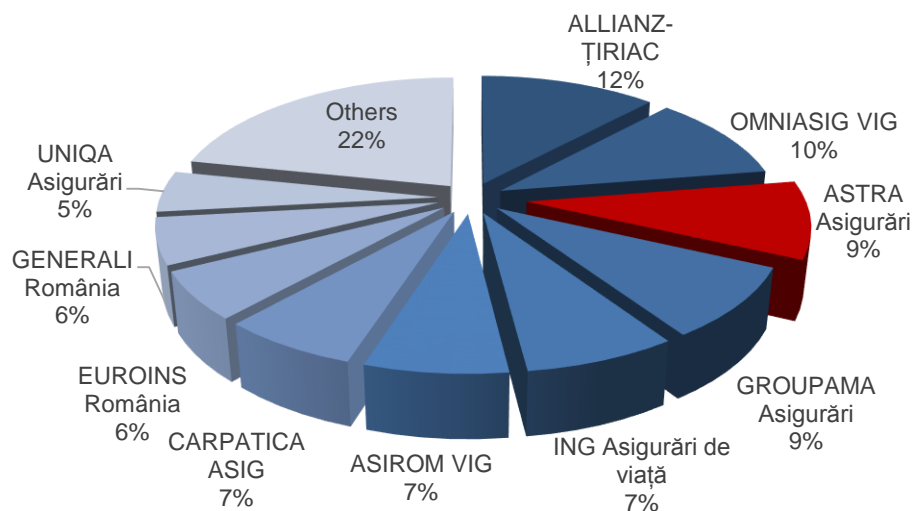
The Company's market shares on segments, such as Vehicle and Property represents the result of the homogenous strategy of regional coverage of the Company in regard to the structure of the sales force represented by agents, so as to ensure the **full coverage of regions with a medium and high potential**.

Astra maintained its position in 2014 among the top three insurance companies in the market according to XPRIMM ranking, based on gross written premiums ("GWP"). The market shares of the main insurance companies in Romania, based on the total volume of gross written premiums during 2014 is shown below:

Position	Company	Gross written premiums 2014 (millions RON)	Market share
1	ALLIANZ-ȚIRIAC	985.16	12.00%
2	OMNIASIG VIG	860.30	10.48%
3	ASTRA Asigurări (*)	770.12	9.38%
4	GROUPAMA Asigurări	710.85	8.66%
5	ING Asigurări de Viață	614.00	7.48%
6	ASIROM VIG	575.27	7.01%
7	CARPATICA ASIG	553.79	6.75%
8	EUROINS România	479.94	5.85%
9	GENERALI România	462.70	5.64%
10	UNIQA Asigurări	411.61	5.01%
11	Others	1,784.83	21.74%
TOTAL		8,208.57	100.00%

Source: XPRIMM 2014 Report / (*) adjusted as per 2014 Financial Statements

Market share of the main insurers in 2014



Source: XPRIMM 2014 Report; 2014 Financial Statements

The gross written premiums by the Company in 2014 represented **9.38% of the market share**, and the Company was in close competition with other significant insurers (e.g. ALLIANZ - ȚIRIAC, OMNIASIG, GROUPAMA). **The first 4 insurance companies add up to 40.52% of total GWP on the market.**

THE NON-LIFE ACTIVITY IN 2014

GWP structure by category as at 31 December 2014 was as follows:

- **RON 6,588 million**, GWP for Non-life insurance activity, that is 80.25% of total GWP;
- **RON 1,621 million**, GWP for Life insurance activity that is 19.75% of total GWP.

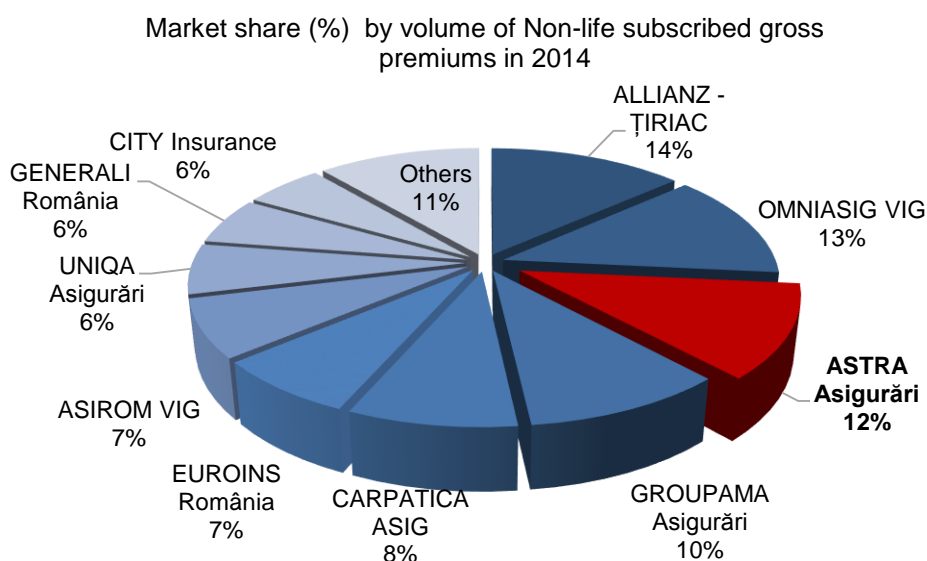
As the data shows, the insurance market in Romania **is concentrated on the Non-life insurance segment.**

ASTRA is one of the top three insurance companies in Romania based on Non-life GWP in 2014:

Position	Company	Gross written premiums (2014, million RON) Non-life segment	Market share
1	ALLIANZ-ȚIRIAC	887.96	13.48%
2	OMNIASIG VIG	860.30	13.06%
3	ASTRA Asigurări (*)	761.33	11.56%
4	GROUPAMA Asigurări	667.20	10.13%
5	CARPATICA ASIG	553.79	8.41%
6	EUROINS România	479.94	7.29%
7	ASIROM VIG	477.53	7.25%
8	UNIQA Asigurări	411.61	6.25%
9	GENERALI România	384.41	5.84%
10	CITY Insurance	361.75	5.49%
11	Others	741.66	11.26%
TOTAL		6,587.48	100,00%

Source: XPRIMM 2014 Report / (*) value as per 2014 Financial Statements

The first 4 insurance companies for the non-life insurance activity concentrate **over 48% of the total market share.**



Sursa: XPRIMM 2014 Report; 2014 Financial Statements

LIFE INSURANCE ACTIVITY IN 2014

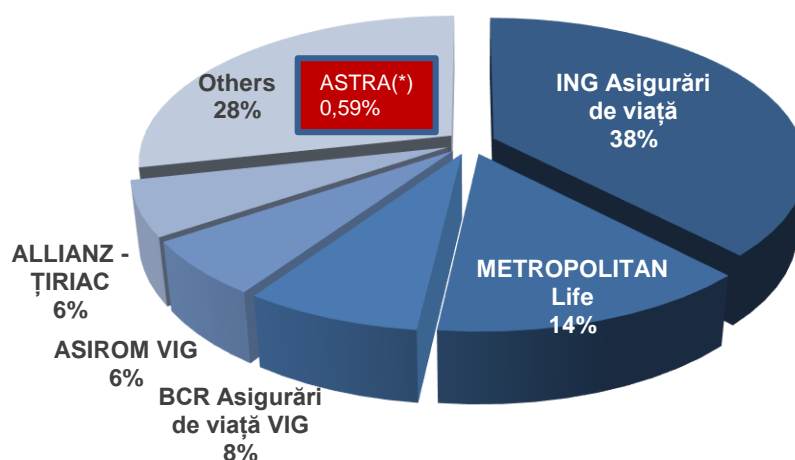
In comparison to the non-life insurance activity, the market share of the main insurers according to the total volume of life gross written premiums at the end of 2014 positions **the Issuer on place 15 from the total 18 insurance companies that concluded such policies.**

Position	Company	Gross written premiums (2014, million RON) Life segment	Market share
1	ING Asigurări de Viață	614.00	37.88%
2	METROPOLITAN Life	225.99	13.94%
3	BCR Asigurări de Viață VIG	124.23	7.66%
4	ASIROM VIG	97.74	6.03%
5	ALLIANZ-ŢIRIAC	97.20	6.00%
6	GENERALI România	78.29	4.83%
7	BRD Asigurări de Viață	76.73	4.73%
8	Eurolife ERB Asigurări de Viață	74.03	4.57%
9	AEGON România	49.91	3.08%
10	GRAWE România	47.10	2.91%
11	GROUPAMA Asigurări	43.65	2.69%
12	ERGO Asigurări de Viață	24.91	1.54%

Position	Company	Gross written premiums (2014, million RON) Life segment	Market share
13	CARDIF Assurance Vie	21.83	1.35%
14	AXA Life Insurance	20.73	1.28%
15	ASTRA Asigurări	8.79	0.54%
16	GARANTA Asigurări	7.86	0.48%
17	UNIQA Asigurări de Viață	7.41	0.46%
18	SIGNAL IDUNA	0.69	0.04%
TOTAL		1,621.09	100.00%

Source: XPRIMM 2014 Report/ (*) 2014 Financial Statements

Market share (%) by volume of Life subscribed gross premiums in
2014



Sursa: XPRIMM 2014 Report / (*)2014 Financial Statements

NON-LIFE INSURANCE ACTIVITY IN 2014: VEHICLE SEGMENT

The insurance market from Romania depends on the vehicle insurance segment, which represents **over 69% from the total gross written premiums related to non-life insurance segment in the year 2014 from the Non-life segment in Romania.**⁹ In this Segment are included Motor Hull policies (CASCO) - class 3 – “Insurance of means of road transportation (other than railroad)” and MTPL policies - class 10 – “Civil liability insurance for vehicles, covering the damage resulting from the use of road vehicles (inclusively carrier’s liability)”.

⁹ XPRIMM - Raportul XPRIMM 2014

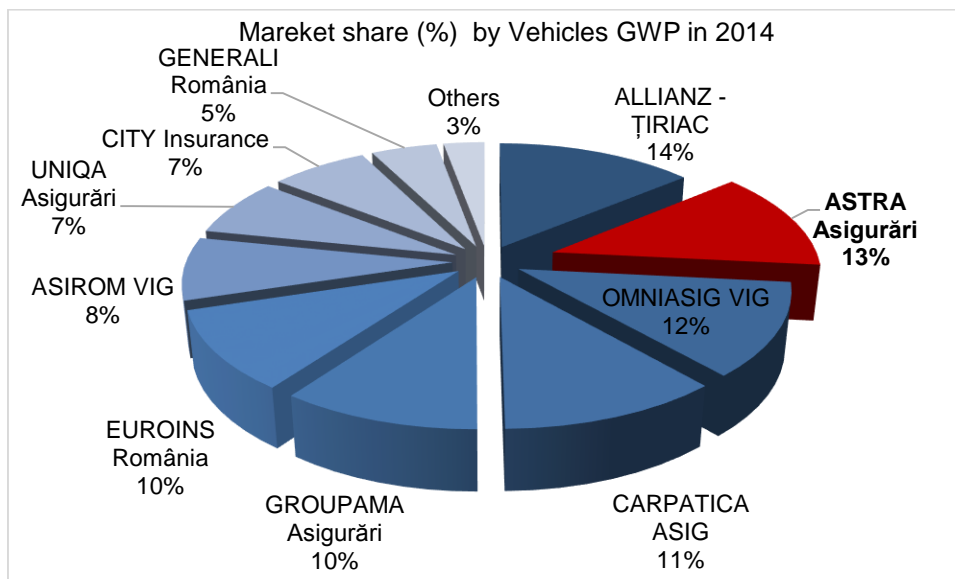
In the analyzed sector, the Issuer occupied **the second position on the market**, based on the information published in the Annual XPRIMM Report for 2014 and the information from the Financial Statements 2014.

The volume of written premiums and the market share of the main insurers from Romania at the end of the year 2014 on the vehicle insurance sector:

Position	Company	Gross Written Premiums Vehicle segment (million RON)	Market share
1	ALLIANZ-ȚIRIAC	633.94	13.96%
2	ASTRA Asigurări (*)	574.68	12.65%
3	OMNIASIG VIG	538.69	11.86%
4	CARPATICA ASIG	516.79	11.38%
5	GROUPAMA Asigurări	464.47	10.23%
6	EUROINS România	460.65	10.14%
7	ASIROM VIG	363.80	8.01%
8	UNIQA Asigurări	332.90	7.33%
9	CITY Insurance	312.55	6.88%
10	GENERALI România	211.82	4.66%
11	Others	131.10	2.89%
TOTAL		4,541.39	100.00%

Source: XPRIMM 2014Report / (*) value as per 2014 Financial Statements

(*) Vehicle GWP represent the added value of GWP in Romania, Hungary and Slovakia. For the rest of the companies the GWP represent the amounts recorded in Romania only.

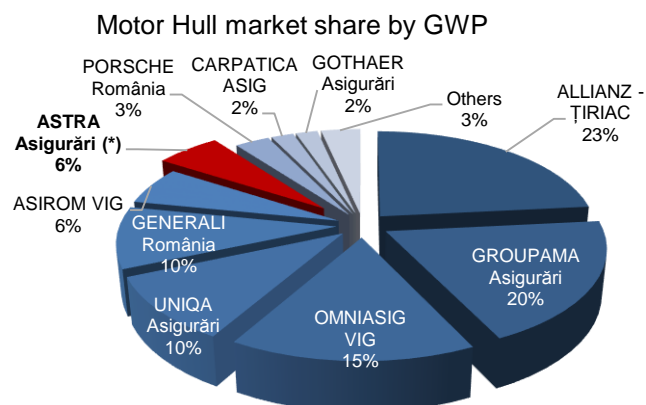
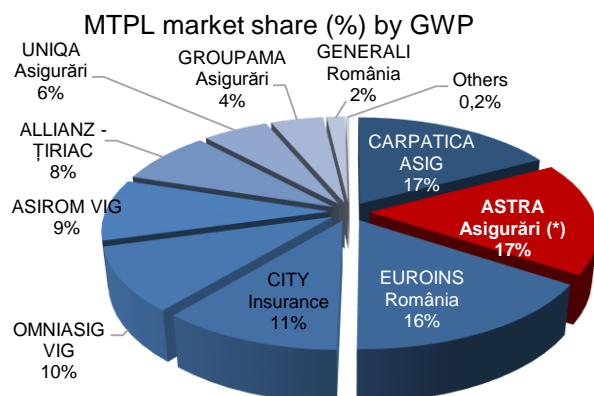


Sursa: XPRIMM 2014 Report; 2014 Financial Statements

MTPL segment Gross written premiums volume and market share of the main insurers as at the end of 2014:

Position	Company	MTPL gross written premiums (million RON)	Market share
1	CARPATICA ASIG	482.95	17.23%
2	ASTRA Asigurări (*)	476.09	16.99%
3	EUROINS România	449.42	16.03%
4	CITY Insurance	302.75	10.80%
5	OMNIASIG VIG	269.82	9.63%
6	ASIROM VIG	260.31	9.29%
7	ALLIANZ-ŢIRIAC	227.14	8.10%
8	UNIQA Asigurări	156.45	5.58%
9	GROUPAMA Asigurări	126.03	4.50%
10	GENERALI România	43.77	1.56%
11	Others	8.17	0.29%
TOTAL		2,802.90	100.00%

Sursa: XPRIMM 2014 Report / (*) value as per 2014 Financial Statements



Source: XPRIMM 2014 Report/ (*) value as per 2014 Financial Statements

Position	Company	Motor Hull gross written premiums (million RON)	Market share
1	ALLIANZ-ŢIRIAC	406.80	23.40%
2	GROUPAMA Asigurări	338.44	19.47%
3	OMNIASIG VIG	268.87	15.47%
4	UNIQA Asigurări	176.45	10.15%
5	GENERALI România	168.05	9.67%
6	ASIROM VIG	103.49	5.95%
7	ASTRA Asigurări (*)	98.59	5.67%
8	PORSCHE România	52.10	3.00%
9	CARPATICA ASIG	33.84	1.95%
10	GOTHAER Asigurări	32.97	1.90%
11	Others	58.89	3.39%
TOTAL		1,738.49	100.00%

Source: XPRIMM 2014 Report / (*) value as per 2014 Financial Statements

NON-LIFE ACTIVITY IN 2014: MARINE, RAILWAY AND AVIATION

The Company ended the year 2013 in the **leading position for marine, railway and aviation insurance**, recording a **market share of 61.40%**, as presented in the table below.

Gross written premium volume and market share of the main insurers as at the end of 2014 for marine, railway and aviation segment, considering written premiums for class 06 „Insurance of means

of sea, lake and river transportation”, class 05 „Insurance of means of air transportation” and class 04 „Insurance of means of railway transportation”:

Position	Company	Gross written premiums (million RON)	Market share
1	ASTRA Asigurări	51.77	61.40%
2	CERTASIG	12.30	14.59%
3	OMNIASIG VIG	9.29	11.02%
4	GOTHAER Asigurări	5.88	6.97%
5	GROUPAMA Asigurări	2.77	3.29%
6	Others	2.31	2.74%
TOTAL		84.32	100.00%

Source: XPRIMM 2014 Report / (*) values as per 2014 Financial Statements

• Marine Insurance line

With a worldwide coverage (by underwriting insurance throughout the global territory), ASTRA consolidated its leader position on the marine insurance market by developing a diversified product portfolio including insurance of H&M (“Hull & Machinery”), P&I (“Protection & Indemnity”) type, marine liability, but also complementary projects by aiming to diversify risks, such as insurance of ships older than 20 years (product newly-launched in June 2014, in a dedicated project, jointly developed with its international partners: JLJ Marine S.A. and Qatar Reinsurance Company LLC (“Qatar-Re”)).

The Company collaborates with the largest reinsurers from the field, amongst which we mention: Tamesis DUAL Limited, Sirius, XL Re, Qatar Re, Tempo Partners Limited, Non-life insurance Corporation of India, Triglav Re, Emitares Retakaful Limited, Milli Reasurans. Concurrently, ASTRA carries out business relations with reputed intermediaries (Marsh AS Norway, Marsh Marine&Energy AB Sweden, Willis AS Norway, Georg Duncker Germany, Seascope Insurance Services Ltd UK, FP Marine Risks Australia, Mar Risk UK, etc.), by which it concluded co-insurance and reinsurance contracts besides prestigious leaders from the field, such as: Norwegian Hull Club, The Swedish Club, Swiss RE, Gard AS, Generali Group, Allianz Global Corporate and Specialty AG (“Allianz AGCS”), Navigators Insurance Company UK, Codan Forsikring A/S.

The specialized marine insurance department of ASTRA is managed by **a team with an experience of more than 30 years in the field.**

• Aviation insurance line

ASTRA entered the aviation insurance market as of the year 2000, currently having a specialized aviation department with skilled staff, with an experience of over 10 years in the negotiation and development of insurance contracts. The risks assumed by the Company on aviation policies are

reinsured to an extent of 100% at first-rank reinsurers with whom exclusive partnerships were developed in time, among which the most important are: Global Aerospace Underwriting Managers Limited, Allianz AGCS, AIG Europe, International Insurance Company of Hannover SE, Catlin Insurance Company Ltd, Swiss Re, Munich Re, AXA Group and Aspen Insurance Holdings Limited. The Company collaborates with the most significant reinsurance intermediaries on the aviation and airspace insurance market, such as Willis Ltd and Bertil Grimme Insurance Brokers AG.

The Company has a diversified aviation product portfolio, including insurance for aircrafts, airlines, civil liability insurance (airport, of the supplier of airport services, of the airport constructor, of the air traffic control activity, etc.), and insurance against losing the aviation license and against accidents of the aviation staff.

GROSS CLAIMS PAID

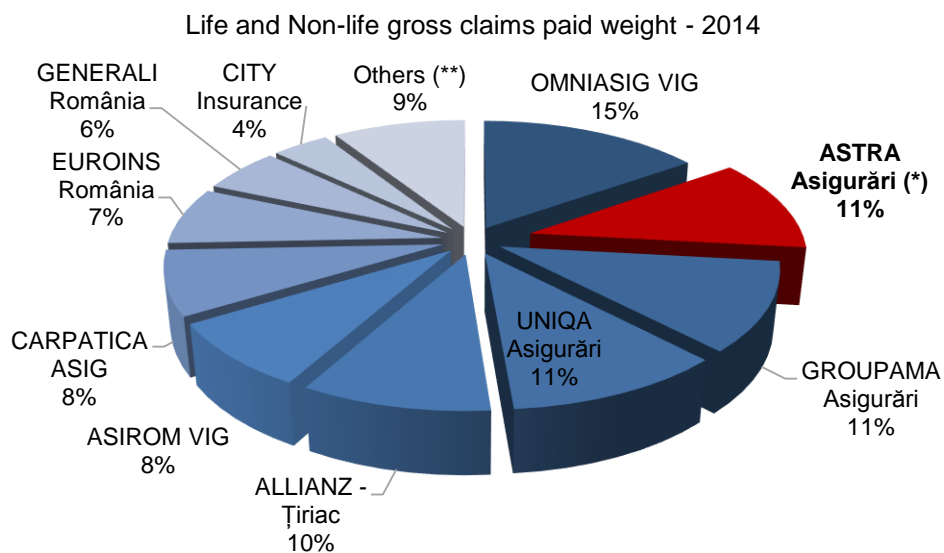
The total volume of gross claims paid and weighting of the main insurers at the end of 2014:

Position	Company	Gross paid claims (million RON)	Weight
1	OMNIASIG VIG	667.78	14.51%
2	ASTRA Asigurări (*)	499.97	10.87%
3	GROUPAMA Asigurări	480.34	10.44%
4	UNIQA Asigurări	478.83	10.41%
5	ALLIANZ-ȚIRIAC	413.42	8.99%
6	ASIROM VIG	357.76	7.78%
7	CARPATICA ASIG	348.26	7.57%
8	EUROINS România	309.76	6.73%
9	GENERALI România	240.31	5.22%
10	CITY Insurance	172.04	3.74%
11	Others (**)	632.23	13.74%
TOTAL		4,600.70	100.00%

Source: XPRIMM 2014 Report / (*) value as per 2014 Financial Statements/ (**) Computed as difference between total XPRIMM 2014 and TOP 10 companies

According to the annual XPRIMM report for 2014, the value of gross claims paid by insurance companies from Romania for non-life insurance recorded a nominal decrease of 19.7% versus the gross claims paid in 2013. The value of gross claims paid by insurance companies for life insurance recorded a nominal decrease of 15.15% in nominal terms, compared to the same previous period.

This declining trend for gross claims paid was also maintained in Q1 2015, declining by 4.9% in real terms and 3.9% in nominal terms, compared to the same quarter in 2014.



Source: XPRIMM 2014 Report / (*) value as per 2014 Financial Statements / (**) Computed as difference between total XPRIMM and top 10 companies

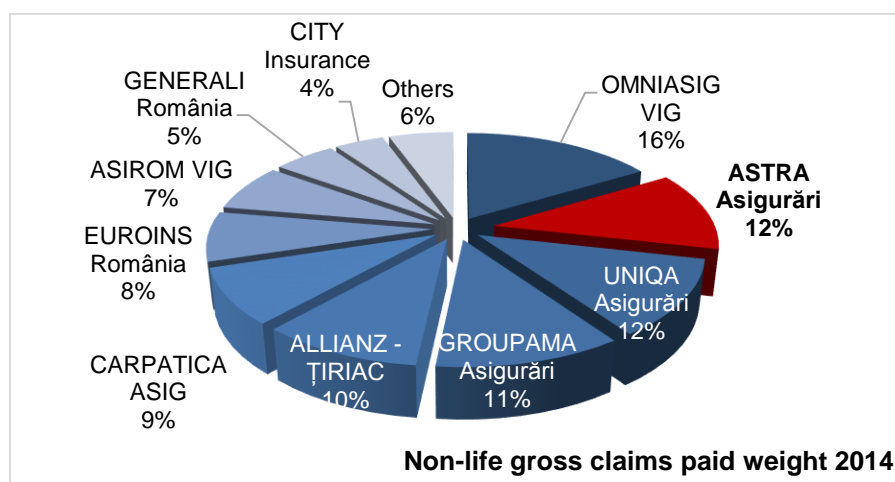
ASTRA **ranked 2nd** in top companies for largest gross claims paid for Non-life segment in Romania, as per XPRIMM 2014 Report.

