

Translation from Romanian

SOCIETATEA ASIGURARE – REASIGURARE ASTRA S.A.

INDIVIDUAL FINANCIAL STATEMENTS

31 DECEMBER 2013

**Prepared in accordance with Order no. 3129/2005 of the
President of the Financial Supervisory Authority**



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.
INDIVIDUAL FINANCIAL STATEMENTS
FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013
(unless otherwise specified, all the amounts are expressed in RON)

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SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.

INDIVIDUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013

(unless otherwise specified, all the amounts are expressed in RON)

INSURERS BALANCE SHEET

as at 31 December 2013

	Description	Row.	Note	Balance as at:	
				01.01.2013	31.12.2013
	A	B		1	2
	ASSETS				
A	INTANGIBLE ASSETS				
	I. Intangible assets				
	1. Set-up expenses	01		-	-
	2. Development costs	02		-	-
	3. Leases, patents, licenses, trademarks, other rights and similar values	03	3.1	6,008,424	3,620,960
	4. Goodwill	04		-	-
	5. Advances for intangible assets and intangible assets in progress	05		-	-
	6. Other intangible assets	06	3.1	39,450	17,365
	TOTAL (row 01 to 06)	07	3.1	6,047,874	3,638,325
	INVESTMENTS				
	I. Investments in tangible assets and fixed assets in progress				
	1. Land and buildings	08	4.1	86,951,435	80,424,484
	2. Advances and investments for land and buildings in progress	09	4.1	4,971,917	-
	TOTAL (row 08 + 09)	10	4.1	91,923,352	80,424,484
B	II. Investments in related parties, equity investments and other investments in financial assets				
	1. Equity investments in related parties	11.	4.2	17,839,490	-
	2. Loans and receivables to related parties	12		-	-
	3. Equity investments in associates	13		-	-

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements.



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INDIVIDUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013

(unless otherwise specified, all the amounts are expressed in RON)

INSURERS BALANCE SHEET

(cont.)

As at 31 December 2013

	Description	Ro w.	Note	Balance as at:	
				01.01.2013	31.12.2013
	A	B		1	2
B	II. Investments in related parties, equity investments and other investments in financial assets				
	4. Loans and receivables to associates	14		-	-
	5. Other investments in financial assets	15	4.3	4,457,691	25,449,117
	TOTAL (row 11 to 15)	16		22,297,181	25,449,117
	III. Other financial investments				
	1 Shares, other variable income securities and unit funds	17	4.4	40,431,361	15,284,891
	2. Bonds and other fixed income securities	18	4.5	21,568,644	-
	3. Equity investments in common investment funds	19		-	-
	4. Mortgage loans	20		-	-
	5. Other loans	21		-	-
	6. Deposits to credit institutions	22	4.6	-	9,672,665
	7. Other financial investments	23	4.7	107,380,153	61,577,477
	TOTAL (row 17 to 23)	24		169,380,158	86,535,033
	IV Deposits with reinsurers	25		-	-
C	FINANCIAL INVESTMENTS RELATED TO LIFE INSURANCE, FOR WHICH RISK IS BORNE BY THE INSURED PERSON	26		-	-
	TOTAL INVESTMENTS (rows 10+16+24+25+26)	27		283,600,691	192,408,634

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INSURERS BALANCE SHEET (cont.)

as at 31 December 2013

	Description	Row	Nota	Balance as at	
				01.01.2013	31.12.2013
	A	B		1	2
D	REINSURER'S SHARE OF TECHNICAL RESERVES				
	I. Reinsurer's share of technical reserves for non-life insurance				
	1. Reinsurer's share of premiums reserve	28	13	164,155,527	12,424,370
	2. Reinsurer's share of reserve for bonuses and rebates	29		-	-
	3. Reinsurer's share of claims reserve	30	13	178,284,363	5,580,816
	4. Reinsurer's share of other technical reserves		13	67,130,444	80,654,924
	a) Reinsurer's share of unexpired risk reserve	31		-	-
	b) Reinsurer's share of catastrophic reserve	32	13	67,130,444	80,654,924
	c) Reinsurer's share of other technical reserves	33		-	-
	TOTAL (rows 28 to 33)	34	13	409,570,334	98,660,110