The total volume of Non-life gross claims paid volume and weighting of the main insurers at the end of 2014:

Position	Company	Gross claims paid (million RON)	Weight
1	OMNIASIG VIG	667.78	15.62%
2	ASTRA Asigurări (*)	497.07	11.63%
3	UNIQA Asigurări	478.83	11.20%
4	GROUPAMA Asigurări	466.13	10.91%
5	ALLIANZ-ȚIRIAC	403.96	9.45%
6	CARPATICA ASIG	348.26	8.15%
7	EUROINS România	309.76	7.25%
8	ASIROM VIG	295.51	6.91%
9	GENERALI România	215.89	5.05%
10	CITY Insurance	172.04	4.03%
11	Others (**)	419.00	9.80%
TOTAL		4,274.23	100.00%

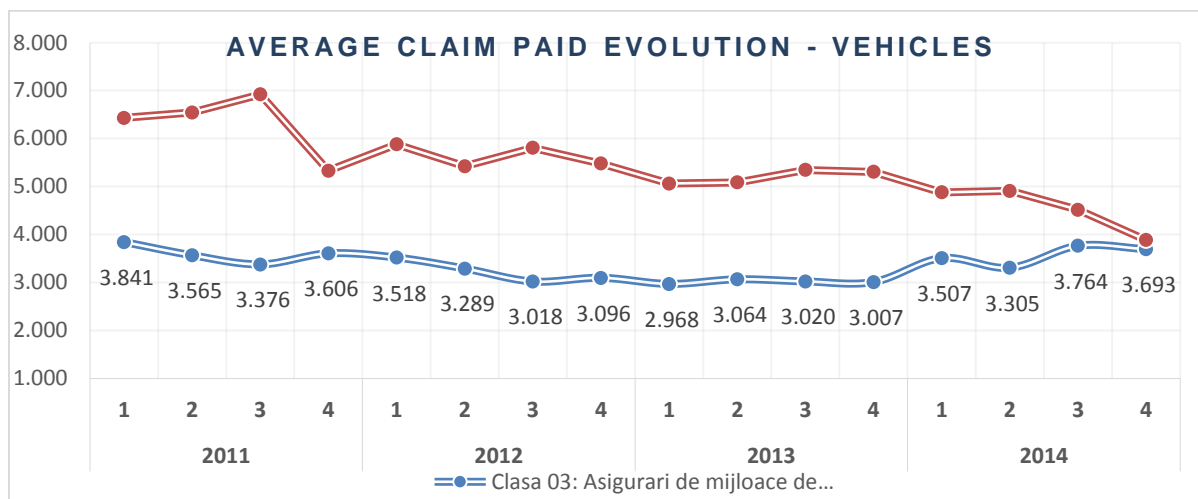
Source: XPRIMM 2014 Report/ (*) values as per 2014 Financial Statements/ (**) Computed as difference between total XPRIMM and top 10 companies

Significant weightings of the gross claims paid by insurance companies were recorded by the following insurance classes: **class 10 - Civil liability insurance for car owners, class 3 - Insurance of means of road transportation, class 8 - Insurance against fire and natural disaster.**



Source: XPRIMM 2014 Report / (*) value as per 2014 Financial Statements/ (**) Computed as difference between total XPRIMM and top 10 companies

As per the 2014 Financial Statements, the average claim paid for MTPL policies (class 10) continued to decline. This is shown in the graph below:



Source: ASTRA, 2014 Financial Statements and historical Financial Information (2011-2013)

The total volume of Life gross claims paid volume and weighting of the main insurers at the end of 2014:

Position	Company	Gross claims paid – Life (million RON)	Weight (%) gross written premiums
1	ING Asigurări de Viață	125.90	38.56%
2	ASIROM VIG	62.25	19.07%
3	GENERALI România	24.42	7.48%
4	GRAWE România	19.12	5.86%
5	AEGON România	14.54	4.45%
6	GROUPAMA Asigurări	14.20	4.35%
7	ALLIANZ-ȚIRIAC	9.45	2.89%
8	BRD Asigurări de Viață	7.68	2.35%
9	ASTRA Asigurări	2.90	0.89%
10	GARANTA Asigurări	1.54	0.47%
11	Others (**)	44.47	13.62%
TOTAL		326.47	100,00%

Source: XPRIMM 2014 Report/ (*) value as per 2014 Financial Statements / (**) Computed as difference between total XPRIMM and top 10 companies

According to XPRIMM 2014 Report, the Company ranked 9th in gross claims paid for life segment in 2014, weighting 0,89% in total gross claims paid for the life segment¹⁰.

6.2.2. Hungarian Insurance Market

The Hungarian market is represented by a number of 30 insurance companies. The main insurers in Hungary, determined by the volume of gross premiums written are: Allianz, Generali Providencia, Groupama, Aegon and ING¹¹.

ASTRA's value of gross written premiums in Hungary, as at 31 December 2014 (cumulated for non-life and life insurance) was of EUR 16.949¹¹ million EUR, up by 36,45%¹¹ compared to 2013.

Company's entered the insurance market in Hungary occurred at the end of 2010, by opening a branch in Budapest that commenced the insurance activity by underwriting policies for the civil liability of car owners, insurance against calamities and natural disasters and Motor Hull (CASCO)-insurance. The main products offered by the branch of the Company in Hungary are: **Motor Hull, corporate insurance, home insurance, life insurance, civil liability insurance for car owners.**

ASTRA branch in Hungary ranked 17th in 2014 among top 30 insurance companies operating on the insurance market in Hungary, the classification was based on the total gross written premium volume recorded in one year (according to the data reported by MABISZ). Astra's Hungarian branch issued gross premiums in 2014 totaling 17 million EUR¹² and had a market share of 0.57%¹¹.

Without a significant presence on the life insurance segment, the Astra Branch from Hungary occupies the 18th place, with gross written premiums of 0.3 million EUR and a market share of 0.02%.¹¹

Regarding Non-life policies (mainly MTPL), Astra's branch ranked 14th, with gross written premiums of 12 million EUR and a market share of 1.21%.¹¹

6.2.3. Slovakian Insurance Market

The Slovakian insurance market recorded an increase in 2014, gross written premiums volume increasing by 1.1% compared to 2013, reaching **2,081 million EUR**, out of which EUR 912 million are Non-life premiums. The largest companies activating on the market from Slovakia are: Allianz Slovenska Poistovna, Kooperativa Poistovna VIG, Generali Poistovna and KOMUNÁLNA Poistovna.¹³

ASTRA entered the Slovakian insurance market in December 2012, by setting up a branch in Bratislava. The corporate strategy in regard to the activity of the branch in Slovakia is based on

¹⁰ XPRIMM 2014 Report

¹¹ Association of Hungarian Insurance Companies (MABISZ) – "Insurance Market 2014" report, "Insurance Market 2013 1st- 4th Quarter" report (<http://www.mabisz.hu/en/market-reports.html>)

EUR amounts had been computed at the average fx rate EUR/HUF of National Bank of Romania for 2014, respectively 2013

¹² ASTRA/ EUR values have been calculated on the EUR/HUF exchange rate of the European Central Bank at 31 December 2013, respectively 31 December 2014

¹³ National Bank of Slovakia: <http://www.nbs.sk/en/financial-market-supervision/insurance-supervision/data> Slovak Insurance Association (SLASPO): <http://www.slaspo.sk/en/13075>

partnerships with insurance intermediaries, the main products offered being: civil liability insurance for car owners, Motor Hull (CASCO), home insurance and corporate insurance.

In 2014 the branch of the Company in Slovakia registered gross written premiums in the amount of **EUR 2,4 million** ¹⁴.

6.2.4. German market:

In December 2013, ASTRA obtained the endorsement of the Financial Supervisory Authority for the development of the activity of subscribing policies of civil non-life liability insurance in Germany. The products offered by the branch of the Company from Germany comprise civil liability insurance of the constructor, of the service suppliers, of owners, for damages inflicted by floods, of holders of livestock. The Company also subscribed policies under the convention on the freedom of services.

In regard to the information presented for the main markets on which the Company activates (the insurance market from Romania, Hungary, Slovakia and Germany), related to the financial year 2013, no public information was identified, according to which significant changes might impact the above-described markets. Also, in regard to the activity of the Company on the above-presented markets, up to the date of the Prospectus, the Company has not published interim financial information in order to determine significant changes of its market share.

6.3. If the information provided under paragraphs 6.1 and 6.2 has been influenced by exceptional factors, specify those factors.

N/A.

6.4. To the extent that they have significant influence over the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent on patents or licenses, industrial, commercial or financial or new manufacturing processes

The Company is regulated, authorized and supervised by FSA. FSA has authorization, regulation, supervision and control powers upon insurance, insurance-reinsurance and reinsurance companies, as well as upon insurance intermediaries, the supervision of insurers and reinsurers carrying out their activity in or from Romania, the supervision of intermediaries in insurance and reinsurance, as well as of other activities related thereto, according to the applicable legal provisions, from which we mention the following: **Law no. 136/1995 on insurance and reinsurance in Romania, with subsequent amendments and supplementations, Law no. 32/2000 on the insurance activity and insurance supervision, with subsequent amendments and supplementations, Law no. 260/2008 on the mandatory insurance of homes against earthquakes, landslides and floods, republished, Law no. 503/2004 on the financial recovery and the bankruptcy of insurance companies, with subsequent amendments.**

¹⁴ ASTRA

In regard to the activity of supervising insurance companies, the main indicators monitored by the supervisor are:

- **The liquidity ratio:** The liquidity ratio is the relation between liquid assets and the short-term obligations of the insurers towards the insured persons. By virtue of the norms issued by FSA, insurers are bound to have a **liquidity ratio of at least 1 for the non-life insurance activity and for the life insurance activity respectively.**
- **Solvency margin and the security fund:** Insurers authorized to practice non-life insurance and life insurance respectively are bound to permanently hold **an available solvency margin**, according to the activity carried out by them, **at least equal to the minimum solvency margin computed in accordance with the provisions of the norms.** By virtue of the norms issued by FSA, **the security fund is one third from the minimum solvency margin of the insurer**, computed according to the provisions of the norms. The minimum value of the security fund for the non-life insurance activity is the equivalent in RON of **EUR 2.5 million or EUR 3.7 million** according to the risk classes subscribed by insurer. If the insurer also carries out reinsurance activity and fulfils certain criteria, the minimum value of the security fund is the equivalent in RON of **EUR 3.4 million.** For life insurance, the minimum value of the security fund is the equivalent in RON of **EUR 3.7 million.**
- **The assets admitted to cover the gross technical reserves:** Insurance companies are bound to cover the gross technical reserves related to the non-life insurance and the life insurance activity respectively with the asset categories established in the norms issued by FSA, by observing the provisions established in the concerned norms.

The activity of underwriting insurance policies against natural disaster (PAD)

In Romania, ASTRA is authorized by FSA to practice risks of natural disaster. In the year 2009 the **Pool of Insurance against Natural disaster (PAID)** was set up by the joint effort of **12 insurance companies**, shareholders of PAID. The main role of the Pool of Insurance against Natural disaster is a social role of protecting the population against natural catastrophes specific to Romania. The insurance policies against natural disaster (PAD) are issued through companies that are shareholders of PAID and of companies authorized to practice risks of natural disaster that concluded collaboration protocols with PAID. ASTRA is a shareholder of PAID, **with a holding of 15% from the share capital of PAID** and issues PAD policies on its behalf.

The civil liability insurance for car owners

ASTRA is authorized to practice the mandatory civil liability insurance for car owners ("RCA"/MTPL), in accordance with the norms on the mandatory civil liability insurance for the prejudices inflicted by vehicle accidents approved by the Order of the President of the Insurance Supervisory Commission no. 14/2012. One of the specific conditions necessary to authorize a company in order to subscribe civil

liability insurance for car owners is to maintain the status of member in the **Office of Vehicle Insurers from Romania (BAAR)**, as well as the status of member in the Association "Fondul de protectie a victimelor strazii" (**Fund for the Protection of Traffic Victims**), **an active capacity throughout the validity period of the license**. BAAR members have the following main obligations:

- to fully observe the guarantee assumed under concluded "Green Card" insurance contracts;
- to conclude and maintain on a permanent basis the effectiveness of a reinsurance contract for damage surplus for the "Green Card" insurance";
- to contribute to the setting up and maintaining of the Joint Green Card Fund;

The very serious infringement by a member of its obligations towards BAAR or of its obligations he has as an MTPL insurer might result in the enactment by the General Meeting of BAAR of the decision to propose to the FSA, to withdraw its right to practice such insurance on the territory of Romania.

ASTRA is authorized to practice non-life insurance against fire and natural disaster (class 8) and civil liability of car owners (class 10), as follows:

- in Romania as of 2001;
- in Hungary as of 2010;
- in Slovakia as of 2012;

For the branch in Germany, the Company received in December 2013 a license from FSA to practice only non-life civil liability insurance (class 13).

6.5. Elements underpinning any declaration by the issuer regarding its competitive position.

N/A.

7. ORGANISATION CHART

The organization chart of the Issuer as of 31 December 2014 is presented in Appendix IV.

In accordance with art. 3 of FSA Decision no. 42/18.02.2014, from the date of issuing this decision the following duties and rights within the Company were suspended:

- a) legal prerogatives of the Company's significant individuals and shareholders. Their authorities were transferred to the Special Administrator throughout the special administration;
- b) the voting rights for the appointment and revocation of members in the Supervisory Board of the Company, the shareholders right to dividends, the activity and the right to remuneration of members in the Supervisory Board.

This suspension is effective throughout the Company's financial recovery period by special administration.

The Special Administrator fully took over the duties of the Company's significant persons, as they are stipulated by law and in the Company's Articles of Incorporation, including the duties of the Supervisory Board and Management Board members. The governance changes resulting from the FSA Decision no. 42/18.02.2014 were not illustrated in the structure of the Company's organization chart presented in Appendix IV.

7.1. If the Issuer is part of a group, a brief description of the group and of the Issuer's position therein.

Societatea de Asigurare-Reasigurare ASTRA S.A. **is part of the company group held by The Nova Group Investments Romania S.A. ("Nova Group)**, with the registered office in Bucharest, 1 Unirii Sq., Sector 3, Unirea Store, Floors 5 and 6, registered with no. J40/6208/1994 at the Trade Register Office, owned **99.9894%** by The Nova Group Investments BV with the registered office in Netherlands, Delft, Martinus Nijhofflaan 2, 2624ES and **0.0106%** by **Carmen Adamescu**, a Romanian citizen.

The Nova Group is a financial holding managing interests in various companies. The Nova Group business lines include financial services, hotel and trade, media, real estate development and construction.

Based on Letter no. 250/ 25.04.2014, specifically APPENDIX 6 of the Letter, sent by the Nova Group Investments Romania SA, represented by Bogdan Alexander Adamescu, to Societatea de Asigurare-Reasigurare ASTRA S.A, the structure of the Group of which the Issuer is a party, is represented in the table below:

Crt. No.	Company name	Parent Company - Group	Interest (%)
1	NOVA GROUP INVESTMENTS BV	STICHTING ADMINISTRATIEKANTOOR TNG	100%
		ADASPED-PRESTARI-COMERT SRL	0.07%
2	ADASPED INTERNATIONAL SA	The Nova Group Investments Romania SA	0.07%
	ADASPED-PRESTARI-COMERT SRL	Nova Group Investments BV	98.99%
3		The Nova Group Investments Romania SA	1%
		Nova Group Investments BV	99%
4	ALPHA SPV SRL	The Nova Group Investments Romania SA	1%
		The Nova Group Investments Romania SA	98.4%
5	ASTRA CARD SRL	TNG REAL ESTATE MANAGEMENT SRL	1.60%
6	ASTRA NOVA SECURITY SA	Nova Group Investments BV	99.09%
		Nova Group Investments BV	99%
7	BETA SPV SRL	The Nova Group Investments Romania SA	1%

Crt. No.	Company name	Parent Company - Group	Interest (%)
8	BURSA ROMANA DE MARFURI	The Nova Group Investments Romania SA	5.69%
9	COMPANIA HOTELIERA INTERCONTINENTAL ROMANIA SA	The Nova Group Investments Romania SA	15.71%
10	DELTA VENTUR SPV SRL	Nova Group Investments BV The Nova Group Investments Romania SA	99% 1%
11	EAST BUCHAREST COMERCIAL PARK SRL	Nova Group Investments BV The Nova Group Investments Romania SA	99.96% 0.04%
12	EPSILON ESTATE PROVIDER SRL	Nova Group Investments BV The Nova Group Investments Romania SA	99% 1%
13	ETA ESTATE SOLUTION SPV	Nova Group Investments BV The Nova Group Investments Romania SA	99% 1%
14	FOTBAL CLUB OTELUL	TNG REAL STATE MANAGEMENT SRL THETA PROFICIENCY SRL	99.78% 0.22%
15	GAMA TRADE SPV SRL	Nova Group Investments BV The Nova Group Investments Romania SA	99% 1%
16	INTERNATIONAL BUSINESS CENTER MODERN SRL	Nova Group Investments BV	94.00%
17	LIDO SA	The Nova Group Investments Romania SA	6.62%
18	MEDIEN-HOLDING SRL	Nova Group Investments BV	50%
19	MEGACONSTRUCT SA	Nova Group Investments BV The Nova Group Investments Romania SA	99.43% 0.57%
20	OMEGA CITY BUSINESS CENTER SRL	Delta Venture SPV SRL The Nova Group Investments Romania SA	99% 1%
21	RODACHIM SA	TNG REAL STATE MANAGEMENT SRL	49.98%
22	ROMANIAN - AUSTRIAN CASINO CORPORATION SRL	TNG REAL STATE MANAGEMENT SRL	99%
23	SIGUR INDUSTRIAL CONSTRUCT SRL (former BAUMEISTER S.A)	Nova Group Investments BV	99.93%
24	SOCIETATEA DE ASIGURARE - REASIGURARE ASTRA S.A.	Nova Group Investments Romania SA	72.68%

Crt. No.	Company name	Parent Company - Group	Interest (%)
		EPSILON ESTATE PROVIDER SRL	27.02%
25	STEAUUA ELECTRICA SA FIENI	The Nova Group Investments Romania SA	1.47%
26	The Nova Group Investments Romania SA (former NOVA TRADE S.A)	Nova Group Investments BV	99.19%
27	THETA PROFICIENCY SRL	Nova Group Investments BV	99%
28	TNG REAL STATE MANAGEMENT SRL	The Nova Group Investments Romania SA Nova Group Investments BV	99% 1%
29	UNIREA SHOPPING CENTER PITESTI SRL	Nova Group Investments BV	99%
30	UNIREA SHOPPING CENTER SA	The Nova Group Investments Romania SA	71.82%
31	ZETA SPV DEVELOPMENT SRL	TNG REAL STATE MANAGEMENT SRL The Nova Group Investments Romania SA	99% 1%

Source: Letter no. 250/ 25.04.2014, sent by The Nova Group Investments Romania SA to the Company

The information above was supplied by the major shareholder of the Issuer, i.e. The Nova Group Investments Romania SA (former NOVA TRADE S.A). It is impossible for the Issuer to perform exhaustive checks in order to determine to what extent the above information is complete and accurate.

Letter no. 250/ 25.04.2014 sent by the Nova Group Investments Romania SA to Societatea de Asigurare–Reasigurare ASTRA S.A. is presented in Appendix V.

7.2. A list of the issuer's significant subsidiaries, including name, country of origin or residence, proportion of interest ownership and, if different, proportion of voting rights held.

The Issuer has four subsidiaries: Astra Activ Imob SRL, Astra Safe Imob SRL, Astra Training SRL and Novacuart SRL. Based on own evidence, the interests held by the Issuer in subsidiaries, as well as interests held by its subsidiaries, are as follows:

Crt. No.	Company name	Country of Origin / Residence	Parent company - Group	Interest (%)
1	ASTRA ACTIV IMOB SRL	Romania	SOCIETATEA DE ASIGURARE - REASIGURARE ASTRA S.A. SC Novacuart SRL	95% 5%
2	ASTRA SAFE IMOB SRL	Romania	SOCIETATEA DE ASIGURARE - REASIGURARE ASTRA S.A. SC Novacuart SRL	95% 5%
3	ASTRA TRAINING SRL	Romania	SOCIETATEA DE ASIGURARE - REASIGURARE ASTRA S.A. SC Novacuart SRL	95% 5%
4	NOVACUART	Romania	SOCIETATEA DE ASIGURARE - REASIGURARE ASTRA S.A.	100.00%

Source: ASTRA

8. PROPERTY, PLANT AND EQUIPMENT

8.1. Information on any important existing or planned tangible assets, including leased properties and any major encumbrances thereon.

Below is presented a summarized table of the tangible assets of the Issuer as at 31st of December 2014. The information was extracted from the trial balance as at 31st of December 2014, being also in accordance with the 2014 Financial Statements.

The summarized table of tangible assets as at 31st of December 2014 is as follows:

RON	Gross book value 31.12.2014	Accounting revaluation 31.12.2014	Depreciation 31.12.2014	Net book value 31.12.2014
Tangible assets				
Technical equipment and vehicles, out of which:	26,916,869	-	22,112,879	4,803,989
<i>Non-life insurance</i>	26,652,489	-	21,900,057	4,752,431
<i>Life insurance</i>	264,380	-	212,822	51,558
Other equipment and furniture, out of which:	2,712,442	-	2,077,312	635,129
<i>Non-life insurance</i>	2,687,878	-	2,057,605	630,272
<i>Life insurance</i>	24,564	-	19,707	4,857
Advances and tangible assets in progress, out of which:	6,106	-	-	6,106
<i>Non-life insurance</i>	6,106	-	-	6,096
Total	29,635,416	-	24,190,192	5,445,225
Investments in land in building				
Land and building, out of which:	91,884,734	7,460,796	14,201,016	70,222,922
<i>Non-life insurance</i>	68,303,097	5,713,198	12,391,747	55,911,350
<i>Life insurance</i>	16,120,638	1,747,801	1,809,269	14,311,369
Total	84,423,938	7,460,796	14,201,016	70,222,922

The assets of the Issuer which have a net book value exceeding RON 1 million are as follows: three buildings located in Bucharest (net book value 25,806,139 RON), a building in Constanta (net book value 2,079,694 RON) a building in Focsani (net book value 1,559,771 RON), a building in Craiova (net book value 1,676,305 RON) and a building in Slatina (net book value 1,254,988 RON).

The assets having a net book value exceeding RON 1 million are encumbered as follows:

- Five of the buildings have over them a levy in favor of the National Company for Roads and Highways from Romania (file no.109/2014);

- Three of the buildings are pledged in favor of Libra Bank SA based on a mortgage contract; the net book value does not cover the amount of duties;
- Based on the lease contract no. 08/AA120 concluded on 01.02.2009, valid until 31.01.2019, the issuer has leased to SC Volksbank Romania SA one of the buildings mentioned above.

8.2. A description of any environmental issues that may affect the issuer's use of its property, plant and equipment.

N/A.

9. GENERAL OVERVIEW OVER THE FINANCIAL SITUATION AND RESULTS

9.1. The financial position - to the extent that such information is not covered elsewhere in the registration document, a description of the issuer's financial position, changes in the financial position and operating results for each year and interim period for which historical financial information must be provided, including the causes of material changes from year to year in the financial information, if the specifications are necessary so to understand the issuer's business as a whole.

At section 20.1 of the Prospectus are presented the balance sheet, the income statement, statement of changes in equity and cash flows statements, which have been extracted from the 2013 Financial Statements and 2014 Financial Statements.

9.2. Operating Results

9.2.1. Information regarding significant factors, including unusual or one-off events or new developments, materially affecting the issuer's operating revenue, indicating the extent to which they are affected.

Information regarding significant factors that influenced the evolution of the operating revenues can be found in the section Note to investors and in the section Special administration of the Company.

9.2.2. Where the financial statements reflect material changes in net annual turnover or net income, explain the reasons for such changes.

Following the annual inventory of the patrimony, it was revealed a number of changes associated to prior periods that include errors of applying the Company's accounting policies; therefore the retained earning position was affected with an additional loss of RON 118,111,579; the main balance sheet items affected as at 31st of December 2013 are as follows: the reported claims reserves, incurred but not reported claims reserves, receivables from direct insurance operations, receivables from reinsurance operations, revaluation reserve, other receivables, other prepaid expenses and other debt, including fiscal and social security liabilities. Out of these the most significant correction, of RON 120.9 million, was performed on reported claims reserve (more details on these adjustments can be found in Note 2 (v) of the Financial Statements 2014).

9.2.3. Information regarding any strategies or factors of governmental, economic, fiscal, monetary or political nature that have materially affected or could materially affect, directly or indirectly, the issuer's operations.

At the date of this Prospectus, certain normative acts are being developed which aim, among other aspects, to regulate the resolution mechanism applicable to insurance/re-insurance companies and also the transposition of European Solvency II legislative package at national level. Depending on the adopted final form, this legislation could significantly influence the operations of the issuer (<http://www.mfinante.ro/transparent.html?method=transparenta&>).

10. CASH AND CAPITAL RESOURCES

The Company's capital resources are coming from the capital increase that was performed by the existing shareholders through cash contribution, in amount of EUR 65,084,659.22 and the cash receipts obtained in the normal course of business of the entity (meaning gross earned premiums and other cash receipts).

As at 31st of December 2014 the company's equity was of minus (-) 871,820,771RON and consisted of:

Share capital	192,712,534
Revaluation reserves	45,453,965
Reserves	29,952,086
Retained earnings representing undistributed profit or loss brought forward	(921,843,619)
Retained earnings arising from first time adoption of IAS, except for IAS 29	7,382,386
Retained earnings from correction of accounting errors	(256,182,722)
Profit or loss for the year	30,704,600
Total capital and reserves	(871,820,771)

The gross earned premiums represented the main source of cash for the Company. The gross earned premiums for the activity performed in Romania, Hungary, Slovakia and Germany for the years ended 31st of December 2013 and 31st of December 2014, are detailed in the table below:

Gross earned premiums (RON)	2013	2014
Non-life insurance Romania	816,593,599	701,488,652
Non-life insurance Hungary	50,839,509	62,453,000
Non-life insurance Slovakia	2,197,559	9,331,329
Non-life insurance Germany	-	711,897
Life insurance Romania	13,198,184	8,526,761
Life insurance Hungary	978,787	1,305,703
TOTAL	883,807,638	783,817,343

Below is presented a synthesis of the Issuer's cash flows for the years ended 31st of December 2014 and 31st of December 2013; the information was extracted from the 2014 Financial Statements.

RON	2013	2014
1. Cash flow from operating activities	(73,892,379)	(103,309,981)
2. Cash flow from investing activities	16,925,047	39,109,573
Cash flows from financing activities:		
Cash receipts from received loans	10,900,834	-
Cash payments for reimbursed loans	(5,075,088)	-
Cash receipts from shareholders for share capital increases	-	65,084,659
3. Net cash from financing activities	5,825,747	65,084,659
Net decrease in cash and cash equivalents (B=1+2+3)	(51,141,586)	884,250
Cash and cash equivalents at the beginning of the year (A)	89,260,934	38,119,348
Cash and cash equivalents at the year-end (C=A+B)	38,119,348	39,003,598

The average value of daily payments has evolved depending on the available financial resources of the Company. Out of the total payments performed in 2014, the highest share was represented by payments related to claim files, the rest of the payments represented salaries and social contributions, payments to collaborators, payments to reinsurers, payments to PAID consisting of insurance premiums related to PAD compulsory insurance policies, commissions for the network of agents and brokers, taxes and contributions towards FSA and other expenses.

The Issuer does not use financing from banks or from other financial institution for its activities. During 2013, the Company concluded investment management contracts with affiliates, under which the Company has the obligation to manage the individual investment portfolios in order to obtain profits for investors (more information on these transactions can be found at section Related party transactions). On the 30th of June 2014 the Company has concluded compensation agreements in order to compensate the amounts receivable from MegaConstruct, ETA ESTATE SOLUTION SPV and THETA Proficiency Ltd, with the amounts due to Intercontinental Hotel Company and International Business Center Modern related to the investment contracts, based on the before mentioned compensation contracts the amount of 7,952,464 RON was offset. Thus as at 31st of December 2014 the Issuer has due to the related company Pall d'Or the amount of 3,147,714 RON, the other balances were offset during 2013.

The Issuer has no intention of making investments in fixed assets or other investments.

11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

If they are relevant, a description of research and development policies adopted by the issuer during each year of the period covered by historical financial information, indicating the amount spent on research and development activities sponsored by the issuer.

N/A.

12. INFORMATION ON TRENDS

12.1. *The main trends impairing the production, sales and inventories, the costs and sales prices at the end of the last ending financial year and until the date of drafting the document*

MACROECONOMIC TRENDS

Among the main macroeconomic trends impairing the volume and dynamics of the insurance market from Romania in the year 2014 were:

- ✓ Recording a 2.8% economic growth, as estimated by NIS;¹⁵
- ✓ The increase of the country rating for long-term loans in foreign currency and the local currency of Romania from "BB+" to "BBB-", by S&P in May 2014;¹⁶
- ✓ Non-residents' direct investment in Romania in 2014 decreased by 10.5% compared with 2013 to EUR 2.426 million level of which equity stakes (including estimated net loss) recorded EUR 2,581 million and intra-group loans have had a net negative value of EUR 155 million.¹⁷

General macroeconomic environment remained difficult in 2014, although some improvements have occurred compared to previous years. According to data from Eurostat, annual real growth of the GDP

¹⁵ INSSE

¹⁶ <http://www.bloomberg.com/news/2014-05-16/s-p-upgrades-romania-to-investment-grade-after-six-years.html>

¹⁷ <http://www.capital.ro/investitiile-straine-directe-au-totalizat-24-miliarde-de-euro-in-2014.html> conform BNR

in 2014 was 2.8% (2013: 3.5% 2012: 0.6%), supported by strong export demand and a consistent production agricultural.

In 2014, the Romanian economy was the second in the European Union ¹⁸ in view of the recorded economic growth (after Ireland) , whereas the Euro Zone level recorded in aggregate an annual economic growth 1,71%, and the average economic growth in the European Union grew by 2,63%.

The favorable forecasts regarding the prosperity and economic growth place Romania as **one of the attractive markets in view of investments**. In May 2014, after a 6-year period, the agency Standard&Poor's **positively revised the rating for long-term loans in foreign currency and local currency of Romania from "BB+" to "BBB-"**.¹⁸

According to the Eurostat data with an annual compound growth rate (CAGR¹⁹) of 10,47%, computed for the period 2005 to 2014, Romania has **the most important historic growth of GDP per capita from the EU Member States**, but at absolute level this remains at a very low level **of only EUR 7.561 per capita**, overtaking within the European Union only Bulgaria with EUR 5.800 EUR per capita. This shows a **large growth potential concurrently with opportunities of attractive investments**.

In the table below is shown the evolution of the GDP per capita at the level of the European Union within the period 2005-2014, together with the compound annual growth rate (CAGR) recorded in this period:

GDP evolution per capita (EUR)							
Country	2005	2014	CAGR (%)	Country	2005	2014	CAGR (%)
Romania	3,800	7,600	8.01%	Croatia	8,500	10,200	2,05%
Latvia	6,100	12,100	7.91%	Finland	31,300	37,400	2.00%
Lithuania	6,300	12,400	7.81%	Hungary	8,900	10,500	1.85%
Bulgaria	3,000	5,800	7.60%	Netherlands	33,100	38,900	1.81%
Slovakia	7,300	13,900	7.42%	Denmark	39,300	45,500	1.64%
Estonia	8,300	14,800	6.64%	France	28,100	32,400	1.59%
Poland	6,400	10,700	5.88%	Portugal	15,100	16,800	1.19%
Malta	12,700	18,600	4.33%	United Kingdom	32,100	34,400	0.77%
Czech Republic	10,700	14,700	3.59%	Spain	21,300	22,800	0.76%
Sweden	34,700	44,300	2.75%	Italy	25,600	26,600	0.43%
Germany	27,900	35,200	2.62%	Cyprus	20,200	20,500	0.16%

¹⁸ <http://www.bloomberg.com/news/2014-05-16/s-p-upgrades-romania-to-investment-grade-after-six-years.html>

¹⁹ Compound Annual Growth Rate measures the annual return on an investment based on previous balances including both principal and capitalized interest;
Source: www.nasdaq.com

GDP evolution per capita (EUR)							
Country	2005	2014	CAGR (%)	Country	2005	2014	CAGR (%)
Austria	30,800	38,500	2.51%	Ireland	40,700	40,200	-0.14%
Slovenia	14,600	18,100	2.42%	Greece	18,000	16,300	-1.10%
Belgium	29,700	36,100	2.19%	Luxemburg	63,900	:	#VALUE!
				UE-28	23,200	27,300	1.82%

Source: Eurostat

In contrast to the significant acceleration of the GDP growth, the economic activity at local level experienced inhomogeneous evolutions with a persistence of the internal demand deficit. Practically, the economic growth was focused on the segment of exporters where a small number of companies have a strong domination, but with a rather low triggering effect upon the local economy. This export-based economic growth model altered also the tax income (by higher reimbursements of VAT to exporting companies) and this compelled the Government to operate two budget rectifications for the financial year 2014, both rectifications being performed to diminish the forecast budget.

THE ROMANIAN INSURANCE MARKET

The insurance market, the capital market and the private pension market **still have** both individually and cumulatively **a reduced span versus the size of the national economy**, being significantly less developed by comparison to the banking market. In view of the social impact, the most important of the three markets supervised by FSA is currently the market of the private pension funds, such recording at the end of the year 2014 approximately **6,29 million participants in pillar II and approximately 0,34 million of participants in pillar III**. The total assets of the collective investment bodies regulated on the capital market exceeded during the last years the total assets of insurance companies.

Besides the fact that Romania is **within the last positions from among the countries of the European Union in regard to the insurance penetration degree**, one has to note the decreasing trend which this indicator had in the period 2008-2011. This downwards trend was however common to several European states, being to an equal extent the result of the domestic economic environment and of the international financial condition.

In 2014, the insurance penetration degree was around the value of **1,24%, down from 1,29% in 2013 and 1,41% in 2012**. This is largely due to the fact that the GDP recorded an advance of 2.8% in 2014 compared with 2013 after an increase of 3,5% in 2013 compared to 2012, whereas the insurance market (non-life insurance and life insurance) stalled. Gross written premiums during 2014 were approximately 8.216 million RON (non-life insurance segment - 6.594 million RON and life insurance

segment - 1.622 million RON) reported to an estimated level of the GDP in the amount of 666,64 billion RON.^{20,21}

The value of total gross written premiums in 2014 recorded a real decrease in RON of 2.32% and a nominal decrease in EUR of 1.84%.

The insurance market from Romania depends upon the vehicle insurance segment that represents 69% from the total gross written premiums related to the non-life insurance category in 2014).

According to the XPRIMM report on insurance developments in 2014 regarding the **concentration of insurers, the top 10 insurance companies** (including **ASTRA ranked third with a market share of 9.38%**) registered a the aggregate **market share of 78.26%** (gross written premiums in general insurance segments and life insurance). Compared with 2013, the cumulated market share of the same insurance companies fell by 0.31%.²²

According to preliminary data at 31 December 2014, the insurance brokerage market totaled RON 4.4 billion (equivalent to EUR 990 million). By reporting mediated premiums to gross premiums written by insurance companies results that in 2014 brokers generated approximately 54% of the total insurance market, compared to 48.4% in 2013 and 43.7% in 2012. Compared to the years 2010 and 2011, the indicator increased by about 10 percent, according to historical data available in electronic application INSURANCE Profile Interactive (www.insuranceprofile.ro)²³.

In 2014 the brokerage market portfolio was formed mostly of non-life insurance: 97.4%. Of the 18 sub-classes assigned to Non-life segment, the most important shares belong to vehicle specific policies with MTPL - 53.6% and Motor Hull - 23%. At the same time, significant business was generated by property insurance (12.3% of the market), general liability insurance (2.6%) or policies of loans and guarantees (1.6%).

Regarding claims paid, their total amount for 2014 decreased by 15.9% to the level of RON 3,866.57 million²⁴.

²⁰ <http://www.1asig.ro/Cu-subscrieri-de-8-miliarde-lei-in-2014-gradul-de-penetrare-al-pietei-de-asigurare-in-PIB-scade-la-1-21-Brokerii-au-generat-56-45-din-piata-articol-3-51002.htm>

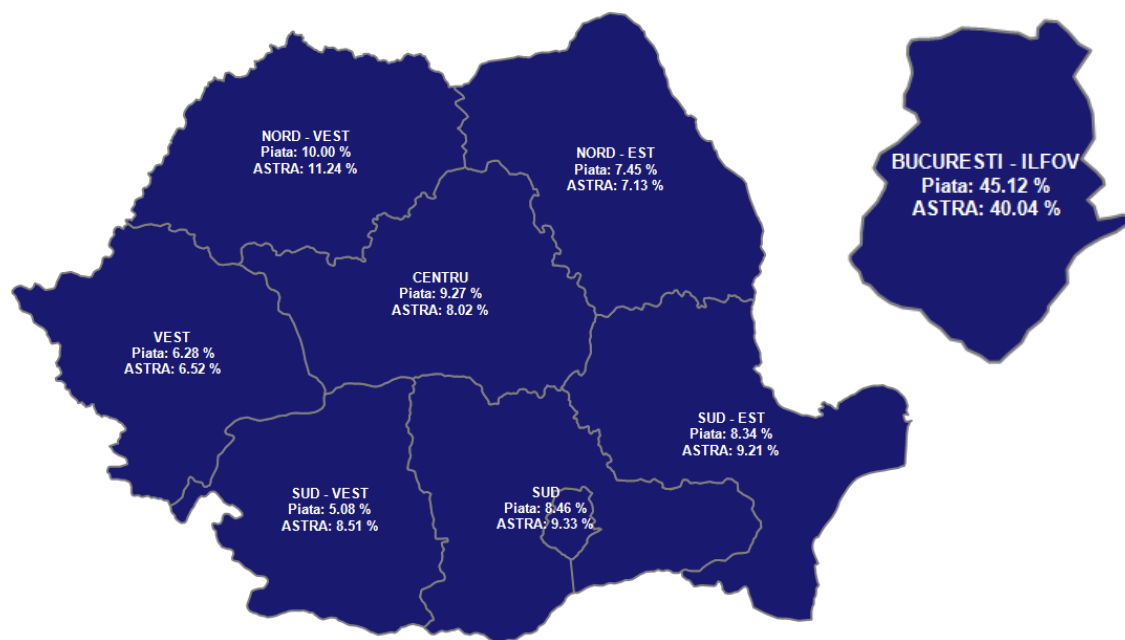
²¹ <http://www.1asig.ro/Cu-subscrieri-de-8-miliarde-lei-in-2014-gradul-de-penetrare-al-pietei-de-asigurare-in-PIB-scade-la-1-21-Brokerii-au-generat-56-45-din-piata-articol-3-51002.htm>

²² XPrimm 2014 Report

²³ XPrimm 2014 Report

²⁴ XPrimm 2014 Report

Below is shown the regional distribution of the gross written premiums in 2014 both at the level of the insurance market in Romania and at Company's level:



Source: ASTRA

NEW NORM REGARDING MTPL MANDATORY INSURANCE

The amendments of Norm no. 23/2014 concerning compulsory vehicle liability policies were published on 19 January 2015 in the Official Journal of Romania. According to these amendments:

- Insurance companies that subscribe MTPL insurance policies are required to establish premium rates on homogeneous risk categories, for periods of one year, computed on generally accepted actuarial basis for compensation limits established under the provisions of art. 24 of the norm. The provision stipulating that in setting premium rates insurers "should cover all obligations arising from the underwriting of MTPL insurance policies, establishment of technical reserves set out in current legislation and contributions to funds established under the laws in force as well as coverage of acquisition and administration expenses; The minimum interval of after which insurance companies can modify MTPL policies' prices, notified to the authority, decreased from 1 year to 6 months;
- Brokerage commission payment will be made as agreed between the parties;
- It repeals the article stipulating that the prices charged by repair shops in determining the amount of damages cannot be higher than prices charged by car dealership repair shops.²⁵

²⁵ Romanian Official Journal, Part I no. 44 from 19.01.2015

12.2. Information on any known trend, incertitude or requirement or any undertaking or covenant or event that could significantly influence the perspectives the Issuer, at least for the financial year in progress

As provided in the Prospectus, FSA issued Decision no. 42/2014 by which it ordered the commencement of the financial recovery procedure of the Company by special administration. In accordance with the monthly prudential reports remitted by the Company to FSA, throughout the period spanning between the date of commencing the special administration and the date of the Prospectus, the Company continued to breach the legal requirements on the minimum limit of the liquidity ratio and of the available solvency margin.

The Special Administrator pursues the financial recovery of the Company by implementing a set of measures communicated to and approved by FSA, measures that were mainly taken in order to re-establish the liquidity and solvency of the Company at the level of the legal requirements. On the date of this Prospectus, the Company continues the process of financial recovery by special administration, based on the recovery measures approved by FSA.

Due to further uncertainties regarding the implementation of financial recovery measures, the capacity of the Company to fulfil its current and future contractual obligations mainly depends upon the normal development of the operational activity. In this case, the Company might encounter major difficulties in generating sufficient liquidities in order to fulfil its current contractual obligations towards creditors and holders of insurance policies, in order to support its operations and fulfil the legal requirements applicable in the foreseeable future.

The successful implementation of the measures proposed in view of the financial recovery in order to avoid the commencement of bankruptcy procedure for the Company, also depends upon the identified real and operative recovery possibilities, considering inter alia the applicable economic constraints, the cumulated requirements of the insurance legislation, capital markets and companies, as well as the complex diagnosis of aggravated symptoms, generalized and accrued in time, at corporate level.

One of the measures imposed by FSA, and presented in detail in the recovery measures proposed by the Special Administrator and approved by FSA, is the capitalization of the Company through one or several operations of increasing the share capital, aimed to cover the liquidity demand of the Company inclusively. The canvassing of the necessary financial resources by the increase of the share capital mainly depends upon the willingness of the current shareholders to capitalize the Company, upon the materialization of the covenants of the majority shareholders to perform an initial capital infusion, as well as upon the materialization of the interests of strategic investors in regard to the Company.

The Company increased its share capital with a first installment in the amount of RON 65,084,659.22, representing a number of 24,467,917 nominative shares with nominal value of 2.66 RON / share and canceled a total of 1,847.873 shares left unsubscribed through special administrator's

KPMG Advisory SRL Decision No 68 / 03.10.2014, as corrected by Special Administrator's Decision No. 70 / 10.07.2014 which approved the capital increase of the Company from the amount of RON 192,712,533.86 to RON 257,797,193.08.

13. PROFIT FORECASTS OR ESTIMATES

The Issuer decided not to include profit forecasts or estimates the Prospectus.

14. ADMINISTRATION, MANAGEMENT, SUPERVISION AND TOP MANAGEMENT

14.1. The name, work address and position within the issuing company of the following people and the main activities carried out by them outside the issuing company, if the concerned activities are significant for the issuing company:

a) administration, management or supervisions members

According to the Company's Articles of Incorporation, the Issuer operates in 2-tier system administered by a Management Board and a Supervisory Board.

The Company's Management Board has executive power (together with organizational structures managers) and it is responsible for the management of the Company.

The Management Board has up of 3 (three) members (their number must always be uneven), appointed by the Supervisory Board, which also designates one member as the Management Board President and another one as the vice-president.

The Management Board members' number may be diminished or increased by a decision from the Supervisory Board.

Decisions regarding the appointment or revocation of the president and vice-president of the Management Board are made by the majority members of the Supervisory Board.

The Management Board exerts its authority under the control of the Supervisory Board that has from 3 to 11 members elected by Shareholder's Meeting (OGMS). The Supervisory Board designates from its members one president and optionally two vice-presidents.

According to art. 3 of FSA's Decision no. 42/18.02.2014, the legal duties of the Company's significant shareholders and of other significant personnel (including the duties of Management Board and Supervisory Members members) are suspended.

According to the law and the Company's Articles of Incorporation, the Special Administrator fully took over the duties of the Company's significant personnel.

The suspension mentioned above shall be in effect throughout the entire financial recovery procedure by special administration.

Given that the Supervisory Board and Management Board members' duties were suspended throughout the period of the financial recovery procedure by special administration, the activities carried

out by such people cannot significantly influence the Company until the Company is released from special administration. The Special Administrator does not foresee the end of the financial recovery procedure by special administration until the successful conclusion of the share capital increase process presented in this Prospectus, and not even then without additional measures.

Information on the suspended on the Management Board and Supervisory Board members:

- **Grigore-Dan Adamescu**, President of the Supervisory Board, has more than 15 years of professional experience in business management;
- **Bogdan Alexander Adamescu**, Vice-president of the Supervisory Board, has more than 8 years of professional experience in business management;
- **Ion Nitu**, Vice-president of the Supervisory Board, with over 27 years of professional experience and business management;
- **Iulius-Alin Bucsa**, President al Management Board, with more than 16 years of professional experience and 6 years of professional experience in business management;
- **Marius-Catalin Chiriac**, Vice-president of the Management Board, with more than 5 years of professional experience in management positions and over 2 years of professional experience in business management;
- **Nicoleta Dinu**, member of the Management Board, with more than 11 years of professional experience in management positions, over 1 year of professional experience in business management (as a Management Board member) and 8 years of professional experience in business management.

According to Decision no. 3/21.02.2014 issued by the Special Administrator, the members of the Management Board, whose duties were suspended by the FSA's Decision no. 42/18.02.2014, exercise only confirmation, coordination and certification duties on their own responsibility. These relate to the actions and specific processes within the organizational structures subordinated to them before the suspension. They exclusively have a consultative role. They do not have the right to represent or engage on behalf of ASTRA in relations with third parties or any other decision rights regarding the deeds proposed by them. The Special Administrator exclusively has these rights.

For all individuals mentioned above, the professional headquarters for the activity carried out as a Special Administrator/Member of the Management Board/ Supervisory Board is ASTRA's official headquarters in Bucharest, 3 Nerva Traian Street, M101 building, Floor 11, District 3.

The Issuer has no information on any activities carried out besides the Issuer by the suspended individuals mentioned above, activities which should be relevant for the Issuer.

As a Special Administrator appointed by the FSA, KPMG Advisory SRL has not performed any activities for other insurance/reinsurance companies, activities which would be relevant for the Issuer.

The nature of any current family relations among any of the individuals mentioned: Dan Grigore Adamescu (President of the Supervisory Board – currently suspended) is the father of Bogdan Alexander Adamescu (Vice-president of the Supervisory Board – currently suspended).

According to the Special Administrator's information:

- a) The Special Administrator has not been convicted over the last five year for fraud
- b) The Special Administrator has not acted as a member of any administration, management or supervision body at any company that commenced the bankruptcy, sequestration or winding up procedure during the last five years
- c) The Special Administrator has not received over the last five years any interdiction ruled by a court decision to act as a member of an administration, management or supervision body of an issuer or to hold a position in the business management or development of an issuer
- d) there is no official incrimination or political sanction ruled against the Special Administrator by the statutory or regulatory authorities, including the appointed professional bodies

14.2. Conflicts of interest within the administration, management and supervision bodies and the top management.

The Issuer is not aware of any current or potential conflicts of interest between the Special Administrator's obligations towards the Company and its private interests/any other attributions.

14.3. Information on any convention, agreement with the main shareholders, clients, suppliers or other people under which any of the individuals from section 14.1 was elected as a member of the administration, management and supervision or as a member of the top management:

Bogdan Alexander Adamescu (Vice-president of the Supervisory Board – currently suspended) is also the legal representative of the Company's majority shareholder (i.e. The Nova Group Investments Romania SA, holding 72. 7536% of the Issuer's shares). Moreover, considering that The Nova Group Investments România SA is a director – legal entity – of Epsilon Estate Provider SRL (a company holding 26. 2892% of the Issuer's shares), then Epsilon Estate Provider SRL is also represented by Bogdan Alexander Adamescu, as legal representative of the director-legal entity.

Except the above-mentioned, the Issuer is not aware of any convention, agreement with the main shareholders, clients, suppliers or other individuals under which the suspended members of the Supervisory Board or the Management Board were elected.