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INSURERS BALANCE SHEET (cont.)
as at 31 December 2013

	Description	Ro w.	Note	Balance as at	
				01.01.2013	31.12.2013
	A	B		1	2
D	II. Reinsurer's share of technical reserves for life insurance				
	1. Reinsurer's share of mathematical reserve	35		-	-
	2. Reinsurer's share of premiums reserve	36	13	46,149	82,486
	3. Reinsurer's share of reserve for bonuses and rebates	37		-	-
	4. Reinsurer's share of claims reserve	38	13	10,871,750	2,300,000
	5. Reinsurer's share of other technical reserves	39		-	-
	TOTAL (rows from 35 to 39)	40	13	10,917,899	2,382,486
	III. Reinsurer's share of mathematical reserve related to life insurance contracts for which the investment risk is borne by the insured person	41			
	TOTAL (rows 34+40+41)	42		420,488,233	101,042,596
E	RECEIVABLES				
	Amounts receivable from related parties	43	18	110,414,606	8,220,754
	Amounts receivable from equity interests	44		-	-
	TOTAL (rows 43+44)	45	18	110,414,606	8,220,754

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FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013

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INSURERS BALANCE SHEET (cont.)

as at 31 December 2013

	Description	Row	Note	Balance as at	
				01.01.2013	31.12.2013
	A	B		1	2
E	I Receivables from direct insurance operations				
	Receivables from insured persons	46	5	527,751,678	184,415,571
	Receivables from brokers and agents in insurance	47		-	-
	Other receivables arising from direct insurance operations	48		-	-
	TOTAL (rows from 46 to 48)	49	5	527,751,678	184,415,571
	II Receivables arising from reinsurance operations	50	6	201,957,284	26,036,243
	III Other receivables	51	10	121,275,212	55,240,359
	IV Subscribed share capital called but not paid (456-495)	52		-	-
F	OTHER ASSETS				
	I Tangible assets and inventories				
	1. Technical equipment and vehicles	53	3.2	9,894,457	7,434,485
	2. Other equipment and furniture	54	3.2	823,508	760,196
	3. Advances for tangible assets in progress	55	3.2	33,934	6,106
	TOTAL (rows from 53 to 55)	56	3.2	10,751,899	8,200,787
	Inventories				
	4. Consumables	57	7	613,891	541,589
	5. Advances for inventories	58		-	-
	TOTAL (rows 57 + 58)	59	7	613,891	541,589
	II Cash at bank and in hand	60	8	19,845,427	6,250,901
	III Other assets	61		-	-
G	PREPAYMENTS				
	I Accrued interest and prepaid rent	62	9	201,656	63,060
	II Deferred acquisition costs TOTAL (rows 64+65)	63	9	155,440,297	109,756,023
	1. Deferred acquisition costs for non-life insurance	64	9	155,440,297	109,756,023

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INDIVIDUAL FINANCIAL STATEMENTS

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INSURERS BALANCE SHEET (cont.)

as at 31 December 2013

	Description	Row.	Note	Balance as at	
				01.01.2013	31.12.2013
	A	B		1	2
G	2. Deferred acquisition costs for life insurance	65		-	-
	III Other prepayments	66	9	8,786,925	7,292,315
	TOTAL (rows 62+63+66)	67	9	164,428,878	117,111,398
	TOTAL ASSETS (rows 07+27+42+45+49+50+51+52+56+59+60+61+67)	68		1,867,175,673	703,107,158
LIABILITIES					
A	CAPITAL AND RESERVES				
	I Capital				
	Share capital (1011+1012+1013) of which:	69	11	192,712,534	192,712,534
	- Subscribed and paid in share capital	70	11	192,712,534	192,712,534
	II Share premium accounts	71		-	-
	III Revaluation reserves	72	12	55,281,367	55,281,367
	IV Reserves				
	1. Legal reserves	73	12	6,133,118	6,133,118
	2. Statutory or contractual reserves	74		-	-
	3. Reserves representing realized surplus from revaluation reserves	75		-	-
	4. Other reserves	76	12	23,818,968	23,818,968
	5. Own shares	77		-	-
	TOTAL (rows from 73 to 76 - 77)	78		29,952,086	29,952,086
A	V Retained earnings				
	1. Retained earnings representing undistributed profit or loss brought forward	Cr 79		-	-
		Dr 80		11,185,935	4,514,877
	2. Retained earnings arising from first time adoption of IAS, except for IAS 29	Cr 81		7,382,386	7,382,386
		Dr 82		-	-

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INSURERS BALANCE SHEET (cont.)
as at 31 December 2013

Description	Row	Note	Balance as at	
			01.01.2013	31.12.2013
A	B		1	2
3. Retained earnings from correction of accounting errors	Cr 83		-	-
	Dr 84	2(u)	72,630,571	138,071,143
4. Retained earnings arising from application of accounting regulations in accordance with European Directives	Cr 85		-	-
	Dr 86		-	-
	Cr 87	32	6,671,058	-
VI Profit or loss for the year	Dr 88	32	-	917,328,742
VII Profit allocation	89		-	-
TOTAL (rows 69+71+72+78+79-80+81-82+83-84+85-86+87- 88- 89)	90		208,182,925	(774,586,389)
SUBORDINATED DEBT	91		-	-
TECHNICAL RESERVES				
I. Technical reserves related to non-life insurance (rows 93+94+95+98)	92		1,166,577,709	1,226,479,797
1. Premiums reserve related to non-life insurance	93	13	697,455,169	417,402,557
2. Reserve for bonuses and rebates related to non-life insurance	94		-	-
3. Claims reserve related to non-life insurance (rows 96+97)	95	13	344,610,298	665,486,605
a) Reported but not settled claims reserve	96		176,854,549	536,404,960
b) Incurred but not reported claims reserve	97		167,755,749	129,081,645
4. Other technical reserves for non-life insurance (rows 99+100+101)	98	13	124,512,242	143,590,635
a) Unexpired risk reserve (334)	99		-	-
b) Catastrophe reserve	100	13	124,512,242	143,590,635
c) Other technical reserves	101		-	-

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INSURERS BALANCE SHEET (cont.)

as at 31 December 2013

	Description	Row	Note	Balance as at	
				01.01.2013	31.12.2013
	A	B		1	2
C	II Technical reserves related to life insurance (rows 103+104+105+106+109)	102	13	40,111,604	32,271,408
	1. Mathematical reserve	103	13,14	7,731,481	9,293,243
	2. Premiums reserve related to life insurance	104	13	7,956,806	7,058,865
	3. Reserve for bonuses and rebates related to life insurance	105	13,14	12,382,511	3,729,004
	4. Claims reserve for life insurance (rows 107+108)	106	13	12,040,806	12,190,296
	a) Reported but not settled claims reserve	107		12,040,806	12,190,296
	b) Incurred but not reported claims reserve	108		-	-
	5. Other technical reserves related to life insurance	109			-
	III. Equalization reserve	110		-	-
	TOTAL (rows 92+102+110)	111	13	1,206,689,313	1,258,751,205
D	MATHEMATICAL RESERVE RELATED TO LIFE INSURANCE CONTRACTS FOR WHICH THE INVESTMENT RISK IS BORNE BY THE INSURED PERSON	112		-	-
E	PROVISIONS				
	1. Provisions for pensions and other similar obligations	113		-	-
	2. Provisions for taxes	114		-	-
	3. Other provisions	115	15	-	6,497,729
	TOTAL (rows from 113 to 115)	116	15	-	6,497,729
F	DEPOSITS FROM REINSURERS	117		-	-
G	LIABILITIES				
	Amounts payable to related parties	118	19	-	10,900,834
	Amounts payable to associates from investments	119		-	-

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**INSURERS BALANCE SHEET (cont.)
as at 31 December 2013**