The Issuer is not aware of any convention or agreement with the main shareholders, clients, suppliers or other persons based on the ground on which the Special Administrator was named.

14.4. Details on any restriction accepted by the individuals mentioned on section 9.1 on assigning, within a certain time period, their interest in the share capital of the Issuer:

N/A.

15. REMUNERATIONS AND BENEFITS

15.1. The amount of paid remuneration (including any conditioned or deferred remuneration) and the benefits in kind granted by the Issuer and its subsidiaries for the services of any type supplied to their benefit by the concerned person.

According to FSA's decision about the monthly remuneration for the Special Administrator, the cumulated value of the remuneration related to the activity of the Special Administrator in the Company by 31 December 2014 was of RON 4.084.494 (net of VAT), out of which the value of unpaid remunerations (as at 31 December 2014) was of RON 636.169 (net of VAT).

15.2. The total amount assigned or accrued by the Issuer or its subsidiaries for the payment of pensions or other benefits

N/A. Except the remunerations provided in the section 10.1, the Special Administrator has no other benefits.

16. OPERATION OF THE ADMINISTRATION AND MANAGEMENT BODIES

16.1. The expiry date of the current mandate of the persons mentioned in section 14.1 letter (a), by case, and the period in which they held office.

Information on the members of the Company's suspended management team, as presented in section 14.1. (the suspension took effect when FSA's Decision no. 42/2014 was published and it will be maintained until FSA issues a new decision regarding the end of the special administration regime):

- **Grigore-Dan Adamescu**, President of the Supervisory Board, for a 4-year period, from 29.11.2010 to 29.11.2014.
- **Bogdan Alexander Adamescu**, Vice-president of the Supervisory Board, for a 4-year period, from 04.06.2013 to 04.06.2017.
- **Ion Nitu**, Vice-president of the Supervisory Board, for a 4-year period, from 08.11.2012 to 08.11.2016.
- **Iulius-Alin Bucșa**, President of the Directorate, as per the management contract from 22 October 2012 to 22 October 2017;
- **Marius-Cătălin Chiriac**, Vice-president of the Directorate, as per the management contract from 22 October 2012 to 22 October 2017;
- **Nicoleta Dinu**, member of the Directorate, as per the mandate contract from 5 March 2013 to 5 March 2017. Mrs. Nicoleta Dinu's contract was suspended for the period of child care leave, i.e. during the period 24 March 2013 - 18 March 2014.

In accordance with FSA's Decision no. 42/ 2014, the Special Administrator's mandate started on 18 February 2014 and will end when FSA drafts a decision regarding the end of the special administration regime or in other situations provided by law.

By the date of this prospectus, FSA has not issued any decision regarding the end of the special administration regime.

16.2. Information on the contracts concluded among the members of the administration, management, supervisory bodies and the Issuer or any of its subsidiaries which stipulate granting benefits at the end of the contract

FSA's Decision no. 42/18.02.2014 does not provide the remuneration to the Special Administrator with benefits at the end of the contract.

In regards to the benefits of the members of the suspended management team, one of the mandate contracts provided in section 11.1 stipulates remuneration. Thus, if the revocation of the mandate is performed before the end-date of the contract term, the trustee is entitled to the payment of the due remuneration for 6 months.

The other mandate or management contracts related to members of the suspended management do not stipulate granting benefits at the end of the contract.

16.3. Information on the audit committee or the remuneration committee of the Issuer, including the names of the members of such committees and a summary of the mandate by virtue of which the committees operate

The structure of the Company's Audit Committee, established in accordance with the Supervisory Board's Decision no. 5 from 11.06.2013, is the following: Alexander Bogdan Adamescu, Dan Grigore Adamescu and Ion Nițu. Throughout the special administration, the activity of the members of the Audit Committee is suspended.

The Audit Committee exerts the attributions provided by the Company's Organization and Operation Rules and Regulations, as well as any other attributions provided by law as incumbent on it.

According to the Company's Organization and Operation Rules and Regulations, there is no Remuneration Committee within the Company. The remuneration due for the year in progress related to the (currently suspended) members of the Supervisory Board is performed by the OGMS while determining the remunerations for the (currently suspended) members of the Directorate shall be performed by the Supervisory Board, within the limits established by the OGMS.

16.4. Issuer's declaration in regards to the observance/failure to observe the corporate governance regime

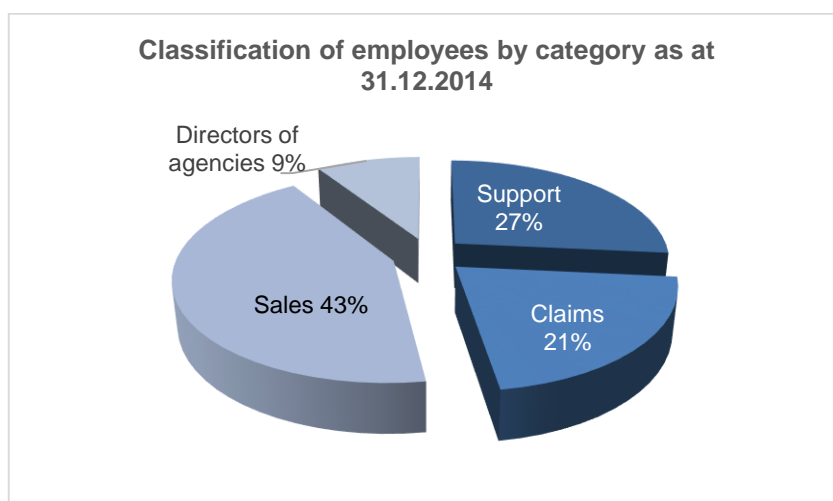
The Issuer records certain deficiencies in regards to complying with the corporate governance requirements. For example, the extraordinary situation triggered by the commencement of the financial recovery procedure by the Special Administrator and the change of the financial auditor during 2014

generated delays in the finalization of the audit procedure for the Financial Statements as of 31 December 2013 and implicitly the failure to observe the 4-month term for the approval of the Financial Statements by the shareholders.

17. EMPLOYEES

17.1. The number of employees at the end of the period for which historical financial information is provided or the average number of employees for each financial year within the same period, up to the date of the registration document (and changes in the number of employees, if material) and, if possible and relevant, a classification of employees by category of activity and geographic location. If the issuer uses a significant number of temporary employees, information on the average number of temporary employees during the most recent financial year will also be included.

As at 31.12.2014, the Company had 1,388 employees, out of which 1,309 employees in Romania, 61 employees in Hungary, 16 employees in Slovakia and 2 employees in Germany.



Source: Astra

The Issuer's Employees Union, called ASTRA ROSIND with headquarters in Bucharest, 12 Ion Slătineanu Street, District 1, and was established on 30 June 2013. The majority of the Company's employees joined the Union which currently consists of 1,088 members.

On 7 November 2015 the Union requested the Company to start negotiations for a Collective Labor Contract under the provisions of Article 129, paragraph 4 of Law No.62 / 2011 of the social dialogue and other legal provisions on this matter. Accompanying the request were several claims to be discussed with the Company. Some of these claims related to improving current activities have already been solved through internal Regulations and based on the Special Administrator's decisions.

Note that some of the Union's requests on granting redundancy payments and the conclusion of Collective Labor Contract with the Company remain under negotiation.

17.2. *The most recent information on the shares of each person referred to in paragraph 14.1 (a) and (d) and any option on such shares.*

As at 19.03.2015, except for Mr. Grigore Dan Adamescu, suspended President of the Supervisory Board who had a stake of 3,320 shares, none of the members of the Directorate and Supervisory Board of the Issuer held no shares issued by ASTRA.

The Special Administrator of the Issuer does not own shares issued by ASTRA.

17.3. *A description of any agreements regarding the employee's' participation in the Issuer's share capital.*

N/A.

18. MAIN SHAREHOLDERS

18.1. *Insofar this information is known by the Issuer, the name of any person, who is not a member of any of the Issuer's administration, management or supervision body and who is directly or indirectly holding a percentage of share capital or of the Issuer's voting rights, who has to be notified by the internal law applicable to the Issuer, as well as the value of the concerned interest or, in the absence of such persons, a proper negative declaration.*

The shareholder structure as at 06.04.2015 is presented in the table below:

Shareholder	No. of shares	Percent (%)
The Nova Group Investments Romania SA	70.510.096	72,7536
Epsilon Estate Provider SRL	25.478.537	26,2892
Individuals and legal entities	927.605	0,9572
TOTAL	96.916.238	100

18.2. *Information on the case in which the main shareholders of the Issuer have different voting rights*

The main shareholders of the Issuer do not have different voting rights.

Nevertheless, FSA's Decision No. 42/18.02.2014 states the suspension of the following:

- The legal prerogatives of the significant shareholders;
- The voting rights in regards to the appointment and revocation of the members of the Supervisory Board, and shareholder's right to dividends.

The suspension provided above is effective throughout the financial recovery procedure by special administration.

18.3. Insofar this information is known by the Issuer, it shall be specified by whom the Issuer is directly or indirectly held or controlled by; a description of the nature of the control and of the measures enacted so that this control would not be abusively exerted

The direct majority shareholders of the Issuer are: The Nova Group Investments România S.A., with a holding of 72.7536% and Epsilon Estate Provider S.R.L., with a holding of 26.2892%.

The Nova Group Investments BV holds stakes of 99.9% both in The Nova Group Investments România S.A. and in Epsilon Estate Provider S.R.L.

According to the most recent information held by the Issuer, as communicated by The Nova Group Investments România S.A., The Nova Group Investments BV is fully held by STICHTING ADMINISTRATIEKANTOOR TNG. The Issuer has no information on the shareholding of STICHTING ADMINISTRATIEKANTOOR TNG, according to the information communicated to the Issuer's by the group's management.

Bogdan Alexander Adamescu is the legal representative of The Nova Group Investments Romania SA.

The Nova Group Investments Romania SA (duly represented by Bogdan Alexander Adamescu) is the director-legal entity of Epsilon Estate Provider SRL.

18.4. A description of the agreements known to the Issuer, the application of which might generate, at a subsequent date, a change of the entity controlling the Issuer.

N/A

19. RELATED PARTY TRANSACTIONS

Details of transactions with related parties [which in this respect are those provided by rules adopted in accordance with Regulation (EC) no. 1606/2002], concluded by the issuer in the period for which historical financial information is provided up to the date of the registration document, in accordance with the relevant adopted standard under this regulation, if the issuer is within its scope. If the standard does not apply to the issuer, the following information shall be disclosed:

- a) the nature and value of all transactions which, taken individually or jointly are important to the issuer. If the transactions with related parties were not conducted on an arm's length basis, the reasons are to be explained. In the case of outstanding loans including guarantees of any kind, it shall be mentioned the amount outstanding;
- b) the amount or the percentage of related party transactions as part of the turnover of the issuer.

The Company provides services to related parties arm's length basis and benefits of services from such companies in similar terms.

There is a number of 90 affiliated companies within the group as at 31 December 2014. The most significant transactions were carried out with the following affiliated companies: TNG REAL ESTATE

MANAGEMENT, ASTRA NOVA SECURITY SA, THE NOVA GROUP INVESTMENTS B.V., PALL D'OR CON SA, INTERNATIONAL BUSINESS CENTER and MEGA CONSTRUCT SA.

The nature of the related party transactions consists of insurance policy underwriting, rental services, publicity services, security and guard, car maintenance and repairs, accommodation and protocol services, as well as loans granted within the group and portfolio management services.

The commercial transactions carried out under conventions and contracts concluded by the Company with the directors and other directors' related parties can be classified, as follows:

1. Insurance transactions related to insurance contracts in which the related parties act as contractors/insured parties:

RON	2013	2014
Gross written premiums	57,981,572	1,431,399
Total	57,981,572	1,431,399

Out of which:

	31 December 2013	31 December 2014
ROMANIAN - AUSTRIAN CASINO CORPORATION SRL	37,738	62,241
ASTRA NOVA SECURITY SA	3,937,822	44,620
THE NOVA GROUP INVESTMENTS B.V.	9,375	36,866
PALL D'OR CON SA	11,608	36,183
INTERNATIONAL BUSINESS CENTER	3,940,571	32,815
MEGA CONSTRUCT SA	1,140,184	32,079
TYCOON MEDIA PRESS	15,281	29,373
MEDIA ALPHA PUBLISHERS	79,388	27,476
TNG REAL ESTATE MANAGEMENT	3,915,456	25,275
SC FOTBAL CLUB OTELUL	5,232,684	23,127
Other related parties	39,661,466	1,081,344
Total	57,981,572	1,431,398

2. Insurance claims paid to related parties in which the related parties act as contractors/insured parties:

	2013	2014
Paid claims	15,967,170	151,171
Total	15,967,170	151,171

The claims paid as at 31 December 2013 include the amount paid to a Romanian financial institution, amounting RON 14,904,082, for the assignment of receivables held by the bank against REX Mamaia. Amount which was compensated subsequently with the claims owed by the Company to REX Mamaia. The value of the claims paid related to 2013, excluding the assignment of receivables amounts to RON 1,063,088.

3. Other related party expenses:

RON	2013	2014
Rent expenses	918,325	781,320
Management services	122,210	142,975
Utilities and other administrative expenses	2,396,559	811,900
Total	3,437,094	1,736,195

For 2014 the rent expenses in relation to related parties are in amount of RON 781,320 (2013: RON 918,325). For 2014 the management services towards International Business Center Modern were in amount of RON 142,975 (as at 31 December 2013, the management services were in value of 122.210 RON)

4. Income from related party transactions

RON	2013	2014
Income from related party transactions (rents)	64,562	43,215

On June 30, 2014, the Company has entered into agreements to compensate receivables from MegaConstruct, ETA ESTATE SOLUTION SPV and THETA PROFICIENCY SRL, totaling RON 8,245,360.

In addition, it has been proposed an additional compensation operation assets and liabilities to the entity PALL D'OR CON SA, transaction notified to FSA for approval. On 29/12/2014, the Company also filed an action lawsuit against PALL D'OR for the recovery of the overdue receivable.

5. Loans granted to/received from related parties:

Balance of granted loans:

Balance of granted loans:	31 December 2013	31 December 2014
'000 RON (*)		
MEDIEN HOLDING	109,868	109,845
BAUMEISTER	1,821	1,821
NOVACUART	175	183
MEGACONSTRUCT	4,917	274
ASTRA CARD SRL	310	310
ASTRA SAFE IMOB SRL	324	340
ASTRA TRAINING SRL	26	27
ETA ESTATE SOLUTION SPV	978	-
TNG REAL ESTATE MANAGEMENT	929	978
THETA PROFICIENCY SRL	2.325	-
TOTAL	121,673	113,777

Balance of received loans:

Balance of received loans:	31 December 2013	30 September 2014
'000 RON		
INTERNATIONAL BUSINESS CENTER	(704)	(0)
COMPANIA HOTELIERA INTERCONTINENTAL	(7,249)	(0)
PALL D'OR	(2,948)	(3,100)
TOTAL	(10,901)	(3,148)

(*) Balances before impairment adjustments, presented in detail below.

The loans granted to related parties are presented below:

	31 December 2013			31 December 2014		
	Gross book value	Impairment adjustments	Net book value	Gross book value	Impairment adjustments	Net book value
<i>Medien Holding SRL (i)</i>	22,601,224	22,601,224	-	22,596,415	22,596,415	-
<i>Medien Holding SRL (i)</i>	5,024,553	5,024,553	-	5,020,689	5,020,689	-
<i>Medien Holding SRL (i)</i>	80,334,326	80,334,326	-	80,319,232	74,922,788	5,396,444
<i>Baumeister (i)</i>	1,820,907	1,820,907	-	1,820,907	1,820,907	-
<i>Medien Holding SRL (i)</i>	1,907,764	1,907,764	-	1,907,763	1,907,763	-
<i>Novacuart (i)</i>	175,100	175,100	-	183,131	183,131	-
<i>Megaconstruct (ii)</i>	4,917,288	-	4,917,288	273,647	273,647	-
<i>Astra Card SRL (i)</i>	310,000	310,000	-	310,000	310,000	-
<i>Astra Safe Imob SRL (i)</i>	324,179	324,179	-	340,468	340,468	-
<i>Astra Training SRL (i)</i>	25,958	25,958	-	27,283	27,283	-
<i>ETA Estate Solutions SPV (ii)</i>	978,005	-	978,005	-	-	-
<i>TNG Real Estate Management (i)</i>	928,990	928,990	-	977,584	977,584	-
<i>Theta Proficiency SRL (ii)</i>	2,325,461	-	2,325,461	-	-	-
Total	121,673,755	113,453,001	8,220,754	113,777,119	108,380,675	5,396,444

As 31 December, the amounts to be collected from related parties include interest to be collected in the amount of RON 12,306,869. As at 31 December 2013 this interest amounts to RON 15,673,896.

- (i) As at 31 December 2014, the Company recognized a depreciation impairment to an extent of 100% (2013: 100%) from the value of the loans granted to related parties (Baumeister, Novacuart, Astra Card SRL, Astra Safe Imob SRL, Astra Training SRL, TNG Real Estate Management), considering the lack of relevant financial information/ the shortfall of income that should ensure the loan reimbursement sources. Additionally, the loans granted to Medien Holding SRL, Baumeister and ASTRA CARD SRL were due before 31 December 2013;
- (ii) The loan recovery procedures by operations of *datio in solutum* of assets pertaining to Medien Holding or other related parties started in 2014 did not succeed. After 31 December 2014, the Company submitted an application to open insolvency proceedings Medien Holding, as part of legal proceedings conducted to recover the amounts granted as loan to it. For the loans granted to Medien Holding, the Company recognized an impairment adjustment of 95% given the amount estimated to be recoverable in the above mentioned procedure.
- (iii) At 30 June 2014, the Company concluded compensation agreements for the amounts to be collected from MegaConstruct, ETA ESTATE SOLUTION SPV and THETA PROFICIENCY SRL, in the total amount RON 8,245,360, with the amount owed by Astra to Compania Hoteliera Intercontinental and International Business Center Modern. In this process, the amount of RON 273,647 was not compensated. For this debt, the Company has recognized an impairment adjustment of 100% on 31 December 2014.

Loans received from related parties are as follows:

RON	31 December 2013	31 December 2014
INTERNATIONAL BUSINESS CENTER MODERN SRL	703,692	0
COMPANIA HOTELIERĂ INTERCONTINENTAL	7,248,772	0
PALL D'OR	2,948,370	3,147,714
Total	10,900,834	3,147,714

During the year 2013, the Company concluded investment management contracts with the affiliated companies, for a 1-year term, under which the Company undertakes to manage the individual investment portfolios in order to obtain profit for the investors, an activity further to which the Company is remunerated

with a management fee (between 0% and 1%) applied on the average value of the total assets managed in the month it is computed for.

Debts to the companies International Business Center Modern and Compania Hoteliera Intercontinental were off-set further to the aforementioned compensation agreements.

6. Transactions with PAID

RON	2013	2014
Net premiums income		2,436,417
	1,691,021	
Balance of premiums owed to PAID		1,244,507
	10,063,536	

7. Liabilities to related parties

As at 31 December 2014 and 31 December 2013, the final balance of liabilities toward related parties from services rendered by them and other related expenses comprises:

	31 December 2013	31 December 2014
OMEGA CITY BUSINESS CENTER SRL	784,151	884,550
ASTRA NOVA SECURITY SA	366,586	475,764
INTERNATIONAL BUSINESS CENTER MODERN SRL	216,415	216,414
UNIREA SHOPPING CENTER SA	183,426	372,286
Other affiliates	150,269	508,027
Total	1,700,847	2,457,043

8. Receivables from related parties

As at 31 December 2013, the Company has receivables in the amount of RON 242,041 against GRUPUL DE PRESA ROMAN, related to the rental services provided.

As at 31 December 2014, the receivables against GRUPUL DE PRESA ROMAN are in the amount of RON 285,255.

The Company also recorded at 31 December 2014 debts from Omega City Business Center SRL related to the sale contract for a real estate building subsequently rented to the Company in amount of RON

12,219,941 (31 December 2013: RON 4,648,179). As at 31 December 2014, the depreciation adjustment related to this debt is RON 11,608,946 (31 December 2013: RON 0).

9. Reserve balance recorded in relation to related parties:

	31 December 2013	31 December 2014
Premiums reserve (a)	13,307,302	744,733
Claims reserve	260,758	49,735
Bonuses and rebates reserve	36,778	85,601
Mathematical reserve	2,118,040	2,531,033

10. Premiums reserve

RON	31 December 2013	31 December 2014
ASTRA NOVA SECURITY SA	926,392	34,888
THE NOVA GROUP INVESTMENTS B.V.	6,327	27,750
MEDIA ALPHA PUBLISHERS	23,789	21,621
ROMANIAN - AUSTRIAN CASINO CORPORATION SRL	23,449	16,792
REX MAMAIA	22,901	15,646
P.A.I.D SA	22,038	15,255
INTERNATIONAL BUSINESS CENTER	915,399	14,071
ALPHA SPV SRL	898,922	10,799
MEGA CONSTRUCT SA	269,577	10,534
PALL D'OR CON SA	7,817	9,480
TNG REAL ESTATE MANAGEMENT	902,827	9,441
Other affiliates	9,287,864	558,454
Total	13,307,302	744,733

20. FINANCIAL INFORMATION ON THE PATRIMONY, FINANCIAL POSITION AND RESULTS OF THE ISSUER

20.1. Historical financial information

The Financial Statements for the financial year 2013 and 2014 were prepared in accordance with:

- 1) Order no. 3129/2005 of the President of the Insurance Supervisory Commission approving the accounting regulations in line with the European Directives specific to insurance business, as subsequently amended and supplemented, which transposes:
 - European Economic Community Directive 91/674/EEC of 19 December 1991 on the annual and consolidated financial statements for insurance companies published in the Official Journal of the European Union no. L 374, of 31 December 1991, as subsequently amended and supplemented;
 - The Fourth European Economic Community Directive 78/660/EEC of 25 July 1978 on the annual accounts of certain types of companies published in the Official Journal of the European Union no. L 222 of 14 August 1978, as subsequently amended and supplemented;
- 2) Accounting Law no. 82/1991, as republished and amended;
- 3) Norms issues by the Financial Supervisory Authority no. 1/2014 for the implementation of the Norms on the closing of the 2013 financial year for insurance companies.