Description	Row	Note	Balance as at	
			01.12.2013	31.12.2013
A	B		1	2
G I Liabilities from direct insurance operations	120		730,488	423,924
II Liabilities from reinsurance operations	121	6	302,291,299	57,761,055
III Bonds issued	122		-	-
IV Amounts due to credit institutions	123		-	-
V Other liabilities including tax and other social security charges	124	16	130,283,940	130,245,213
TOTAL (rows from 118 to 124)	125		433,305,727	199,331,027
H ACCRUALS AND DEFERRED INCOME				
I. Subsidies for investments	126	17	208,791	154,326
II. Deferred income	127	17	18,788,917	12,959,260
TOTAL (rows 126 + 127)	128	17	18,997,708	13,113,586
TOTAL LIABILITIES (rows 90+91+111+112+116+117+125+128)	129		1,867,175,67 3	703,107,158

SPECIAL ADMINISTRATOR,
KPMG Advisory LLC
By representative:
Angela Manolache

PREPARED BY,
Name and first name:
Puscasiu Antonela

Signature

Position:

Company stamp

Signature

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.

INDIVIDUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013

(unless otherwise specified, all the amounts are expressed in RON)

NON-LIFE TECHNICAL ACCOUNT

For the year ended 31 December 2013

Description	Row	Note	Financial Year	
			previous	current
A	B		1	2
1. Earned Premiums, net of reinsurance				
a) gross written premiums (+)	01	20	1,107,387,211	905,003,566
b) premiums ceded to reinsurers (-)	02	20	312,216,145	333,500,295
c) change in unearned premium reserve (+/-)	03	20	90,424,053	(92,167,082)
d) change in unearned premium reserve, ceded in reinsurance (+/-)	04	20	48,013,774	(151,688,515)
TOTAL(rows 01-02-03+04)	05	20	752,760,787	511,981,838
2. Share of net investment return (difference between investments income and expenses) transferred from non-technical account (+)	06		16,756,707	-
3. Other technical income, net of reinsurance (+)	07	27	60,444,546	103,834,106
4. Claim expenses, net of reinsurance				
a) claims paid (rows 09-10):	08		438,353,702	65,478,327
gross amount	09	22	603,349,271	522,107,627
reinsurer's share (-)	10	22	164,995,569	456,629,300
b) change in claims reserve, net of reinsurance: (+/-)	11	22	(155,224,304)	493,596,007
TOTAL (rows 08+11)	12	22	283,129,398	559,074,334
5. Change in other technical reserves, net of reinsurance, of which				
a) Change in unexpired risks reserve (+/-)	13		-	-
b) Change in catastrophe reserve (+/-)	14		51,220,147	5,553,912
c) Change in other technical reserves (+/-)	15		-	-
TOTAL(rows 13+14+15)	16		51,220,147	5,553,912
6. Change in reserve for bonuses and rebates (+/-)	17		-	-

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SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.**INDIVIDUAL FINANCIAL STATEMENTS****FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013****(unless otherwise specified, all the amounts are expressed in RON)****NON-LIFE TECHNICAL ACCOUNT****For the year ended 31 December 2013**

Description	Row	Note	Financial year	
			Previous	Current
A	B		1	2
7. Net operating expenses of which::				
a) acquisition costs	18	24	212,847,465	347,523,378
b) change in deferred acquisition costs (+/-)	19	24	8,781,382	44,030,593
c) administrative expenses	20	24	119,271,355	128,961,052
d) commissions from reinsurers and profit participation (-)	21	24	14,945,672	14,741,060
TOTAL(rows 18+19+20-21)	22	24	325,954,530	505,773,963
8. Other technical expenses, net of reinsurance	23	27	174,044,737	235,793,382
9. Changes in equalization reserve(+/-)	24		-	-
10. Technical result of non-life insurance Profit (rows 05+06+07-12-16-17-22-23-24)	25		-	-
Loss (rows 12+16+17+22+23+24-05-06-07)	26		4,386,772	690,379,647

SPECIAL ADMINISTRATOR,

KPMG Advisory LLC

By representative:

Angela Manolache

PREPARED BY,

Name and first name:

Puscasiu Antonela

Position:

Signature

Signature

Company Stamp

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.

INDIVIDUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013

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LIFE TECHNICAL ACCOUNT
For the year ended 31 December 2013

Description	Rows	Note	Financial year	
			Previous	Current
A	B		1	2
1.Earned premiums, net of reinsurance				
a) gross written premiums (+)	01	21	24,157,572	14,282,368
b) premiums ceded to reinsurers (-)	02	21	116,137	306,405
c) change in unearned premiums reserve (+/-)	03	21	(2,053,923)	(932,724)
TOTAL(rows 01-02-03)	04	21	26,095,358	14,908,687
2.Investment income				
a) Income from investments in associates, out of which:	05		-	-
- income from investments in related parties	06		-	-
b) Income from other investments with the distinct presentation of revenues from investments in related parties, out of which:	07	25	-	982,938
- income from sale of land and buildings	08		-	-
- income from other investments	09	25	-	982,938
c) Income from release of provisions for impairment losses or investments	10		-	-
d) Net gains on investments	11	25	1,199,961	989,607
TOTAL (rows 05+07+10+11)	12		1,199,961	1,972,545
3. Unrealized gains from investments	13		-	-
4. Other technical income, net of reinsurance	14	27	-	110,962
5. Claim expenses, net of reinsurance				
TOTAL (rows 16+19)	15		3,220,625	20,491,187
a)amounts paid (rows 17-18):	16	23	3,219,581	11,769,926
- gross amounts	17	23	3,219,581	11,769,926
- reinsurer's share (-)	18		-	-

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LIFE TECHNICAL ACCOUNT
For the year ended 31 December 2013

Description	Row	Note	Financial year	
			previous	current
A	B		1	2
b) change in claim reserve (+/-) (rows.20-21)	19		1,044	8,721,261
- gross amounts	20	23	10,872,794	149,511
- reinsurer's share (-)	21	23	10,871,750	(8,571,750)
6. Change in life insurance technical reserves				
TOTAL (rows 23+26+29)	22		9,599,247	(7,091,730)
a) change in mathematical reserve (rows 24-25)	23	14	267,394	1,561,762
- gross amounts	24	14	267,394	1,561,762
- reinsurer's share (-)	25		-	-
b) change in reserve for bonuses and rebates (rows 27-28)	26	14	9,331,853	(8,653,507)
- gross amounts	27	14	9,331,853	(8,653,507)
- reinsurer's share (-)	28		-	-
c) change in other technical reserves (rows. 30-31)	29		-	-
- gross amounts	30		-	-
- reinsurer's share (-)	31		-	-
7. Change in reinsurer's share of mathematical reserve related to life insurance contracts for which the investment risk is borne by the insured person				
TOTAL(rows 33-34)	32		-	-
- gross amounts	33		-	-
- reinsurer's share (-)	34		-	-
8.Net operating expenses:				
a) acquisition costs	35	24	4,316,074	3,408,702
b) change in deferred acquisition costs	36		-	-
c) administrative expenses	37	24	1,283,500	1,168,328

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LIFE TECHNICAL ACCOUNT
For the year ended 31 December 2013

Description	Row	Note	Financial year	
			Previous	current
A	B		1	2
d) commissions from reinsurers and profit participation (-)	38		-	-
TOTAL(rows 35+36+37-38)	39	24	5,599,574	4,577,030
9. Investment charges:				
a) investment management fee, including interest expense	40		281,903	1,586
b) charges with provisions for impairment losses or investments	41		-	-
c) losses on disposal of investments	42		-	-
TOTAL(rows 40+41+42)	43		281,903	1,586
10. Unrealized losses on investments	44		-	-
11. Other technical expenses, net of reinsurance	45	27	-	128,569
12. Share of net investment return transferred to non-technical account	46		-	-
13. Technical result of life insurance				
Profit(rows 04+12+13+14-15-22-32-39-43-44-45-46)	47		8,593,970	-
Loss(rows 15+22+32+39+43+44+45+46-4-12-13-14)	48		-	1,114,433

SPECIAL ADMINISTRATOR,
KPMG Advisory LLC
By representative:
Angela Manolache

PREPARED,
Name and first name:
Puscasiu Antonela

Signature

Position:

Company stamp

Signature

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SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.

INDIVIDUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013

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**NON-TECHNICAL ACCOUNT
for the year ended 31 December 2013**

Description	Row.	Note	Financial Year	
			previous	current
A	B		1	2
1. Technical result of non-life insurance				
Profit	01		-	-
Loss	02		4,386,772	690,379,647
2. Technical result of life insurance				
Profit	03		8,593,970	-
Loss	04		-	1,114,433
3. Investment income				
a) Income from investments in associates	05	25	1,445,103	960,252
out of which income from investments in related parties	06		-	-
b) Income from other investments	07	25	-	7,237,409
out of which income from investments in related parties	08		-	-
Income from land and buildings	09		-	-
Income from other investments	10	25	-	7,237,409
c) Income from release of provisions for impairment losses or investments	11		-	-
d) Net gains on investments	12	25	17,358,247	4,103,873
TOTAL (rows 05+07+11+12)	13	25	18,803,350	12,301,534
4. Unrealized gains from investments	14		-	111,556
5. Share of net gains from investments transferred from the life insurance technical account	15		-	-
6. Investment charges				
TOTAL (rows 17+18+19)	16	26	2,046,643	31,388,546
a) Investment management fees, including interest expense	17	26	2,004,293	1,857,824
b) Charges with provisions for impairment losses on investments	18		-	-
c) Realized losses on investments	19	26	42,350	29,530,722

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.
INDIVIDUAL FINANCIAL STATEMENTS
FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013
(unless otherwise specified, all the amounts are expressed in RON)

NON-TECHNICAL ACCOUNT
for the year ended 31 December 2013

Description	Row	Note	Financial year	
			previous	current
A	B		1	2
7. Unrealized losses on investments	20		-	-
8. Share of net gains from investments transferred to the non-life insurance technical account	21		16,756,707	-
9. Other non-technical income	22	28	10,057,727	4,192,249
10. Other non-technical expenses, including provisions	23	28	7,269,836	210,905,643
11. Income from administration of facultative pension funds	24		-	-
12. Expenses from administration of facultative pension funds *	25		-	-
13. Profit from administration of facultative pension funds * (rows 24-25)	26		-	-
14. Loss from administration of facultative pension funds * (rows 25-24)	27		-	-
15. Current profit or loss				
Profit (rows 01-02+03-04+13+14+15-16-20-21+22-23+26-27)	28		6,995,089	-
Loss (rows 02-01+04-03-13-14-15+16+20+21-22+23+27-26)	29		-	917,182,930
16. Income from extraordinary events	30		-	-
17. Expenses from extraordinary events	31		-	-
18. Extraordinary profit or loss			-	-
Profit (rows 30-31)	32		-	-
Loss (rows 31-30)	33		-	-
19. Total income	34		1,461,908,608	1,186,505,009
20. Total expenses	35		1,454,913,519	2,103,687,939
21. Gross result				
Profit (rows 34-35); (rows 28-29+32-33);	36		6,995,089	-
Loss (rows 35-34); (rows 29-28+33-32);	37		-	917,182,930

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.**INDIVIDUAL FINANCIAL STATEMENTS****FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013****(unless otherwise specified, all the amounts are expressed in RON)****NON-TECHNICAL ACCOUNT
for the year ended 31 December 2013**

Description	Row	Note	Financial year	
			previous	Current
A	B		1	2
22. Income tax	38		-	145,812
23. Other taxes (not included in the previous rows)	39		324,031	-
24. Net result of the financial year				
Profit (rows 36-38-39)	40	32	6,671,058	-
Loss (rows 37+38+39)	41	32	-	917,328,742

SPECIAL ADMINISTRATOR,
KPMG Advisory LLC
By representative:
Angela Manolache

PREPARED,
Name and first name:
Puscasiu Antonela

Signature

Position:

Company stamp

Signature

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements



STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

for the year ended 31 December 2013

	Balance at beginning of the year	Increase		Decrease		Balance at the end of the year
		Total, of which	by transfer	Total, of which	by transfer	
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	-	-	-	-	-	-

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements

SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.
INDIVIDUAL FINANCIAL STATEMENTS
FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013
(unless otherwise specified, all the amounts are expressed in RON)

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
for the year ended 31 December 2013 (cont.)