The main elements of the balance sheet for 2013 and 2014, as such were extracted from the 2013 and 2014 Financial Statements, are presented below:

Name of element	31.12.2012	31.12.2013	31.12.2014
	RON	RON	RON
Intangible assets	6.047.874	3.638.325	3.601.313
Investments in tangible assets	91.923.352	80.424.484	70.222.922
Investments in related parties, equity investments and other investments in financial assets	22.297.181	25.449.117	24.864.534
Other financial investments	169.380.158	86.535.033	48.339.730
Reinsurer's share of technical reserves, out of which:	420.488.233	101.042.596	79.314.829
Reinsurer's share of technical reserves for non-life insurance	409.570.334	98.660.110	76.835.883
Reinsurer's share of technical reserves for life insurance	10.917.899	2.382.486	2.478.946
Amounts receivable from related parties	110.414.606	8.220.754	5.396.444
Receivables from direct insurance operations	527.751.678	184.415.571	144.553.409
Receivables arising from reinsurance operations	201.957.284	26.036.243	7.066.912
Other receivables	121.275.212	55.240.359	32.064.200
Tangible assets and inventories	11.365.790	8.742.377	6.108.102
Cash at bank and in hand	19.845.427	6.250.901	11.228.847
Accrued interest and prepaid rent	201.656	63.06	16.665
Deferred acquisition costs	155.440.297	109.756.023	95.792.267
Other prepayments	8.786.925	7.292.315	316.223
TOTAL ASSETS	1.867.175.673	703.107.158	528.886.398
Share capital	192.712.534	192.712.534	192.712.534
Revaluation reserves	55.281.367	55.281.367	45.453.965
Legal and other reserves	29.952.086	29.952.086	29.952.086

Name of element	31.12.2012	31.12.2013	31.12.2014
	RON	RON	RON
Retained earnings representing undistributed profit or loss brought forward	(11.185.935)	(4.514.877)	(921.843.619)
Retained earnings arising from first time adoption of IAS, except for IAS 29	7.382.386	7.382.386	7.382.386
Retained earnings from the correction of accounting errors	(72.630.571)	(138.071.143)	(256.182.722)
Profit or loss for the year	6.671.058	(917.328.742)	30.704.600
Total capital and reserves	208.182.925	(774.586.389)	(871.820.771)
Technical reserves related to non-life insurance	1.166.577.709	1.226.479.797	1.054.323.677
Technical reserves related to life insurance	40.111.604	32.271.408	31.546.351
Provisions	-	6.497.729	101.383.515
Liabilities from direct insurance operations	730.488	423.924	413.013
Amounts payable to related parties	-	10.900.834	3.147.714
Liabilities from reinsurance operations	302.291.299	57.761.055	35.729.011
Other liabilities including tax and other social security charges	130.283.940	130.245.213	161.684.135
Accruals and deferred income	18.997.708	13.113.586	12.479.754
TOTAL LIABILITIES	1.867.175.673	703.107.158	528.886.398

Source: 2013 and 2014 Financial Statements

The main elements of the Non-Life Insurance Technical Account are presented below:

Name of element	2012 RON	2013 RON	2014 RON
Earned premiums, net of reinsurance, out of which:	752.760.787	511.981.838	697.472.165
Gross written premiums (+)	1.107.387.211	905.003.566	761.322.644
Premiums ceded to reinsurers (-)	312.216.145	333.500.295	143.226.576
Change in unearned premium reserve (+/-)	90.424.053	(92.167.082)	(82.534.958)
Changes in unearned premium reserve ceded in reinsurance (+/-)	48.013.774	(151.688.515)	(3.158.861)
Share of the net investment return (difference between investment income and expenses), transferred from the non-technical account	16.756.707	-	-
Other technical income, net of reinsurance	60.444.546	103.834.106	76.166.098
Claim expenses, net of reinsurance	283.129.398	559.074.334	227.465.363
Change in other technical reserves, net of reinsurance	51.220.147	5.553.912	(44.733.768)
Net operating expenses, out of which:	325.954.530	505.773.963	357.978.395
Acquisition costs (+)	212.847.465	347.523.378	262.588.066
Change in deferred acquisition costs (+/-)	8.781.382	44.030.593	(26.630.290)
Administrative expenses (+)	119.271.355	128.961.052	127.527.619
Commissions from reinsurers and profit participation (-)	14.945.672	14.741.060	5.507.000
Other technical expenses, net of reinsurance	174.044.737	235.793.382	117.659.413
Technical result for non-life insurance			
Profit/(Loss)	(4.386.772)	(690.379.647)	115.268.860

Source: 2013 and 2014 Financial Statements

The main elements of the Life Insurance Technical Account are presented below:

Name of element	2012 RON	2013 RON	2014 RON
Earned premiums, net of reinsurance, out of which:	26.095.358	14.908.687	11.057.478
Gross written premiums (+)	24.157.572	14.282.368	8.793.683
Premiums ceded to reinsurers (-)	116.137	306.405	158.325
Change in premium reserve (+/-)	(2.053.923)	(932.724)	(2.422.120)
Investment income	1.199.961	1.972.545	1.798.083
Other technical income, net of reinsurance	0	110.962	22.623
Claim expenses, net of reinsurance	3.220.625	20.491.187	4.409.743
Change in life insurance technical reserves	9.599.247	(7.091.745)	117.924
Net operating expenses	5.599.574	4.577.030	3.941.468
Acquisition costs	4.316.074	3.408.702	2.704.527
Change in deferred acquisition costs	0	0	0
Administrative expenses	1.283.500	1.168.328	1.236.941
Investments charges	281.903	1.586	451.751
Other technical expenses, net of reinsurance	0	128.569	37.815
Technical result for life insurance Profit/(Loss)	8.593.970	(1.114.433)	3.919.483

Source: 2013 and 2014 Financial Statements

The main elements of the Non-technical Account are presented below:

Name of element	2012 RON	2013 RON	2014 RON
Technical result of non-life insurance Profit/(Loss)	(4.386.772)	(690.379.647)	115.268.860
Technical result of life insurance Profit/(Loss)	8.593.970	(1.114.433)	3.919.483
Investment income	18.803.350	12.301.534	3.730.724
Unrealized gains from investments	0	111.556	2.304.256
Investment charges	2.046.643	31.388.546	1.301.069
Unrealized losses on investments	0	0	2.560.060
Share of net gains from investments transferred to the non-life insurance technical account	16.756.707	0	0
Other non-technical income	10.057.727	4.192.249	15.717.741
Other non-technical expense, inclusively provisions and value adjustments	7.269.836	210.905.643	106.234.040
Current result			
Profit/(Loss)	6.995.089	(917.182.930)	30.845.894
Total income	1.461.908.608	1.186.505.009	1.054.673.904
Total expenses	1.454.913.519	2.103.687.939	1.023.828.010
Gross result			
Profit/(Loss)	6.995.089	(917.182.930)	30.845.894
	0	145.812	128.415
Income tax			
Other taxes (not included in the previous items)	324.031	0	12.879
Net result			
Profit/(Loss)	6.671.058	(917.328.742)	30.704.600

Source: 2013 and 2014 Financial Statements

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2014

		Increase		Decrease		
	Balance at beginning of the year	Total, of which	by transfer	Total, of which	by transfer	Balance at the end of the year
Share capital	192.712.534	-	-	-	-	192.712.534
Revaluation reserve	55.281.367	5.735.629	-	15.563.032	5.965.070	45.453.964
Legal reserve	6.133.118	-	-	-	-	6.133.118
Statutory or contractual reserves	-	-	-	-	-	-
Reserves from realized revaluation surplus	-	-	-	-	-	-
Other reserves	23.818.968	-	-	-	-	23.818.968
Own shares	-	-	-	-	-	-
Reserves from conversion	-	-	-	-	-	-
Retained earnings arising from undistributed profit or retained loss	-	-	-	-	-	-
Credit balance	-	-	-	-	-	-
Debit balance	4.514.877	917.328.742	917.328.742	-	-	921.843.619
Retained earnings arising from first time adoption of IAS, except for IAS 29	-	-	-	-	-	-
Credit balance	7.382.386	-	-	-	-	7.382.386
Debit balance	-	-	-	-	-	-
Retained earnings arising from application of accounting regulations in accordance with European Directives	-	-	-	-	-	-
Credit balance	-	-	-	-	-	-
Debit balance	-	-	-	-	-	-

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2014

		Increase		Decrease		
	Balance at beginning of the year	Total, of which	by transfer	Total, of which	by transfer	Balance at the end of the year
Retained earnings arising from correction of errors						
Credit balance	-	-	-	-	-	-
Debit balance	138.071.143	205.955.409	-	87.843.829	5.965.070	256.182.722
Result of the financial year						
Credit balance	-	30.704.600	-	-	-	30.704.600
Debit balance	917.328.742	-	-	917.328.742	917.328.742	-
Distribution of profit	-	-	-	-	-	-
Total shareholders' equity	(774.586.389)	(1.086.843.922)	(917.328.742)	(989.609.539)	(917.328.742)	(871.820.771)

Source: 2014 Financial Statements

(i) Please see **section 9.2.2. "Where the financial statements reflect material changes in net annual turnover or net income, explain the reasons for such changes."**

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2013

		Increase		Decrease		
	Balance at the beginning of the year	Total, of which	by transfer	Total, of which	by transfer	Balance at the end of the year
Share capital	192.712.534	-	-	-	-	192.712.534
Revaluation reserve	55.281.367	-	-	-	-	55.281.367
Legal reserve	6.133.118	-	-	-	-	6.133.118
Statutory or contractual reserves	-	-	-	-	-	-
Reserves from realized revaluation surplus	-	-	-	-	-	-
Other reserves	23.818.968	-	-	-	-	23.818.968
Own shares	-	-	-	-	-	-
Reserves from conversion	-	-	-	-	-	-
Retained earnings arising from undistributed profit or retained loss	-	-	-	-	-	-
Credit balance	-	-	-	-	-	-
Debit balance	11.185.935	-	-	6.671.058	6.671.058	4.514.877
Retained earnings arising from first time adoption of IAS, except for IAS 29	-	-	-	-	-	-
Credit balance	7.382.386	-	-	-	-	7.382.386
Debit balance	-	-	-	-	-	-
Retained earnings arising from application of accounting regulations in accordance with European Directives	-	-	-	-	-	-
Credit balance	-	-	-	-	-	-
Debit balance	-	-	-	-	-	-

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2013

		Increase		Decrease		
	Balance at the beginning of the year	Total, of which	by transfer	Total, of which	by transfer	Balance at the end of the year
Retained earnings arising from correction of errors						
Credit balance	-	-	-	-	-	-
Debit balance	72.630.571	65.440.572	-	-	-	138.071.143
Result of the financial year						
Credit balance	6.671.058	-	-	6.671.058	6.671.058	-
Debit balance	-	917.328.742	-	-	-	917.328.742
Distribution of profit	-		-	-	-	-
Total shareholders' equity	208.182.925	(982.769.314)	-	-	-	(774.586.389)

Source: 2014 Financial Statements

Cash-Flow Statement – Non-life insurance for the years 2012, 2013 and 2014 is presented below:

Name of element	2012 (RON)	2013 (RON)	2014 (RON)
Cash flow from operating activity			
Net Profit /(Loss)	(1.922.912)	(916.214.308)	26.596.812
Adjustments for non-cash items and other elements included in investment or in financing activity	(140.271.460)	964.486.862	(130.628.039)
Depreciation expense	8.975.258	9.282.925	7.834.945
Provisions	-	6.497.729	94.885.786
Net value adjustments	(9.887.760)	430.857.118	(27.784.273)
Non-monetary adjustments for investment income and charges and value adjustments	-	29.530.722	(1.144.521)
Profit from disposal of tangible and intangible assets	(14.098)	(52.933)	-
Profit from disposal of financial assets	(3.046.286)	(3.456.447)	-
Interest income	(13.484.376)	(7.237.608)	(1.418.215)
Change in technical reserves net of reinsurance	(58.477.259)	558.613.020	(281.390.922)
Change in acquisition costs carried forward	(33.058.152)	45.684.274	(26.630.290)
Other non-cash adjustments	(31.278.787)	(105.231.938)	105.019.451
Changes in working capital during the period	21.548.159	(121.946.478)	3.140.508
Changes in receivables and other assets	(222.462.655)	(138.380.903)	29.363.953
Changes in liabilities and deferred income	244.010.814	16.434.425	(26.223.445)
Income tax paid	(324.031)	-	-
1. Net cash flow from operating activities	(120.646.213)	(73.673.924)	(100.890.719)
Cash flow from investing activities:			
Cash receipts from the sale of investments, placements and interest income	5.269.108	15.471.295	39.447.152

Name of element	2012 (RON)	2013 (RON)	2014 (RON)
Cash payments for acquisition of tangible and intangible assets	(1.597.956)	(4.654.890)	(2.438.304)
Cash receipts from the sale of tangible and intangible assets	562.905	-	-
Loans granted	(5.710.000)	-	-
Cash receipts from dividend, interest and other	15.441.830	3.441.396	-
Cash payments for dividends, interest and other	(1.957.454)	-	-
2. Net cash flow from investing activities	12.008.433	14.257.802	37.008.849
Cash flows from financing activities:			
Cash receipts from loans received	-	10.900.834	-
Cash receipts from life insurance transfer	-	8.118.610	-
Cash payments for reimbursed loans	(12.000.000)	(5.075.088)	-
Cash receipts from shareholders for share capital increases	-	-	65.084.659
3. Net cash from financing activities	(12.000.000)	13.944.357	65.084.659
Net increase/(decrease) (1+2+3)	(120.637.780)	(45.471.766)	1.202.789
Cash and cash equivalents at the beginning of the year	203.578.347	82.940.567	37.468.800
Cash and cash equivalents at the year-end	82.940.567	37.468.800	38.671.589

Source: Financial Statements 2013

Cash-flow statement – Life insurance for the years 2012, 2013 and 2014 is presented below:

Name of element	2012 (RON)	2013 (RON)	2014 (RON)
Cash flow from operating activity			
Net Profit /(Loss)	8.593.970	(1.114.434)	4.109.751

Name of element	2012 (RON)	2013 (RON)	2014 (RON)
Adjustments for non-cash items and other elements included in investment or in financing activity	2.612.010	780.109	(1.506.606)
Depreciation expense	584.718	611.350	622.638
Revenues/ income from interest and others	(1.166.606)	(989.019)	(213.766)
Change in technical reserves net of reinsurance	9.529.837	695.216	(821.516)
Change in acquisition costs carried forward	(13.250)	-	-
Other non-cash adjustments	(6.322.690)	462.562	(1.093.962)
Changes in working capital during the period	(7.575.215)	115.870	(5.022.408)
Changes in receivables and other assets	(15.121.582)	7.684.758	788.297
Changes in liabilities and deferred income	7.546.367	(7.440.944)	(5.810.705)
Income tax paid	-	(127.944)	-
1. Net cash flow from operating activities	3.630.765	(218.455)	(2.419.262)
Cash flow from investing activities:			
Cash payments for acquisition of tangible and intangible assets	(25.713)	-	1.196
Cash receipts from the sale of tangible and intangible assets	-	72.797	-
Loans (granted)/received	(6.178.607)	1.537.696	-
Cash receipts from interest, dividends and others	1.166.375	1.056.753	2.099.527
Cash payments for interest, dividends and others	231	-	-
2. Net cash flow from investing activities	(5.037.714)	2.667.245	2.100.724
Cash flows from financing activities:			
Cash payments through transfer to non-life insurance	-	(8.118.610)	-

3. Net cash from financing activities	-	(8.118.610)	-
Net increase/(decrease) in cash and cash equivalents (1+2+3)	(1.406.950)	(5.669.820)	(318.539)
Cash and cash equivalents at the beginning of the year	7.727.316	6.320.367	650.548
Cash and cash equivalents at the year-end	6.320.367	650.548	332.009

Source: Financial Statements 2013

The accounting policies and explanatory notes to the Financial Statements 2013 and 2014 are included in Appendix III.

As at 31 December 2013, the solvency margin of the Company available for non-life insurance was RON minus (-) 810,151,361 (negative value), while as at 31 December 2014 was minus (-) RON 908,252,736 (negative value) whereas according to the legal requirements applicable on the same date, the Company should have had as at 31 December 2013 a minimum solvency margin for the non-life insurance activity in the amount of RON 144,770,548, while as at 31 December 2014 the minimum solvency margin for non-life insurance activity was of RON 115,910,139. Thus, the solvency margin level for non-life insurance activities is not in line with art. 2, par. (1) under Order no. 3/2008 by the President of the Insurance Supervisory Commission for the implementation of the Norms on the computation of the solvency margin available of the minimum solvency margin and the security fund insurers carrying on non-life insurance activities, as amended and supplemented ("Order 3/2008).

As at 31 December 2013, the Company registered a 0.12 liquidity ratio for non-life insurance activities, while as at 31 December 2014 the registered liquidity ratio was of 0.08, determined as the ratio between liquid assets and short-term debts to policyholders, thus not complying with the provisions of Order 9/2011 by the President of the Insurance Supervisory Commission for the implementation of the Norms on technical reserves for non-life insurance, assets admitted to cover them and the spread of assets admitted to cover gross technical reserves, as well as the liquidity ratio, as subsequently amended and supplemented ("Order 9/2011"). As at 31 December 2013, the Company registered a 0.94 liquidity ratio for the life insurance activity, while as at 31 December 2014 the registered liquidity ratio was of 0.86, determined as the ratio between liquid assets and short-term debts to policyholders. Thus the Company did not comply with the provisions of Order 8/2011 by the President of the Insurance Supervisory Commission for the implementation of the Norms on technical reserves for life insurance, assets admitted to cover them and the spread of assets admitted to cover gross technical reserves as well as the liquidity ratio, as subsequently amended and supplemented ("Order 8/2011").

As at 31 December 2013, the Company registers a deficit of minus RON 752,801,050 (negative value), while as at 31 December 2014 the Company registers a deficit of minus RON 699,815,900 (negative value) between the technical reserves and the assets admitted to cover them for non-life insurance therefore not complying with the provisions of Order 9/2011.

20.2. Financial pro forma information

N/A.

20.3. If it drafts both own financial statements on individual and consolidated basis, the Issuer shall include in the registration document at least the annual consolidated Financial Statements

N/A. The Company drafts only individual financial statements.

The corporate management analyzed the requirements for preparing consolidated financial statements in accordance with the Order of the President of the Insurance Supervisory Commission no. 3129/2005 (currently the Financial Supervisory Authority) (Order 3129/2005). Further to the analysis, according to the provisions from art. 17 and art. 18 from part 2 "Accounting regulations in line with the European Directives on the consolidated financial statements of companies from the insurance field" from Order 3129/2005, specifying that the materiality principle in regard to the inclusion in the consolidated statements of the balance sheet and profit and loss account elements of subsidiaries, it resulted an insignificant impact at the level of each position (lower than 1% from the balance sheet line, respectively than the profit and loss account at consolidated level). Thus, such stand-alone financial statements represent the fair image of assets, liability, financial standing and losses also in respect of the consolidated financial statements. Having regard to such issues, the Company shall not prepare another set of financial statements consolidated in accordance with Order 3129/2005, as the investments in interest are presented in line 11 "Interests held in affiliated companies" from the balance sheet presented in the individual financial statements.

20.4. The auditing of annual historical information

The Financial Statements 2013 were subjected to the audit performed by DELOITTE AUDIT SRL. The audit report has not been prepared for the purpose of this proportionate Prospectus. The Financial Statements 2013 were prepared by the Issuer under the going concern principle, in line with the recovery plan approved by the Financial Supervisory Authority and the balance sheet as at 31 December 2013 obtained as a result of the entire preparation process presents the financial standing of the Company compliant with the requirements of the accounting regulations applicable to insurance companies from Romania in the going concern terms.

Without including reserves regarding the values presented in the balance sheet of the Issuer on 31 December 2013, the audit report expresses no opinion upon the Financial Statements 2013 due to the

significance of the multiple uncertainties in regard to the going concern of the Issuer. After issuing the audit report, the auditor has issued further clarifications on the audit opinion explaining that in the context in which there are no other issues mentioned in the report requiring a change of opinion (except those that refer to going concern), then the reader will conclude that there are no other reservations on behalf of the auditor or issues to be mentioned regarding the financial statements at 31 December 2013.

These financial statements with the related audit report are fully included in Appendix III.

The Financial Statements 2014 were subjected to the audit performed by DELOITTE AUDIT SRL. The audit report has not been prepared for the purpose of this proportionate Prospectus. The Financial Statements 2014 were prepared by the Issuer under the going concern principle, in line with the recovery plan approved by the Financial Supervisory Authority and the balance sheet as at 31 December 2014 obtained as a result of the entire preparation process presents the financial standing of the Company compliant with the requirements of the accounting regulations applicable to insurance companies from Romania in the going concern terms.

Without including reserves regarding the values presented in the balance sheet of the Issuer on 31 December 2014 but with an emphasis of matter paragraph, the audit report expresses no opinion upon the Financial Statements 2014 due to the significance of the multiple uncertainties in regard to the going concern of the Issuer.

These financial statements with the related audit report are fully included in Appendix III.

Independent Auditors' Report
(free translation¹)

To
The Special Administrator – SC KPMG Advisory SRL, and
The Shareholders of SOCIETATEA ASIGURARE – REASIGURARE ASTRA S.A.

Report on the Individual Financial Statements

1 We were engaged to audit the accompanying individual financial statements of SOCIETATEA ASIGURARE – REASIGURARE ASTRA S.A. ("the Company"), which comprise the balance sheet as at 31 December 2013, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, presenting the following:

■ Total net assets/ equity:	(774.586.389) RON
■ Loss for the year:	(917.328.742) RON,

Management's Responsibility for the Financial Statements

2 The Special Administrator, KPMG Advisory SRL, in their capacity as management of the Company is responsible for the preparation and fair presentation of these individual financial statements in accordance with Order of the Insurance Supervision Commission (hereinafter "ISC"), currently Financial Supervisory Authority, no. 3129/2005 with the subsequent amendments, and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

3 Our responsibility is to express an opinion on these individual financial statements based on conducting the audit in accordance with the Auditing Standards adopted by the Romanian Chamber of Financial Auditors. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

¹ TRANSLATOR'S EXPLANATORY NOTE: The above translation of the auditors' report is provided as a free translation from Romanian which is the official and binding version.

Basis for Disclaimer of Opinion

- 4 We were appointed auditors of the Company, by its shareholders on May 12, 2014, which is after the balance sheet date of the individual financial statements. During the course of our audit procedures we noted that significant adjustments have been made to the financial statements of 2013 some of which should have been applied to prior periods. Consequently, we were unable to satisfy ourselves concerning opening balances as at January 1, 2013. Since the opening balances enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the income statements, net cash flows reported in the statement of cash flows and statement of changes in equity for the year end December 31, 2013.
- 5 As at December 31, 2013 the Company's net assets reported in the individual financial statements as total assets minus total liabilities, is negative in amount of RON 774.586.389. The Special Administrator recognizes its obligations under Law no. 31/1990, modified by Law no. 441/2006, art. 153.24 arising from this situation. The steps planned to be taken by the Company in this regard have been included in the Special Administrators' Report approved by the Financial Supervisory Authority (hereinafter "FSA") on April 7, 2014 and described in Note 2.c) to the financial statements and below in this report.
- 6 As disclosed in note 2 (e) to these individual financial statement, based on the Law 503/2004 regarding financial recovery, bankruptcy, liquidation or dissolution in insurance business, with the subsequent amendments, the FSA has issued Decision no.42/2014, in which it has requested the opening of the financial recovery process. This was due to the noncompliance with the liquidity coefficient and minimum solvency margin by the Company, based on the quarterly regulatory reporting submitted for the fourth quarter of 2013. As reported in the monthly prudential reports submitted by the Company to FSA, at the date of the audit report the Company continues to be non-compliant with these indicators, in accordance with the approved financial recovery plan that foresees non-compliance until finalization of the financial recovery plan, respectively January 15, 2015.
- 7 KPMG Advisory SRL has been appointed as a Special Administrator starting February 18, 2014. The Special Administrator has prepared a financial recovery plan which has been approved by the FSA on April 7, 2014. The plan serves also for the restructuring of the Company through financial and operational measures in order to re-establish the liquidity and solvency margins to comply with statutory requirements as at the end of January 2015. The implementation of certain measures in the plan has been delayed and a new timeline is currently under the process of approval of the FSA. This plan includes certain steps to be implemented in order to resolve the financial situation of the Company, and protect the company from the insolvency proceedings as stipulated in Law 503/2004, with the subsequent amendments. As of the date of this report we have not been able to obtain sufficient appropriate audit evidence regarding the status of formal approval and the certainty about the implementation of the updated, financial recovery plan. Furthermore, as indicated in the initial financial recovery plan prepared by the Special Administrator, a critical step for restating the financial stability of the Company in the foreseeable future is the identification of a strategic investor or investors. These steps are at the non-binding stages of discussions and therefore, as of the date of our audit report, we were not been able to obtain sufficient appropriate audit evidence regarding the binding willingness of these potential investors to restate the financial stability of the Company. The outcome of the on-going negotiations with potential investors is therefore uncertain.

- 8 As presented in Note 36 to the individual financial statements, the financial recovery plan approved by FSA includes finalizing the acquisition and merger transaction with another Romanian insurance company by January 15, 2015. FSA has requested additional steps to be implemented in order for the successful completion of this transaction. As of the date of this report we have not been able to obtain sufficient appropriate audit evidence regarding the outcome of the transaction.
- 9 The value of reported but not settled claim reserve established for material damages under court litigation is in amount of 233.625.721 RON, computed at the level of amount claimed in court up to the amount insured as per policy contract, in accordance with requirements of ISC Order 19/2012, with subsequent amendments, regarding computation methodology and evidence of technical reserves ("ISC Order 19/2012). As described in Note 13 to these individual financial statements, this reserve includes a number of four claims with a total value of RON 141.985.647 generated by insurance policies underwritten for SC ROMSTRATE SA as insured party. The amicable resolution of SC ROMSTRATE SA litigations is part of the financial recovery plan. However, at the date of the report, the outcome, the timing and the amounts to be ultimately paid by the Company for these litigations are uncertain. The potential negative outcome of these cases would have severe consequences regarding the Company's future liquidity position.
- 10 As a result of the significant uncertainties described in points 5, 7, 8 and 9 above regarding the outcome of the financial recovery plan, the Company's ability to fulfil its current and future contractual obligations may depend primarily on the on-going business activities and the Company may be experiencing significant difficulties in generating sufficient cash flows to meet its obligations towards creditors and policy holders in the normal course of business and sustain its operations and regulatory requirements in the foreseeable future. As of the date of our audit report we were also not able to obtain sufficient appropriate audit evidence proving that the Company would be able to meet its obligations under this scenario, should some of these uncertainties negatively impact the Company this may cast significant doubts about its ability to continue as a going concern in the foreseeable future. The financial statements were prepared by the Company under the going concern principle and, therefore, do not include any adjustments that might result from the Company potentially not being a going concern as a result of these uncertainties.

Disclaimer of Opinion

- 11 Because of the multiple uncertainties described in the Basis for Disclaimer of Opinion paragraph, and the significance of these to the financial statements taken as a whole, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the individual financial statements.

Other Matters

- 12 The financial statements of SOCIETATEA ASIGURARE – REASIGURARE ASTRA S.A. for the year ended December 31, 2012 were audited by another auditor who expressed an unmodified opinion on those statements on April 11, 2013.

13 This report is addressed solely to the Special Administrator of the Company and its current shareholders, as a body. We were engaged to perform audit procedures so that we might state to the Special Administrators of the Company and its shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than its shareholders as a body, for our work and for this report.

Report on conformity of the Administrators' Report with the Individual Financial Statements

In accordance with the Order of the Insurance Supervision Committee no. 3129/2005, article no. 312 we have read the Administrators' Report attached to the individual financial statements. The Administrators' Report is not a part of the individual financial statements. In the Administrators' Report we have not identified any historic financial information which is not in accordance, in all material respects, with the information presented in the accompanying individual financial statements as at December 31, 2013. However and as stated above, we would like to draw the attention to the fact that we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and we did not express an opinion on these individual financial statements.

Ahmed Hassan, Audit Partner

Free translation from the original Romanian binding version
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*Registered with the Romanian Financial Auditors' Chamber
under no. 1529/25.11.2003*

On the behalf of:

DELOITTE AUDIT SRL

*Registered with the Romanian Financial Auditors' Chamber
under no.25/25.06.2001*

Bucharest, Romania
August 7, 2014

To the Special Administrator – S.C. KPMG Advisory S.R.L. and the Shareholders of,
Societatea Asigurare – Reasigurare ASTRA S.A.

INDEPENDENT AUDITORS' REPORT

Report on the Individual Financial Statements

1 We were engaged to audit the accompanying individual financial statements of Societatea Asigurare – Reasigurare ASTRA S.A. ("the Company"), which comprise the balance sheet as at 31 December 2014, the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, presenting the following:

■ Total net assets / Equity negative:	871.820.771 RON
■ Profit for the year:	30.704.600 RON

Management's Responsibility for the Individual Financial Statements

2 The Special Administrator, KPMG Advisory SRL, in their capacity as management of the Company is responsible for the preparation and fair presentation of these individual financial statements in accordance with Order of the Insurance Supervision Commission (hereinafter "ISC"), currently Financial Supervisory Authority, no. 3129/2005 with the subsequent amendments, and for such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3 Our responsibility is to express an opinion on these individual financial statements based on conducting the audit in accordance with the Auditing Standards adopted by the Romanian Chamber of Financial Auditors. Because of the matters described in the Basis for Disclaimer of Opinion paragraph related to the ability of the Company to continue as a going concern, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

4 As at December 31, 2014 the Company's net assets reported in the individual financial statements as total assets minus total liabilities, is negative in amount of RON 871.820.771. The Special Administrator recognizes its obligations under Law no. 31/1990, modified by Law no. 441/2006, art. 154.24 arising from this situation. The steps planned to be taken by the Company in this regard have been included in the Special Administrators' Report approved by the Financial Supervisory Authority (hereinafter "FSA") on April 7, 2014 and described in Note 2.c) to these individual financial statements.

- 5 As disclosed in note 2.e) to these individual financial statements, based on the Law 503/2004 regarding financial recovery, bankruptcy, liquidation or dissolution in insurance business, with the subsequent amendments, the FSA has issued Decision no.42/2014, in which it has requested the opening of the financial recovery process. This was due to the noncompliance with the liquidity coefficient and minimum solvency margin by the Company, based on the quarterly regulatory reporting submitted for the fourth quarter of 2013. As reported by the Company to FSA in the monthly prudential reports, at the date of the current audit report the Company continues to be non-compliant with these indicators. This matter is in accordance with the approved financial recovery plan that foresees non-compliance until finalizing the implementation of the measures described in the financial recovery plan.
- 6 KPMG Advisory SRL has been appointed as Special Administrator starting February 18, 2014. The Special Administrator has prepared a financial recovery plan which has been approved by the FSA on April 7, 2014. The plan serves also for the restructuring of the Company through financial and operational measures in order to re-establish the liquidity and solvency margins to comply with statutory requirements. This plan includes several steps to be implemented in order to resolve the financial situation of the Company, and protect the Company from the insolvency proceedings as stipulated in Law 503/2004, with the subsequent amendments. Also, the financial recovery plan presents a share capital increase of RON 490.000.000, planned to be performed in two phases, an initial increase of RON 70.000.000 and a second increase of RON 420.000.000. Until current date, there has been no further changes to the operational and financial measures included in the initial financial recovery plan prepared by the Special Administrator and submitted to the FSA

On October 1st, 2014 the first phase of share capital subscription has been finalized, as the Special Administrator issued the Decision no. 63/3.10.2014 based on which the share capital increase of RON 65.084.659 has been approved and the remaining shares at the equivalent of RON 4.915.341 up to the total share capital increase of RON 70.000.000 have been cancelled. The increased share capital has been subscribed and paid by the current shareholder on October 1, 2014. The capital contribution was approved by FSA through its decision No. 280/19.02.2015 and it was registered to the Trade Registry on February 25, 2015.

The second share capital increase up to RON 490.000.000 initially planned for January 2015 has been delayed and is pending negotiation with shareholders and potential investors. The compliance with all statutory requirements by the Company depends on the successful implementation of the operational measures set out in the financial recovery plan and/or an additional share capital increase. We were not able to obtain further evidence on the status of these negotiations.

As indicated in the financial recovery plan prepared by the Special Administrator, a critical step for the share capital increase and reinstatement of the financial stability of the Company in the foreseeable future is the identification of a strategic investor or a group of strategic investors. These steps are at early stages and consequently, the binding willingness and ability of these potential investors to restate the financial stability of the Company is uncertain.

- 7 One operational measure of the Financial Recovery Plan proposed by the Special Administrator and approved by FSA consists in the amicable resolution of the litigation generated by the insurance policies underwritten for SC ROMSTRADE SA. However, as described in Note 2.e), on October 14th, 2014, Bucharest Court of Appeal has dismissed the appeal of the Company as unfounded. As consequence, CNADNR (the beneficiary of the insurance policy) is in the position to be potentially request forced execution of the litigation file and collection of the amount agreed under Court Decision of RON 94.885.786. The Company filed recourse on February 2015 to this decision. However, on April 6, 2015 through the Decision no. 13693, the legal executor communicated to the Company the initiation of forced execution and proceeded to restrict all bank and treasury accounts. The Company performed several legal and administrative actions, and on April 14, 2015 it has obtained Court preliminary suspension on the restriction of the bank accounts up until further settlement of forced execution request, which is to be cleared at a subsequent date. The Company has fully provided for the amount in its individual financial statements. The outcome of both the litigation and execution process is uncertain as of the date of this report.
- 8 As presented in Note 2.e) and as a result of the significant uncertainties described in the paragraphs above regarding the outcome of the financial recovery plan, the Company's ability to fulfil its current and future contractual obligations depends mainly on further capital increases and a successful completion of a potential transaction with an investor, the FSA's further acceptance of regulatory non-compliance, continuous support of the current major shareholder and on-going business activities. In the absence of such combined support, the Company will be experiencing significant financial difficulties in generating sufficient cash flows to meet its obligations towards creditors and policy holders in the normal course of business and sustain its operations and regulatory requirements in the foreseeable future. As of the date of our report we were not able to obtain sufficient appropriate evidence proving that the Company would be able to meet its obligations under this scenario. This casts significant doubts on its ability to continue as a going concern in the foreseeable future. The individual financial statements do not include any adjustments that might result from the outcome of any of these uncertainties.

Disclaimer of Opinion

- 9 Because of the multiple uncertainties described in the Basis for Disclaimer of Opinion paragraph, and the significance of these to the individual financial statements taken as a whole, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the individual financial statements of the Company. Accordingly, we do not express an opinion on the individual financial statements.

Emphasis of Matter

- 10 As presented in Note 13, the individual financial statements include reported and incurred and not-reported claim technical provisions estimated as of December 31, 2014 at RON 702,767,565. These have been determined by the management based on actuarial methods that include significant assumptions and estimates, which are subject to significant uncertainties, risks and judgments. The actual amounts realized upon claims development may materially differ from estimated amounts presented in the individual financial statements.
- 11 As described in Note 10, the Company registered VAT receivables related to repair costs invoices for insured vehicles under property of various leasing companies. The recovery of these amounts depends on the ability of the Company and related leasing entities to successfully settle these amounts with the state authorities within the established maturity of recovering. Actual recoveries may differ from the recoverable amounts shown in these individual financial statements. These individual financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Other Matters

12 This report is addressed solely to the Special Administrator of the Company and its shareholders, as a body. We were engaged to perform audit procedures so that we might state to the Special Administrators of the Company and its shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than its shareholders as a body, for our work and for this report.

Report on conformity of the Administrators' Report with the Individual Financial Statements

In accordance with the Order of the Insurance Supervision Committee no. 3129/2005, article no. 312 we have read the Administrators' Report attached to the individual financial statements. The Administrators' Report is not a part of the individual financial statements. In the Administrators' Report we have not identified any historic financial information which is not in accordance, in all material respects, with the information presented in the accompanying individual financial statements as at December 31, 2014. However and as stated above, we would like to draw the attention to the fact that we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and we did not express an opinion on these individual financial statements.

Ahmed Hassan, Audit Partner

<i>For signature, please refer to the original Romanian version</i>

*Registered with the Romanian Financial Auditors' Chamber
under no. 1529/25.11.2003*

On the behalf of:

DELOITTE AUDIT S.R.L.

*Registered with the Romanian Financial Auditors' Chamber
under no.25/25.06.2001*

Bucharest, Romania
May 15, 2015

20.5. The date of the most recent financial information

The date of the most recent financial information subject to audit is 31 December 2014. The Financial Statements 2014 are to be submitted to the approval of the shareholders at the General Meeting of Shareholders convened for 27/28 May 2015.

Regarding the Financial Statements 2013, given the special situation generated by FSA Decision no. 42 from 18.02.2014 and the changing of the financial auditor, until the date of the Prospectus, the before mentioned financial Statements have not been approved yet by the shareholder, the shareholders rejecting the approval of the 2013 Financial Statements at the Ordinary General Meeting of Shareholders from 09.10.2014 ; as a consequence the requirements from the Company Law and from the Capital Market Law have not been followed, these requirements state that the financial statements should be subject to the approval of the shareholder within maximum 4 months as of the end of the financial year.

20.6. Interim financial information and other information

N/A.

20.7. Dividend policy

In the past three years the Company has not paid any cash dividends. The Company has no dividend policy.

20.8. Legal and arbitration procedures

a) The status of the Company in lawsuits

The files pending at the courts of law refer to the files in which the Company has one of the following capacities:

- Defendant: The Company was sued by a person that has the capacity of a plaintiff and such person may be another insurer of assets (administrative regress), an insured, an injured third party, a beneficiary, an assignee of insurance rights. If the action against the Company is admitted, it is bound to pay certain amounts of money representing claims, penalties or interests, court expenses.
- Third-party claim: The court has been requested to rule on a complaint between two parties (plaintiff and defendant), other than ASTRA. One of these parties summons the Company as guarantor, if further to unsuccessful pleas (loss of the trial), it can turn against ASTRA for the recovery thereof.
- Insurer: The Company is liable besides the accused facing criminal charges. If within the criminal proceeding the civil liability is also solved upon the request of persons having claims under

insurance policies (usually MTPL, malpractice, other civil liabilities), then the Company is also summoned in order to take over within the limit of the insurance contract the amounts to which the accused/insured would be bound.

- Debtor: This status in the lawsuit is gained by ASTRA in disputes subject to a special procedure, when the filed claims raised against the Company are intended to be capitalized by the procedure of payment order or insolvency procedure.
- Plaintiff: This status in the lawsuit is gained by ASTRA in disputes in which the Company sues other persons and they can be civil liability insurance (MTPL), a guilty third party, an intermediary for the capitalization of his claims and the recovery of the amounts of money owed by the concerned persons.
- Creditor: This status in the lawsuit is gained by ASTRA in disputes subject to a special procedure, when the filed claims raised against the Company are intended to be performed by the procedure of payment order or insolvency procedure.
- Civil party: The Company has this status in criminal lawsuits in which it capitalizes its claims on civil side.

As at 31 December 2013, the Company is a party in 2,886 files pending the courts of law, as a defendant, guarantor, insurer or debtor, with a total value of the claims of RON 1,082,155,446 including claims related to moral damages in the amount of RON 817,389,501 and claims related to material damages in the amount of RON 264,180,895 and salary rights in the value of RON 582,050.

As at 31 December 2013, the Company is a party in 2,259 files pending at courts of law, as a plaintiff, creditor or civil party for whom the total value of the amounts to be recovered in court is of de RON 557,726,125.

As at 31 December 2014, the Company is party in 4,713 files pending at courts of law, as a defendant, guarantor, insurer or debtor, with a total value of the claims of RON 1,315,083,757, including claims related to moral damages in the amount of 952,875,150 RON and claims related to material damages in the amount of RON 362,039,535 and salary rights in the value of RON 169,072.

As at 31 December 2014, the Company is party in 2,016 files pending at courts of law, as a plaintiff, creditor or civil part for whom the total value of the amounts to be recovered in court is of RON 547,050,193.

b) Description of the most significant litigation files in which the Company is involved

File nr. 11570/3/2013 Bucharest Court

By the application registered on 21 March 2013, the plaintiff Compania Nationala de Drumuri si Autostrazi din Romania SA (the National Company for Roads and Highways from Romania - hereinafter called CNADNR) requested versus Societatea de Asigurare Reasigurare ASTRA SA the ruling of a decision by which ASTRA should be compelled to pay the amount of RON 93,930,037.02 by virtue of four insurance policies for performance bonds. Astra filed a statement of defense against the application of CNADNR and essentially requested the rejection of the application as unfounded. As at 6 December 2013, by civil sentence no. 7039 ruled by the Bucharest Court in file no. 11570/3/2013, the first court admitted the request of the plaintiff, obliging ASTRA to pay to the plaintiff the amount of RON 93,930,037.02 as a guarantee and the amount of RON 955,749.36, as court expenses. As at 20 December 2013, civil sentence no. 7039/2013 (File 11570/3/2013) was ruled to ASTRA Asigurari. Astra Asigurari filed an appeal within the legal term against civil sentence no. 7039/2013 of the Bucharest Court, an appeal that, in accordance with the provisions of the Code of Civil Procedure, suspends the execution. By civil sentence no. 805/2014, ruled on 14 October 2014, the Court of Appeal Bucharest rejected the appeal as unfounded. ASTRA filed an appeal against this decision registered with the Court of Appeal Bucharest on 15 October 2014. The first hearing is to be set. Because a reason for review of Decision no 805/2014 ruled by the Court of Appeal Bucharest was found during the legal analysis made, ASTRA declared an extraordinary appeal for revision, this one being suspended during the appeal trial.

By the application no 13963/06.04.2015 registered with ASTRA, BEJ Tranca Bogdan Ovidiu notified to us the enforcement against ASTRA for the amount of RON 95,951,709.72 under the right of execution granted by Decision no. 805/14.10.2014 of the Court of Appeal Bucharest and the Civil Sentence no. 7039/06.12.2013 of the Bucharest Court –Vth Civil Section in file no. 11570/3/2013 – ENFORCEMENT FILE 1729/2015. On the same day, ASTRA was notified on the conclusion of the bailiff Tranca Bogdan Ovidiu regarding the approval of enforcement and copies of the garnishment notices communicated to all banks and treasuries from the circumscription of the Court of Appeal Bucharest.

On 07.04.2015, ASTRA filed with the High Court of Cassation and Justice a request for suspension of the right of execution granted by Decision no. 805/10.14.2014 of the Court of Appeal Bucharest and the Civil Sentence no. 7039/12.06.2013 of the Bucharest Court. The file registered under no. 11570/3/2013/a1 was scheduled for hearing on 21.04.2015, when the Court adjourned the case until 06.02.2015.

On 10.04.2015, ASTRA filed at the Court of Law of District 3 an appeal to the execution started by BEJ Tranca Bogdan for enforcement file no. 1729/2015 and an application for suspension of the enforcement (file pending at the court of law from District 3, registered under no. 14871/301/2015) and a request to temporarily suspend the enforcement in the appeal file, following that the court will set hearings for the two files, noting that the last shall be judged without summoning the parties.

The application to temporarily suspend the enforcement was the subject of File no. 14873/301/2015 and was allowed by the irrevocable conclusion of law sentenced by the Court of Law of District 3 on 14/04/2015.

File no. 16039/3/2013 Bucharest Court

By the application filed with the Bucharest Court VIth Civil Section on 19 April 2013, the defendant Eximbank SA summoned to court the Societatea de Asigurare Reasigurare ASTRA SA requesting the ruling of a decision by which ASTRA should be compelled to pay the amount of RON 34.4 million under a bond insurance policy issued by ASTRA in favor of the insured SC Romstrade SRL. ASTRA filed a statement of defense against the application and essentially requested the rejection of the application as ungrounded.

On 28 March 2014, with respect to File no. 16039/3/2013, the Bucharest Court partially upheld the claim of Eximbank SA against Astra and compelled Astra to pay the amount of RON 15,628,278.87 by sentence no. 1582/2014. Both ASTRA and Eximbank filed an appeal against the sentence ruled by Bucharest Court. The Court of Appeal rejected the appeal filed by Eximbank, allowed the appeal filed by ASTRA and rejected the application of Eximbank as unfounded. On 25 March 2015 ASTRA was notified the appeal filed by Eximbank, a statement of defense being filed against the appeal on 24 April 2015. At the time of writing this document, the portal of the High Court of Cassation and Justice the file is included in the selection procedure.

File no. 7320/121/2014/a4 Galati Court (Old file no.: 321/122/2013 Giurgiu Court)

By the application registered with Giurgiu Court under no. 321/122/2013, the official receiver appointed in the insolvency procedure against debtor Omega City Business Center SRL filed versus ASTRA an action in the annulment of certain contracts concluded between the two companies.

By Sentence no. 51/05.02.2014, the Giurgiu Court admitted the action filed by the official receiver Phoenix LAR IPURL and ordered the annulment of the conventions concluded between SC OMEGA BUSINESS CENTER SRL ("OMEGA") and Societatea de Asigurare Reasigurare ASTRA SA as at 28 May 2010, 31 December 2010 and 14 December 2012 on the payment of penalties by OMEGA further to the failure to execute the obligations to pay the remaining price due to ASTRA. By the same sentence was also annulled the agreement on the assignment of receivables concluded between OMEGA and ASTRA, and having the identification number 345/21.02.2012 Office of the Public Notary Marina Sergiu Sorin, and ordered the return of the assigned receivables into the patrimony of the debtor.

By the Conclusion of Law from 22 April 2014, the Giurgiu Court admitted the action filed by the official receiver Phoenix LAR IPURL and ordered "the correction of the material errors and omission that slipped in the text of Commercial Sentence no. 51/5 February 2014 ruled by the Giurgiu Court, i.e. at para. 5 from the text shall be inserted: "It orders the return to the patrimony of the debtor SC Omega City Business Center SRL of the receivables assigned under contract no. 345/2012, namely the amounts of RON

345,626.06 and EUR 334,995.04, as well as of the amount of RON 7,225,627.94 compensated under the agreement from 31 December 2010”.

ASTRA filed an appeal against both decisions, appeal resolved by the Court of Appeal Bucharest on 10 November 2014 by Civil Sentence no. 1888/10 November 2014 by which the appeal was admitted, sentence no. 51/05.02.2014 and Conclusion of Law from 22 April 2014 were annulled and the file was sent back to the Court for retrial. The file is pending at Galati Court under no. 7320/121/2014/a4, the next hearing being set for 16 June 2015.

Having regard to the sentence of the Giurgiu Court, Omega City Business Center SRL started the enforcement by BEJ Raportoru Georgeta and ASTRA filed a challenge against the enforcement, registered with the Court of Law of District 3 Bucharest sub no. 36337/301/2014 and a temporary suspension application registered under no. 36339/301/2014 in which as at 23 May 2014, the Court of Law of District 3 ruled a solution of rejecting the temporary suspension of the enforcement and as a consequence of the amount of RON 9,163,913.09 was sequestrated and enforced on the accounts of ASTRA.

By Sentence no. 19613/2014 ruled on 18.12.2014 by the Court of Law of District 3 Bucharest with regard to file no. 36337/301/2014 the appeal to enforcement was admitted, the enforcement subject of file no. 226/2014 of BEJ Raportoru Georgeta was annulled and the appellee Omega CBC SRL was compelled to pay the amount of RON 1,000 as court expenses. The sentence can be appealed within 10 days from the notification but has not yet been appealed. The amount of RON 1,287,636.58, not paid to Omega CBC SRL according to the conclusion of BEJ Raportoru Georgeta dated 05.06.2014 regarding the enforcement file no. 226/2014, was refunded into ASTRA's bank accounts on 25 November 2014.

The measure of distributing the enforced amounts by BEJ Raportoru in enforcement File no. 226/2014 was also challenged and the challenge to enforcement was registered with the Court of Law of District 3 under no. 42120/301/2014. Concurrently, Omega CBC SRL challenged by liquidator the measure of the executor not to distribute a part of the amounts designated by ASTRA, as two appeals were filed, i.e. 41313/301/2014 and 42092/301/2014.

The files registered with the Court of Law of District 3 under no. 42092/301/2014 and no. 42120/301/2014 were linked to File no. 41313/301/2014, and this file was suspended by the Conclusion of Law ruled in public hearing from 06.02.2015 by the Court of Law of District 3 until the final resolution of file no. 36337/301/2014.

c) Impact of litigation files on the financial statements

Starting as of the financial year 2013, in accordance with the provisions of CSA Order no. 19/2012 for the amendment and supplementation of the Norms on the methodology for the computation and evidence of minimal technical reserves for the non-life insurance activity, the Company revised its policies of

recognizing the certified claims reserves for claims that are the subject matter of an action filed in court. Thus, in case of claims for moral damages further to bodily injuries or death, the claims reserve is set up at the estimated value of the amounts considering the case-law, including court expenses.

In case of claims for material damages, the elements considered in computing the claims reserve, in accordance with the provisions of CSA Order no. 3109/2003 are:

- the estimated value of the due indemnity for the certified claims, within the limit of the insured amount;
- expenses with the assessment and evaluation of the claims related to the services supplied by third parties;
- the costs of settling the claims related to the services supplied by third parties;
- the value of recoveries and regresses both for solved claims and for the ones in progress of being solved.

Thus as at 31 December 2014, the Company recorded reserves for claim files related to disputes at the value of claims for material damages requested in court, out of which a provision in the amount of RON 94,885,786.38 related to court file no. 11570/3/2013 (insurance policies issued to the benefit of CNADNR) and reserves in the amount of RON 29,283,889 refer to a number of two files pending in the courts of law, related to insurance policies for the insured client Romstrade, as follows:

- RON 15,628,279 reserve related to court file no. 16039/3/2013 (insurance policy issued in the benefit of Eximbank SA);
- RON 13,655,610 reserve related to court file no. 22310/3/2013 (insurance policy issued in the benefit of Bucharest City Hall).

The value of the certified claims reserve in regard to these claims files was determined by applying the effective accounting regulations, considering the entire value of the claims for material damages requested in court by beneficiaries of the insurance policies. These reserves can be reduced if an irrevocable decision of the relevant courts of law establishes or admits another value for the material damages that are the subject matter of such disputes. On the date of the Financial Statements related to the financial year 2014, the concerned court files are still pending, in various trial stages.

20.9. Significant changes in the financial or commercial standing

See chapter "Special administration of the Company" and item 7.1 from the Document on the registration of shares.

21. ADDITIONAL INFORMATION

21.1. Share capital

21.1.1. *The share capital of the Company is RON 257,797,193.08, divided into 96,916,238 ordinary, nominative and dematerialized shares, each having a nominal value of RON 2.66. The share capital was fully subscribed and paid up by the shareholders. The shares issued by the Company are ordinary, dematerialized and indivisible against the Company, which recognizes only one holder for each share.*

There are no shares issued and not fully paid

21.1.2. *The number and main characteristics of the shares that do not represent the capital, if any*

N/A.

21.1.3. *The number, the net book value and the nominal value of shares owned by the issuer or on its behalf by its subsidiaries*

N/A

21.1.4. *The value of convertible securities, transferrable or accompanied by subscription bills, indicating the conversion, transfer or subscription procedures*

N/A

21.1.5. *Information on the conditions regulating any purchase right and any obligation related to the authorized, but unissued capital or related to any undertaking of increasing the share capital*

N/A

21.1.6. *Information on the share capital of any member of the group that is the subject matter of an option or of a conditional or unconditional agreement providing the granting of options on the capital and details on the concerned options, including the identity of the persons they refer to*

N/A

21.1.7. *Evolution of the share capital in the period for which historical financial information is provided, highlighting any changes.*

Based on Decision no. 1 / 05.12.2014 of the EGMS and on the Special Administrator's Decisions no. 26/27.06.2014, no. 68/03.10.2014 and no. 70/07.10.2014, respectively, the increase in the Company's share capital was approved from RON 192,712,533.86 to RON 257,797,193.08, by cash contribution with an amount of RON 65,084,659.22, representing a number of 24,467,917 nominative shares with a nominal value of RON 2.66/share. The remaining 1,847,873 unsubscribed shares were canceled.

The amendment to the Articles of Incorporation of the Company as a result of the capital increase with the amount of RON 65,084,659.22 was approved by Decision No. 280 / 02.19.2015 of FSA and the endorsement on the changes in share capital was registered at the Trade Register under Resolution of the Trade Register Office no. 26547 / 27.02.2015.

21.2. Articles of Incorporation and Statute

This information is presented in sections 21.2.1 to 21.2.2.

21.2.1 Description of the issuer's core business and where it is stated in the Articles of Incorporation and Statute

The scope of the company consists of insurance and reinsurance activities by accepting risk in exchange for payment of premiums by the insured and reinsured, by paying claims and insured amounts in case insured events occur and by providing services and conducting other activities proper to the field of insurance and reinsurance.

Moreover, the company carries out liquidation of commitments taken over from the former Administration of State Insurance (ADAS), from reinsurance and retrocession operations with foreign countries.

The scope is presented in Section 5 of the Articles of Incorporation - Information on the Issuer.

21.2.2 Summary of provisions of the Articles of Incorporation, statute, procedures and other internal regulations of the issuer concerning members of the administrative, management and supervisory bodies

The management of the Company will be controlled by a supervisory board consisting of minimum 3 and maximum 11 members, elected by the OGMS. The mandate of the Supervisory Board members is 4 years, with the possibility to be re-elected for additional four year periods or to be dismissed. Supervisory board members cannot simultaneously be members of the Directorate or employees of the company. For the validity of the decisions taken by the Supervisory Board, at least half of the board members must be present, the decisions being taken by the majority vote of the members present. In case of equal votes, the President of the Supervisory Board, or the Vice-president, when the President is absent, will decide. Decisions on the election or revocation of the President and/or the Vice-President shall be taken by a majority vote of the board members.

The management of the Company rests exclusively with the Directorate, which fulfills the necessary and appropriate duties to achieve the core business of the company, except for those reserved by the Companies Act No.31/1990 republished, with subsequent amendments, which rest with the supervisory board and general meeting of shareholders. The Directorate exercises its powers under the control of the Supervisory Board and consists of a minimum of 3 (three) members, their number being always odd,

appointed by the Supervisory Board. The mandate of the Directorate members is 4 years with the possibility of being reelected for additional four year periods or of being dismissed. The Directorate is obliged to request the National Trade Register Office to register the first members of the Directorate and any changes in the members of the Directorate or members of the Supervisory Board. Also, the Directorate is obliged to register with the Trade Register the person authorized to represent the company. The specimen signature of that person shall be filed with the Trade Register, in accordance with the legal provisions.

The people who are incompatible with the quality of membership of the Directorate or of the Supervisory Board are those who, according to the law, are unqualified or have been sentenced for fraudulent management, breach of trust, forgery, fraud, embezzlement, perjury, giving or taking bribery, offenses stated in Law no. 656/2002 on preventing and sanctioning money laundering, and the establishment of measures to prevent and combat terrorist financing, for offenses under art. 143-145 of Law no.85/2006 on insolvency procedures and for offenses under the Commercial Act no. 31/1990, republished, with subsequent amendments.

The members of the Directorate cannot simultaneously be members of the Supervisory Board.

21.2.3 Description of the rights, privileges and restrictions for each class of existing shares.

The shares of the Company are dematerialized, registered and subject to regulations applicable to the market on which they are traded. The shares are indivisible with respect to the company, which recognizes only one owner per share.

21.2.4 Description of the measures for changing the shareholders' rights and a detailed description of the measure in case they are stricter than the minimum required by law.

According to FSA's Art. 3 of Decision No. 42 / 18.02.2014, as of the date of this decision the following duties and rights were suspended within the Company:

- a) Legal duties of significant shareholders and significant persons within the Company. These tasks were transferred to the Special Administrator for the entire mandate of special administration
- b) Voting rights regarding the appointment and dismissal of members of the Company's Supervisory Board, shareholders' right to dividends, the activity and right to remuneration of the Supervisory Board members

The suspension provided above is in effect throughout the whole process of financial recovery through special administration

21.2.5 Description of the conditions under which annual and extraordinary general meetings of the shareholders are convened, including the conditions of admission to those meetings

The General Meeting (Ordinary or Extraordinary) of Shareholders may be convened by the Directorate, whenever necessary, or at the shareholders' request if they represent, individually or combined, at least 5% of the share capital. In the latter case, the general meeting shall be convened within 30 days and shall meet within 60 days from convocation. The convocation of the OGMS shall be in compliance with the Commercial Act no. 31/1990, republished, with subsequent amendments, and with the legislation on the capital market.

The OGMS is convened at least once a year, within 5 months from the financial year end. The validation of the proceedings of the OGMS requires the presence of shareholders who hold at least 2/3 (two thirds) of the total number of voting rights and decisions to be taken by a supermajority of 66% of the votes cast by the shareholders present or represented at the meeting.

The Extraordinary General Meeting shall assemble whenever necessary to take a decision regarding:

- a. Changes in the legal form of the company;
- b. Relocation of the Company headquarters;
- c. Change in the Company's core business
- d. Establishment or dissolution of subsidiaries and other legal entities in the country or abroad;
- e. Increase in share capital;
- f. Decrease in share capital or replenish of share capital by issuing new shares;
- g. Merger with other companies or division of the company;
- h. Early dissolution of the Company;
- i. Shares conversion;
- j. Issuance of bonds;
- k. Conversion of a category of bonds into another category or into shares;
- l. Any other amendment to the Articles of Incorporation or any other decision requiring the approval of the extraordinary general meeting of shareholders;
- m. Change of the company into a "closed company" under the law;

- n. Approval of the conclusion of legal documents on behalf of the Company by which to acquire, alienate, lease, exchange or constitute as guarantee assets classified as fixed assets, whose value exceeds, individually or cumulatively during a financial year, 20% of the total fixed assets, less receivables at the date of concluding the legal document;
- o. Fulfill any other duties provided by law;

The EGMS shall be considered valid and will be able to take valid decisions if, at first call, the present shareholders represent at least 70% of the total voting rights and at the following convocations the shareholders represent at least 2/3 (two thirds) of the total voting rights. Decisions are approved during the first convocation, with at least 70% of votes cast by shareholders, and during the subsequent convocations decisions are approved with at least 2/3 (two thirds) of the votes cast by present or represented shareholders.

The EGMS from 9 October 2014 decided to amend the provisions of the Articles of Incorporation of the Company concerning the quorum and majority required in order for the OGMS to assemble and vote in valid decisions. According to these changes:

- In order to validate the proceedings of the OGMS, the first call requires the presence of shareholders who hold at least 50% of the total voting rights, and that decisions are taken by a majority of at least 50% of the votes of shareholders present or represented in the assembly.
- The EGMS shall be considered valid and will be able to take valid decisions if, at first call, the shareholders present represent at least 50% of the total voting rights, and for subsequent calls, the shareholders present represent at least 50% of the total voting rights. Decisions are taken at the first convocation, with a majority of at least 50% of votes cast by shareholders present or represented, and at the second convocation, decisions are taken by a majority of at least 50% of the votes cast by shareholders present or represented.

At the date of this Prospectus, amendments to the Articles of Incorporation of the Company mentioned above are subject to the assessment procedure of FSA, according to applicable laws. In this regard, registration with the Romanian Trade Register Office of the previously mentioned amendments to the Articles of Incorporation is conditioned by FSA's prior approval.

22. SIGNIFICANT CONTRACTS – OTHER THAN THOSE CONCLUDED WITHIN THE NORMAL BUSINESS ACTIVITY

The Issuer has not concluded any important contract outside its usual business activity in the year 2014, except those further presented in detail.

1. Loan agreement registered under no. 054/AA01/26.06.2013 and concluded between Societatea Asigurare Reasigurare ASTRA SA as a creditor and SC TNG Real Estate Management SRL as borrower. By contract, Societatea Asigurare Reasigurare ASTRA SA provided the borrower a credit line in the amount of maximum RON 1,000,000 for a period of 11 months from the date of conclusion. The loan balance at 31 December 2014 amounts to RON 900,000 and the interest due amounts to RON 77,584.03.

2. Loan Agreement registered under No. 001/2013 / 01.08.2013 and concluded between Societatea Asigurare Reasigurare ASTRA SA as creditor and SC Theta Proficiency SRL as borrower. By contract, Societatea Asigurare Reasigurare ASTRA SA provided the borrower a credit line of maximum RON 2,500,000 for a period of 11 months from the date of conclusion. The loan balance and interest due at 31 May 2014 amounted to RON 2,369,388 and were transferred to Compania Hoteliera Intercontinental Romania SA free of charge by novation agreement signed on 30.06.2014 and registered under no. 144/AA01/30.06.2014. The purchase price was fixed at the nominal value of the claim, namely principal and interest from the date of novation and was compensated with the amounts due by the Issuer to Compania Hoteliera Intercontinental Romania SA (amounts due under investment management contract no. 072/AA01/25.07.2013). The contract was signed on 30 June 2014.

3. Loan Agreement registered under No. 039/AA01/05.13.2013 and concluded between Societatea Asigurare Reasigurare ASTRA SA as a creditor and SC Eta Estate Solution SPV SRL as borrower. By contract, Societatea Asigurare Reasigurare ASTRA SA provided the borrower a credit line in the amount of maximum RON 950,000 for a period of 11 months from the date of conclusion. The loan balance and interest due at 31 May 2014 amounted to RON 987,894.42 and were transferred to International Business Center Modern SRL free of charge by novation agreement signed on 30.06.2014 and registered under no. 145/AA01/30.06.2014. The purchase price was set at the nominal value of the claim and was compensated by the amounts due by the Issuer to International Business Center Modern SRL (amounts due under the agreement FN dated 26 November 2013). The novation contract was signed on 30 June 2014

4. Transaction concluded on 10 December 2013 between Compania Asigurare Reasigurare Astra SA and Rex Mamaia SA which settled the litigation between the two companies in regard to the claims file opened for the fire occurring on 19.02.2011 on the insured estate - Complex Hotelier Rex Mamaia. By the transaction Astra was compelled to pay to Rex Mamaia the amount of EUR 2,171,313 and related interest by 01.02.2014. We specify that this amount has not been paid up to now.

The Company concluded before 31 December 2014 contracts that were not related to its current activity and the value of such contracts is recorded adequately in the books, as presented in section 19 of the Prospectus "RELATED PARTY TRANSACTIONS".

**23. THE INFORMATION MADE AVAILABLE BY THIRD PARTIES, DECLARATIONS OF EXPERTS
AND DECLARATIONS OF INTEREST**

23.1. If the registration document comprises a declaration or a report assigned to a person acting as an expert, then the name, address of the working place and qualifications of the concerned person and, as the case may be, any significant stake of the concerned person in regards to the Issuer shall be indicated. If the report or declaration were drafted on the request of the Issuer, a declaration shall be attached confirming the fact that the concerned documents were included in the form and in the context in which they were included, with the approval of the person authorizing the content of that part from the registration document.

N/A.

23.2. If the information originates from a third party, a confirmation shall be supplied about the fact that the information was accurately reproduced and that according to the Issuer's knowledge and insofar it can confirm the accuracy of the data published by the third party, no facts have been omitted that could cause the information to be inaccurate or misleading. The source(s) of the information shall be also provided).

Some information included in this Prospectus originates from third-party sources, as provided in the footnotes of each section. The Issuer, Special Administrator, and Intermediary have not verified the accuracy of the information originating from third-party sources to which reference is made in the Prospectus. Thus, the Issuer, Special Administrator, and Intermediary assume no liability for the accuracy of the information originating from third-party sources. The information included in this Prospectus originating from third-party sources was accurately reproduced in the Prospectus on the date on which the third-party sources were consulted or on which the information included in this document was valid. Thus, certain information included in this Prospectus from third-party sources might no longer be valid or might not reflect the reality on the date of the Prospectus or on a subsequent date.

24. DOCUMENTS AVAILABLE TO THE PUBLIC

After the approval of the Prospectus the following documents may be consulted in hard copy, on request, at the Issuer's registered office from 3 Nerva Traian street, M101 Building, Floor 11, District 3, Bucharest, and at the Intermediary's Branch from Bucharest in 16 Splaiul Unirii, Floor 8, Room 803, District 4, Bucharest, on every Business Day of the subscription period, between 9:00 – 17:00 o'clock, and in electronic format, at www.ssifbroker.ro and www.astrasig.ro:

- This Prospectus
- The Issuer's Articles of Incorporation
- The 2014 Financial Statements and the financial auditor's report

- The subscription form
- The subscription revocation form

The 2014 Financial Statements and the report of the financial auditor thereupon are included also in Appendix III to the Prospectus.

**25. INFORMATION ABOUT THE COMPANIES WHERE THE ISSUER HAS CAPITAL WHO'S IMPACT
COULD BE SIGNIFICANT ON THE ASSETS EVALUATION, FINANCIAL POSITION OR THE
ISSUER'S RESULTS.**

N/A.

Note regarding the securities of shares

1. PERSONS RESPONSIBLE

1.1. All persons responsible for the information given in the prospectus and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office

This information was presented at item 1 from the registration document regarding shares.

1.2. A declaration by those responsible for the prospectus that, having taken all reasonable care to ensure that such is the case the information contained in the prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the prospectus that, having taken all reasonable care to ensure that such is the case the information contained in the part of the prospectus for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

This statement was presented at item 1 from the registration document regarding shares.

2. RISK FACTORS

This information was presented at item 4 of the registration document regarding shares.

3. ESSENTIAL INFORMATION

3.1. Working capital statement

The Issuer declares that as at 31 December 2014, the liquidity ratio for non-life insurance activities was 0.08, whereas the liquidity ratio for life insurance activities was of 0.86.

3.2. Capitalization and indebtedness

The Issuer declares that on 31 December 2014, equities had a negative value, in amount of minus (-) RON 871,820,771.

3.3. Interest of natural and legal persons involved in the issue/offer

The Issuer is not aware of any interests of the persons involved in the Offer, including conflicting ones that might significantly influence the share issuance.

3.4. Reasons of the offer and use of proceeds

One of the measures imposed by FSA and presented in detail in the recovery measures approved by FSA is the capitalization of the Issuer through one/several share capital increases. This measure, along

with other recovery measures approved by FSA, is aimed at improving the Company's financial and prudential indicators, including to meet the Issuer's liquidity needs, the recapitalization of the Company in order to improve the financial indicators; the net value of the funds to be procured further to the share capital increase according to the recovery measures approved by FSA, the was estimated at the value of the amount for 490 million:

In an initial stage of share capital increase carried out according to Special Administrator's Decision No. 26/27.06.2014, the amount of funds obtained by the Company was RON 65,084,659.22.

In the stage of increase covered by this Prospectus, according to Special Administrator's Decision No. 99 / 18.03.2015, the Company's share capital increase with an amount of RON 424,915,339.94 was approved.

4. INFORMATION CONCERNING THE SECURITIES TO BE OFFERED / ADMITTED TO TRADING

4.1. A description of the type and class of the securities being offered and/or admitted to trading, including the ISIN (International Securities Identification Number) code or other such security identification code.

The shares issued by the Company are ordinary, nominative, dematerialized shares with a nominal value of RON 2.66/share. As of 27.11.1997 the Company's shares have been traded on the RASDAQ market. The ISIN code of the shares issued by Societatea de Asigurare – Reasigurare ASTRA S.A. is ROATRAACNOR2 and the Bloomberg code BBGID: BBG000CYN648. The shares' symbol is ATRA.

4.2. Legislation under which the securities have been created.

The issuance of shares for the increase of the Company's share capital is governed by the Romanian law. The main applicable provisions are in the *Company Law*, the *Capital Market Law*, the *Insurance Law*, and *CNVM Regulation no. 1/2006 on issuers and securities' trading*.

4.3. An indication whether the securities are in registered form or bearer form and whether the securities are in certificated form or book-entry form. In the latter case, name and address of the entity in charge of keeping the records.

According to Capital Market Law 297/2004, the shares of Societatea de Asigurare – Reasigurare ASTRA S.A. are considered as securities. The issued shares are registered, dematerialized, issued in book-entry form, their record, i.e. the Shareholder Register being kept by the Romanian Central Depository, and located in Bucharest, 34-36 bd. Carol I, Floor 3,8 and 9, District 2.

4.4. Currency of the securities issue.

The issue is denominated in RON.

4.5. A description of the rights attached to the securities, including any limitations of those rights, and procedure for the exercise of those rights, the right to dividend.

Each share issued by the Company confers equal rights to the holders registered with the Shareholder' Register, among which (but not limited to):

- The right to dividends
- The right to vote
- The right to information
- The right to surplus in case of liquidation
- The right to participate or be represented in the general meetings of shareholders (OGMS)
- The pre-emption right in the event of a share capital increase or of an issuance of bonds convertible into shares
- The right to elect and be elected during elections for the Company's Supervisory Board
- The right to withdraw from the Company under certain circumstances
- The right to request the cancellation or nullity of resolutions made by the general meeting of shareholders that were adopted by breaching the legal provisions and/or the provisions set forth in the Company's constitutive deed in violation of the applicable legislation
- The right of shareholders, who individually or jointly hold at least 5% of the share capital to request the calling of the general meeting of shareholders
- The right of shareholders, who individually or jointly hold at least 5% of the share capital to request the addition of new items on the agenda of a general meeting of shareholders or to present draft resolutions on the items included on the agenda
- The right of shareholders, who individually or jointly hold at least 5% of the share capital to request the preparation of additional reports by Company's financial auditors
- The right of shareholders, who individually or jointly hold at least 10% of the voting rights or of the Company's share capital to request the election of the Supervisory Board members by cumulative vote.

Shareholding implies the *de jure* adhesion to the Company's Constitutive Deed. The rights and obligations attached to the shares shall follow the shares if they are transferred to another holder.

According to FSA Decision no. 42/18.02.2014 regarding the commencement of financial recovery procedure by special administration of Societatea de Asigurare – Reasigurare ASTRA S.A., KPMG Advisory SRL, duly represented by Șerban Toader Cristian, was appointed as the Special Administrator.

Art. 3 of FSA Decision no. 42/18.02.2014 mentioned above provides that as of the date of this decision, the following were suspended:

- a) Legal prerogatives of the Company's significant shareholders and significant persons. These prerogatives were transferred to the Special Administrator throughout the special administration term;
- b) The voting rights for the appointment and revocation of the Company's Supervisory Board members, the shareholder's right to dividends, the activity, as well as the right to remuneration of the Supervisory Board members.

The aforementioned suspension remains valid throughout the period of financial recovery by special administration.

The provisions of art. 18 under Law no. 503/2004 regarding financial recovery, bankruptcy, dissolution and voluntary liquidation in the insurance sector, taken over under art. 3 of FSA Decision no. 42/18.02.2014 mentioned above, are subject to interpretations when they refer to the suspension of the significant shareholders' legal prerogatives, given that neither the Company Law, nor the Insurance Law establishes the prerogatives of significant shareholders, but rather the shareholders' rights and the prerogatives of the general meetings of shareholders.

4.6. In the case of new issues, a statement of the resolutions, authorizations and approvals by virtue of which the securities have been or will be created and/or issued.

The issuance of shares is performed according to the Special Administrator's Decision no. 99 from 18.03.2015, published in the Official Journal of Romania, Part IV, no. 1671 of 30.03.2015. Decision no. 99/18.03.2015 of the Company's Special Administrator was adopted according to the delegation of competences for the share capital increase, given the Company's shareholders under the Shareholders' Resolution regarding the Increase.

4.7. In the case of new issues, the expected issue date of the securities

After the expiry of the Subscription Period, within maximum 5 business days, the Intermediary will prepare a notification regarding the Offering results, which will be sent to FSA and published on BSE's web-site. Once the notification has been sent, the Issuer will undertake all the necessary steps for the registration of the share capital increase with the National Trade Register Office and the release of the Trade Registry Extract stating the new share capital.

The share capital increase operation, as well as, as the case may be, the qualification of a person as a Significant Shareholder in the Company (for example by purchasing a participation of at least 10% of the voting rights or of the Company's share capital), are conditional upon FSA's prior approval. FSA's evaluation for adopting a decision about the share capital increase and/or a person's intention to become a significant shareholder, can take a significant amount of time which will proportionally influence the registration of the share capital increase with the National Trade Register Office.

After the share capital increase has been registered with the National Trade Register Office, FSA, on the basis of the Trade Registry Extract, will issue the securities Registration Certificate related to the shares issuance and subsequently, the share capital increase will be registered with the Central Depository; the persons who have subscribed shares will become owners of the new shares as from the registration of the new shares by the Central Depository, and shareholders will take possession of the shares subscribed.

4.8. A description of any restrictions on the free transferability of the securities.

The shares subscribed under the Offer may not be alienated through any means prior to the registration of the share capital increase with the Central Depository. No transactions with the shares may be commenced before the share capital increase is registered with the Central Depository.

The new shares could, theoretically, be traded after being registered with the Central Depository.

De facto, since 18.02.2014 the shares issued by the Company have been suspended from trading; as a consequence, the Company's shareholders and other investors may not sell/buy the shares issued by the Company through the RASDAQ trading system.

4.9 An indication of the existence of any mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities.

General provisions on mandatory public offering

The Capital Market Law contains explicit provisions on mandatory public offerings, applicable to the companies whose shares have been admitted for trading on the BSE regulated market. Therefore, a person (individual or legal entity) who, as a result of its acquisitions or of the persons with whom it acts in a concerted manner, holds more than 33% of the voting rights in a company, must make an offer to all securities holders for all their shares, as soon as possible but no later than 2 months after reaching the 33% threshold.

Until the launch of the abovementioned public offering, the rights attached to the securities in excess of 33% of the voting rights held in the issuer shall be suspended and the holder in question or the persons with whom it acts in a concerted manner may no longer acquire shares of the same issuer through other operations.

The price offered in the mandatory public offering must be at least equal to the highest price paid by the bidder or the persons with whom it acts in a concerted manner over the 12-month period preceding the date when the offering documentation was submitted to FSA.

If the abovementioned provision cannot be applied, the price offered in the mandatory public offering will be determined according to FSAs regulations, taking into consideration at least the following criteria:

- Average weighted traded price over the last 12 months prior to the offering
- The Company's net asset value according to the latest audited financial statements
- Share value according to the evaluation by an independent evaluator, according to international evaluation standards

The public offering is no longer mandatory where the person holding more than 33% of the voting rights in the issuer has reached its current position as part of an exempt transaction.

According to the Capital Market Law, a transaction is considered exempt when:

- It is part of the privatization process
- The shares were acquired from the Ministry of Public Finance or other legally authorized entities, in the process of government receivables enforcement
- It is a consequence of shares transfers between the parent company and its subsidiaries or between the subsidiaries and the same parent company
- It is a consequence of a voluntary public offering address to all securities holders, which targets all their shares

Where a person unintentionally gains more than 33% of the voting rights in the issuer, it has the following alternative obligations:

- To proceed with the mandatory public offering, following the rules stated above
- To sell a number of shares so as to lose the position unintentionally gained.

The fulfilment of one of the two obligations mentioned above must be made within maximum 3 months after gaining the abovementioned position. According to the Capital Market Law, gaining more than 33% of the voting rights in an issuer is considered to be unintentional if it is a consequence of the following:

- Capital reduction through a share buyback program followed by the shares cancellation.
- Exceeding the threshold after exercising the pre-emption right, subscription or conversion of the initially allocated rights, as well as the conversion of preferential shares into ordinary ones

- Merger, division or succession

It's worth mentioning that there is no express and clear legal provision setting forth the obligation to launch a mandatory public offering if a company's shares are traded solely on an alternative trading system.

General provisions regarding the mandatory withdrawal of minority shareholders and mandatory buy-back (squeeze-out and sell-out)

Squeeze-out

Mandatory withdrawal of minority shareholders from a company whose shares are traded on the BSE regulated market, is governed by article 206 of the Capital Market Law and by the provisions of CNVM Regulation no. 1/2006 on issuers and securities operations.

The right conferred to the majority stockholder under art. 206 of the Capital Market Law to request minority stockholders to sell their shares at an equitable price arises only if, after an offer was made to all the shareholders for purchasing all their shares, the majority shareholder either: (1) holds at least 95% of the shares carrying voting rights and at least 95% of the voting rights which can be actually exercised or (2) acquired during the offer at least 90% of the total number of shares carrying voting rights and at least 90% of the voting rights targeted during the offer.

According to CNVM's Regulation no. 1/2006, the right to request the mandatory buyout of minority shareholders may be exercised within 3 months from the offer's end date.

The price offered during a public buyout in which the bidder acquired at least 90% of the total shares carrying voting rights is considered as an equitable price. Also, the price offered in a mandatory public offering is considered as an equitable price.

Where none of the abovementioned criteria is applicable, the price offered will be determined by an independent evaluator, according to international evaluation standards.

The squeeze-out procedure also covers the companies whose shares are traded solely on an alternative trading system, including the BSE managed alternative trading system.

Sell-out

Mandatory sell-out of shares held by the minority shareholders in a company whose shares are traded on BSE managed market is regulated mainly by article no. 207 of the Capital Market Law and by the provisions of CNVM Regulation no. 1/2006 on issuers and securities operations.

According to the Capital Market Law and CNVM's Regulation no. 1/2006, a minority shareholder has the right to ask the majority shareholder (who meets the criteria under article 206 of the Capital Market Law

to buy its shares at an equitable price calculated according to the legal provisions. Where an independent evaluator needs to be appointed, the related costs will be covered by the minority shareholder.

This right may be exercised within 3 months after the closing date of the offering.

4.10 An indication of public takeover bids by third parties in respect of the issuer's equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.

N/A.

4.11 In respect of the country of registered office of the issuer and the country(ies) where the offer is being made or admission to trading is being sought:

- *information on taxes on the income from the securities withheld at source,*
- *indication as to whether the issuer assumes responsibility for the withholding of taxes at the source.*

According to the legal provisions applicable in Romania - the country in which the Company's registered office is located - dividend tax is withheld by the Company.

5. TERMS AND CONDITIONS OF THE OFFER

According to the Shareholders' Resolution on the Share Capital Increase published in the Official Journal of Romania, Part IV, no. 3078 of 30.05.2014, approval was given for the delegation to the Special Administrator, the Management Board respectively (if further to the EGMS, the management of the Company would be resumed by the de Management Board), of the authority to increase the Company's share capital, under the terms of art. 236, para. 2 under Law 297/2004 on the capital market, with subsequent amendments and supplementations, subject to the following rules:

- The delegation of the authority to increase the share capital operates for a term of maximum one year and is granted after analyzing the financial condition of the Company by the Special Administrator, according to the mandate granted by FSA, out of which resulted, among others, the necessity of recapitalizing the Company in order to improve the financial indicators;
- In exercising its prerogatives, the Special Administrator/Management Board may decide under one or several decisions to increase the share capital of the Company by issuing new shares, with amounts that may not exceed the total amount of RON 490,000,000 lei;
- The share capital increase can be performed by cash contributions fully paid on the date of subscription and/or by converting uncontested, liquid and payable receivables deriving from loans granted to the Company and in this latter case, the conversion would be exclusively performed in regard to amounts lent, representing the principal actually collected by the Company;

- The subscription of amounts for the share capital increase determined by decision of the Special Administrator/Management Board shall be performed by observing the pre-emption rights of the shareholders on the Registration Day.

Under Decision no. 99 of 18.03.2015 of the Special Administrator of Societatea de Asigurare – Reasigurare ASTRA S.A., KPMG Advisory SRL, published in the Official Journal of Romania, Part IV, no. 1671 of 30.03.2015, the Company's share capital increase was approved, by cash contribution, in an amount of RON 424,915,339.94 from RON 257,797,193.08 to RON 682,712,533.02, through the issuance of a number of 159,742,609 nominative shares, with a par value of RON 2.66/share.

The increase of the share capital shall be performed in three phases.

According to the Special Administrator's Decision no. 99 from 18.03.2015, trading of the pre-emption rights (prior to all three subscription phases) was approved for the shareholders recorded in the Shareholder Register of the Issuer at the Registration Date (i.e. 07.04.2015), for a period of 5 business days.

Trading of the pre-emption rights was decided solely in order to create a more flexible framework to complete the share capital increase process according to this Prospectus, i.e. by allowing the shareholders registered in the shareholders' register at the Registration Date to dispose of their pre-emption rights if they do not intend to exercise them. In this way, other investors interested in subscribing in the Offer can subscribe shares directly in the initial phase dedicated to the pre-emption rights holders, without having to wait for subsequent phases in which investors would have been entitled to subscribe without holding pre-emption rights.

Each shareholder registered at the Registration Date will hold a number of pre-emption rights equal to the number of shares held at the Registration Date.

The pre-emption rights trading time period will begin within 3 business days from the publication date of the Prospectus on the Issuer's website (www.astrasig.ro) and on the Intermediary's website (www.ssifbroker.ro), from 08.06.2015 up until and including 12.06.2015.

The characteristics of the pre-emption rights that are to be traded on the Bucharest Stock Exchange will be communicated to investors through a current report that will be published on the website of the Bucharest Stock Exchange (www.bvb.ro) prior to the beginning of the trading period.

Once the transactions performed during the trading of pre-emption rights have been settled, the subscription process will begin as part of the share capital increase, as follows:

- I. The newly-issued shares will firstly be offered for subscription to pre-emption rights holders. They will have the right to subscribe the new shares proportionally with the number of pre-emption rights held at the date when the settlement of transactions with pre-emption rights

performed during their trading period has been completed, as established in the Prospectus (Phase I).

The subscription period during which the new shares can be subscribed in Phase I will be of one month, starting from the next business day immediately following the Final Date of Pre-Emption Rights Settlement, i.e. from 17.06.2015 up until and including 17.07.2015, a time interval which includes a total of 31 days.

The number of pre-emption rights necessary to purchase one new share is 0.6067024859973334.

The subscription price of a new share in Phase I is RON 2.66 / share.

- II. Phase II: The unsubscribed shares in Phase I will be offered for subscription to investors that have validly subscribed shares in Phase I. An investor is entitled to subscribe shares proportionally to the ratio between the number of shares subscribed by itself in Phase I and the total number of shares subscribed in Phase I.

The shares subscription period in Phase II is 5 business days, starting from the fifth business day after the completion of the subscription process in Phase I, i.e. from 24.07.2015 up until and including 30.07.2015

If no investor validly subscribes shares in Phase I, the shares may be offered for subscription in Phase III, according to paragraph III below.

The subscription price for a new share in Phase II is 2.66 RON / share.

- III. Phase III: The unsubscribed shares in Phase II or shares not validly subscribed by investors in Phase I will be offered for subscription to Qualified Investors over a subscription period of 10 business days, starting from the fifth business day after the end of Phase II, respectively from 06.08.2015 up until and including 19.08.2015. If oversubscription occurs, shares will be allocated based on the following criteria (the list is not exhaustive):

- Business line of Investors or entities within the Investors' group or their knowledge regarding the Issuer's business line
- Investors' Investment Policy
- Number of shares subscribed during the Offer
- Chronological order of subscriptions
- The time period in which the Investor would keep the shares subscribed from the offer, according to the Issuer and/or the Intermediary

- Other qualitative criteria that would allow a solid base of shareholders and a positive development of the Company's financial situation

Each Qualified Investor which has subscribed shares during the Offer acknowledges and agrees that: (i) the number of shares allocated to a Qualified Investor may be lower than the number of shares subscribed by that Investor during the Offer and (ii) the Qualified Investor may not be allocated any shares subscribed during the Offer.

Furthermore each Qualified Investor acknowledges and agrees that: (i) it is not possible to refuse the allocation or challenge in any way the allocation of shares subscribed during the Offer (e.g. the fact that an investor has not been allocated shares or has been allocated fewer shares than those subscribed etc.), as the allocation made by the Issuer and the Intermediary is mandatory and binding on the Investors under the applicable law and (ii) it has no right to request, and the Issuer and the Intermediary have no obligation to provide any explanations for the allocation of shares (e.g. if an investor has not been allocated shares or has been allocated fewer shares than those subscribed etc.), the criteria used in the allocation process or any other issue regarding the allocation of shares subscribed during the Offer.

The subscription price of a newly-issued share in Phase III is RON 2.67/share.

Provisions applicable to all three subscription phases: The shares will be paid in full on the subscription date, under the conditions set out in this Prospectus; any subscription of shares will be validated by rounding down to the nearest whole number.

The remaining unsubscribed shares at the end of Phases I - III mentioned above will be cancelled by a decision of the Special Administrator.

5.1. In respect of the country of registered office of the issuer and the country(ies) where the offer is being made or admission to trading is being sought:

The subscription form is available at the Intermediary's registered office, as well as on the following Webpages www.ssifbroker.ro and www.astrasig.ro.

Phase I: Any resident or non-resident individual or legal entity may subscribe shares offered in Phase I, provided that it holds pre-emption rights at the Final Date of Pre-Emption Rights Settlement (i.e. the second business day from the last trading day of pre-emption rights). Any subscription made during the Subscription Period of Phase I by an investor that did not hold pre-emption rights at the Final Date of Pre-Emption Rights Settlement shall not be validated and the money will be reimbursed to that investor. Also, if an investor that holds pre-emption rights subscribes a higher number of shares than the maximum number of shares it is entitled to subscribe, the amount representing the difference between the value subscribed and the value of shares to which it was entitled to subscribe shall be reimbursed into the bank account

indicated in the subscription form. Any bank fees or other costs of the transfer shall be paid by the investor. Reimbursement of the money shall be made within maximum 5 business days after the end of the Subscription Period of Phase I.

Phase II: Any resident or non-resident individual or legal entity may subscribe shares offered in Phase II, provided it has validly subscribed shares in Phase I. Any subscription made during the Subscription Period of Phase II by an investor that did not validly subscribe shares in Phase I shall not be validated and the money will be reimbursed to that investor. Also, if an investor subscribes a number of shares higher than the maximum number of shares it is entitled to subscribe in Phase II, then the amount that represents the difference between the value subscribed and the value of shares which it was entitled to subscribe shall be reimbursed in the bank account indicated in the subscription form. Any bank fees or other costs of the transfer shall be paid by the investor. Reimbursement of the money shall be made within maximum 5 business days after the end of the Subscription Period of Phase II.

Phase III: In this phase, shares may be subscribed by Qualified Investors, as they are defined in this Prospectus. During this phase the following shares will be subscribed: shares unsubscribed in Phase II or shares that were not validly subscribed by investors in Phase I. If oversubscription occurs, the value of shares paid by but not allocated to an investor, will be refunded within 5 business days after Phase III subscription period ends. The money shall be reimbursed into the bank account indicated in the registration form. Any bank fees or other costs of the transfer shall be paid by the investor.

The following conditions apply to all three subscription phases

Payment of the subscribed shares must be made in RON, in the Collection Account opened by the Intermediary with a commercial bank and used to collect the amounts corresponding to the subscriptions for the Offering, i.e. in IBAN account no RO26BTRLRONCRT00R1814004, opened at Banca Transilvania, Zorilor Branch, Cluj-Napoca.

Bank fees and other costs related to the payment of the subscribed shares by an investor and, if applicable, to reimbursements of any sums for the subscription of a higher number of shares than the number of validated or allocated subscriptions will be fully borne by the investor.

Subscribers may obtain from the Issuer and the Intermediary information about the number of shares they can subscribe for the share capital increase and number of shares allocated to them.

Upon the Subscription Forms registration, the value of shares subscribed must be fully paid, this meaning that the amount corresponding to the value of subscribed shares must be actually and fully credited into the Collection Account. If the amount paid by an investor in the Collection Account is lower than the amount necessary to subscribe the number of shares specified in the Subscription Form, such investor will be allocated a number of shares corresponding to the amount paid, provided that this number

of shares is lower than the maximum number of shares the investor is entitled to subscribe according to this Prospectus.

If FSA issues a decision whereby it does not approve the Company's share capital increase under the conditions of this Prospectus and / or rejects a potential Acquirer from becoming a significant shareholder in the Company, then the amounts paid by investors/potential Acquirer for the share subscription will be reimbursed into the bank accounts indicated in the subscription form within 5 business days from the date when the Issuer or the Intermediary received such a decision. Any bank fees or other costs of the transfer shall be borne by the Investors / Acquirer.

5.2. Name and address of the entities agreeing to underwrite the issue on a firm commitment basis, and name and address of the entities agreeing to place the issue without a firm commitment or under 'best efforts' arrangements. Indication of the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered. Indication of the overall amount of the underwriting commission (for a firm commitment) and of the placing commission and the date when the issue on a firm commitment basis was or will be honored.

N/A.

5.3. Necessary documents

In order to subscribe shares according to this Prospectus, investors must fill in the subscription form and attach thereto the following documents:

Resident individuals subscribing in their own name:

- Copy of ID card;
- proof of payment for the shares subscribed.

Resident individuals subscribing on behalf of other individuals:

- ID card (copy true to the original) of the representative and ID card (copy true to the original) of the person represented;
- Notarized authenticated power of attorney (original);
- proof of payment for the shares subscribed

Incapable resident individuals (lacking power of judgment) or under guardianship:

- ID card (copy true to the original) of the individual resident subscribing for the individual represented and the ID card of the incapable person (copy true to the original);

- Passport (copy true to the original) and/or residence permit (copy true to the original) of the individual subscribing for the incapable individual – only for foreign citizens;
- Legal document attesting to the guardianship or, as the case may be, a document attesting to the guardianship (true copy of the original);
- Proof of payment for the shares subscribed

Legal entities subscribing on own behalf:

- Registration certificate issued by the Trade Register Office (copy true to the original);
- Trade Registry extract issued by the Trade Register stating the legal entity's current status, indicating the company's legal representatives (in original, issued at most 30 days before the subscription date);
- The original power of attorney/mandate for the individual signing the Subscription Form, granted according to the constitutive deed provisions or proof that the concerned person duly represents the subscribing legal entity, with an individual right of representation (if the Company is collectively represented by two or several persons who are all attending the signing of the Subscription Form, such proof shall be presented for all these persons)
- ID card (true copy of the original) of the person subscribing for the legal entity;
- Proof of payment for the shares subscribed.

Non-residential individuals subscribing in their own name:

- Passport or ID card
- Proof of payment for the shares subscribed

Non-resident individuals subscribing through resident authorized representatives:

- Passport or ID card (copy true to the original);
- ID card of the authorized representative (in original and copy);
- Notarized authenticated power of attorney stating that the representative is authorized to act on behalf of the non-resident individual (in original);
- Proof of payment for the shares subscribed.

Non-resident legal entities subscribing on own behalf:

- Registration certificate of the non-resident legal entity issued by the Trade Register or any equivalent institution, if any (copy);

- Trade Registry extract stating the current status of the non-resident legal entity, indicating the legal representatives of the non-resident legal entity in question, issued by the Trade Registry or any equivalent institution specifying the legal representatives of the concerned non-resident legal entity (issued at most 30 days before the subscription date). If there is no authority or institution authorized to issue such a certificate, any corporate document indicating the legal representatives of the non-resident legal entity shall be submitted (issued at most 30 days before the subscription date); such a corporate document of the non-resident legal entity shall clearly specify whether the legal representatives are entitled to act separately or jointly or any document proving the capacity of the legal representative of the subscribing Company
- If subscriptions are made through a person other than the legal representative(s) of the non-resident legal entity, the power of attorney/mandate signed by the legal representatives of the non-resident legal entity, authorizing the concerned person to subscribe the shares in the account of the non-resident legal entity (copy true to the original);
- The ID card of the person subscribing as a legal representative or attorney-in-fact of the non-resident legal entity: passport, ID card (copy true to the original);
- Proof of payment for the shares subscribed.

Non-resident legal entities subscribing through a resident legal entity:

- Registration certificate of the non-resident legal person issued by the Trade Registry or any equivalent institution, if any (copy);
- Trade Registry extract stating the current status of the non-resident legal entity, indicating the legal representatives of the non-resident legal entity in question, issued by the Trade Registry or any equivalent institution (issued at most 30 business days before the subscription date). If there is no authority or institution authorized to issue such a certificate, any corporate document indicating the legal representatives of the non-resident legal entity shall be submitted (issued at most 30 business days before the subscription date); such a corporate document of the non-resident legal entity shall clearly specify whether the legal representatives are entitled to act separately or jointly;
- Registration certificate of the resident corporate representative issued by the Trade Registry (copy);
- Trade Registry extract stating the current status of the resident corporate representative issued by the Trade Registry (issued at 30 days before the subscription date);

- ID card of the legal representative of the resident legal entity subscribing as a representative on behalf of the non-resident legal entity (copy true to the original);
- Proof of payment for the shares subscribed.

Documents certifying the capacity of the legal representative drafted in a foreign language other than English shall be accompanied by a translation made by a certified translator in the Romanian or in the English language.

5.4. Registration of subscriptions

The necessary documents must be submitted or dispatched by mail or courier to the Intermediary's branch in Bucharest, with the registered office in 16 Splaiul Unirii, Floor 8, Room 803, District 4, Bucharest, with the note on the envelope "for the share capital increase of ASTRA S.A.".

If shareholders choose to send the documents by mail or courier, they should take into account the fact that the documents must arrive at the Intermediary's Branch in Bucharest not later than the last day of the Subscription Term, 17.00 hours.

5.5. Intermediation method

The intermediation method is the best execution method. The Intermediary shall verify all subscription forms together with the documents set out in this Prospectus as necessary for subscription and shall register all subscriptions received.

On the following business day after the end of each Subscription Period for Phase I, Phase II and Phase III, the Intermediary will draft the list of investors that have subscribed in each Phase, as well as the number of shares subscribed by each investor, which together with the collected subscriptions will be sent to the Special Administrator.

Based on the subscriptions provided by the Intermediary, the Special Administrator will assess the subscription results for each Phase and the level up to which the share capital will be increased according to the subscriptions made and the cancellation of the unsubscribed shares.

5.6. Revocation of the subscription

Subscriptions made for this Offering are irrevocable. If an amendment to the Prospectus is published, the investors who have subscribed shares for the Offering prior to the publication of the amendment to the Prospectus will be entitled to withdraw their subscriptions within two business days as from the publication of the amendment to the Prospectus; investors can withdraw their subscription by filling in, signing and sending the revocation form to the Intermediary. The amounts paid for the shares that were subscribed

prior to the withdrawal of the subscription due to the publication of an amendment shall be reimbursed to that investor within five business days from the date of the Subscription withdrawal.

6. ADMISSION TO TRADING AND DEALING ARRANGEMENTS

Within maximum 5 business days after the end of the last applicable subscription period, the Intermediary will draft a notification regarding the Offering outcome, which will be sent to FSA and published on BSE's web-site. Once the notification has been sent, the Issuer will take all the necessary steps for the registration of the share capital increase with the National Trade Register Office and the release of the trade registry excerpt stating the new share capital.

The share capital increase, as well as the qualification of a person as a Significant Shareholder (for example by acquiring a participation of at least 10% of the voting rights or of the Company's share capital), are conditional upon FSA's prior approval. The assessment made by FSA in order to adopt a decision about the share capital increase and/or about a person's intention to become a significant shareholder, could take a significant amount of time which will proportionally delay the registration of the share capital increase with the National Trade Register Office.

After registration formalities with the National Trade Register Office have been fulfilled, FSA will, on the basis of the trade registry extract, issue the securities registration certificate. After the securities registration certificate has been issued, the new shares will be registered with the Romanian Central Depository; those who have subscribed shares will become owners of the new shares upon the registration of the new shares by the Central Depository.

The shares acquired under the Offering presented in this Prospectus, will have, once they have been fully paid and the share capital increase has been registered, and after they have been registered with the Central Depository, the same regime as the existing shares, conferring the same rights and obligations on the shareholders.

After the share capital increase has been registered with the Central Depository, the shares acquired under the Offering could, theoretically, be traded on RASDAQ trading system, being freely transferable shares.

De facto, since 18.02.2014 the shares issued by the Company have been suspended from trading; therefore, the Company's shareholders and investors may not sell/buy the Company's shares through RASDAQ before the trading is resumed.

6.1. If simultaneously or almost simultaneously with the creation of the securities for which admission to a regulated market is being sought securities of the same class are subscribed for or placed privately or if securities of other classes are created for public or private placing, give details of the nature of such operations and of the number and characteristics of the securities to which they relate:

N/A

6.2. Details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity through bid and offer rates and description of the main terms of their commitment:

N/A

7. LOCK UP AGREEMENTS

There are no lock-up agreements

8. EXPENSE OF THE ISSUE/OFFER

The total amount of funds expected to be received after the share capital increase is RON 424,915,339.94.

According to the FSA Regulation no. 16/2014 on the revenues of the Financial Supervisory Authority, FSA's commission is 0.1% of the value of subscriptions made under the Offering.

The tariff charged for the registration of the securities with FSA is of RON 500.

The Intermediary's fee is in a flat amount of EUR 4,500 in RON equivalent and shall be paid by the Issuer out of own funds.

Other expenses incurred by the Offering and not quantified yet, but estimated not to exceed RON 10,000 shall be paid out of the Issuer's own funds.

9. DILUTION

9.1. The amount and percentage of immediate dilution resulting from the offer

If all shareholders exert their pre-emption right, the shareholding structure and the percentage holdings of each shareholder will remain unchanged, with only the number of shares held being changed.

9.2. The amount and percentage of immediate dilution that shall take place in case of not subscribing the new Offer

The amount and percentage of the immediate dilution that shall be registered by a shareholder choosing not to exercise his pre-emption right depends upon the number of shares that shall be subscribed by shareholders exercising their pre-emption right and by other persons who subscribe shares according to the Prospectus respectively, and as such it cannot be determined before the end of the Subscription Period.

10. ADDITIONAL INFORMATION

10.1. If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.

N/A.

10.2. An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors and where auditors have produced a report. Reproduction of the report or, with permission of the competent authority, a summary of the report.

N/A.

10.3. Where a statement or report attributed to a person as an expert is included in the Securities Note, provide such persons' name, business address, qualifications and material interest if any in the issuer. If the report or statement has been produced at the issuer's request a statement to the effect that such statement or report is included, in the form and context in which it is included, with the consent of the person who has authorized the contents of that part of the Securities Note.

N/A.

10.4 Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.

N/A.