	Balance at beginning of the year	Increase		Decrease		Balance at the end of the year
		Total, of which	by transfer	Total, of which	by transfer	
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)

SPECIAL ADMINISTRATOR,
KPMG Advisory LLC,
By representative:
Angela Manolache

Signature
Company stamp

PREPARED

Name and first name:
Puscasiu Antonela

Position: Financial Accounting Director
Signature

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.
INDIVIDUAL FINANCIAL STATEMENTS
FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013
(unless otherwise specified, all the amounts are expressed in RON)

CASH FLOW STATEMENT – NON-LIFE INSURANCE

For the year ended 31 December 2013

- indirect method-

	Nota	Financial year	
		Previous	Current
Cash flow from operating activity			
Net Profit /(Loss)		(1,922,912)	(916,214,308)
<i>Adjustments for non-cash items and other elements included in investment or in financing activity</i>		(140,271,460)	964,486,862
Depreciation expense	24	8,975,258	9,282,925
Provisions	15	-	6,497,729
Net value adjustments	15	(9,887,760)	430,857,118
Non-cash adjustments for investment income and charges and value adjustments	15	-	29,530,722
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)
Change in technical reserves net of reinsurance		(58,477,259)	558,613,020
Change in acquisition costs carried forward		(33,058,152)	45,684,274
Other non-cash adjustments		(31,278,787)	(105,231,938)
<i>Changes in working capital during the period</i>		21,548,159	(121,946,478)
Changes in receivables and other assets		(222,462,655)	(138,380,903)
Changes in liabilities and deferred income		244,010,814	16,434,425
Income tax paid		(324,031)	-
1. Cash flow from operating activities		(120,646,213)	(73,673,924)
Cash flow from investing activities:			
Cash receipts from the sale of investments, placements and interest income		5,269,108	15,471,295
Cash payments for acquisition of tangible and intangible assets		(1,597,956)	(4,582,093)
Cash receipts from the sale of tangible and intangible assets		562,905	(72,797)
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

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.
INDIVIDUAL FINANCIAL STATEMENTS
FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013
(unless otherwise specified, all the amounts are expressed in RON)

CASH FLOW STATEMENT – NON-LIFE INSURANCE
For the year ended 31 December 2013
- Indirect method- (cont.)

	Nota	Financial years	
		previous	current
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)
3. Net cash from financing activities		(12,000,000)	13,944,357
Net decrease in cash and cash equivalents (1+2+3)		(120,637,780)	(45,471,766)
Cash and cash equivalents at the beginning of the year (A)	33	203,578,347	82,940,567
Cash and cash equivalents at the year-end (C=A+B)	33	82,940,567	37,468,800

SPECIAL ADMINISTRATOR,
KPMG Advisory LLC
By representative:
Angela Manolache

Name and first name:
Puscasiu Antonela

Signature

Position:

Company stamp

Signature

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.
INDIVIDUAL FINANCIAL STATEMENTS
FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013
(unless otherwise specified, all the amounts are expressed in RON)

CASH FLOW STATEMENT – LIFE INSURANCE
For the year ended 31 December 2013
- indirect method-

	Nota	Financial Year	
		Previous	Current
Cash flow from operating activity			
Net Profit /(Loss)		8,593,970	(1,114,434)
<i>Adjustments for non-cash items and other elements included in investment or in financing activity</i>		2,612,010	780,109
Depreciation expense	25	584,718	611,350
Revenues/ income from interest and others		(1,166,606)	(989,019)
Change in technical reserves net of reinsurance		9,529,837	695,216
Change in acquisition costs carried forward		(13,250)	-
Other non-cash adjustments		(6,322,690)	462,562
<i>Changes in the working capital during the year</i>		(7,575,215)	115,870
Changes in receivables and other assets		(15,121,582)	7,684,758
Changes in liabilities and deferred income		7,546,367	(7,440,944)
Income tax paid		-	(127,944)
1. Net cash flow from operating activities		3,630,765	(218,455)
Cash flow from investing activities:			
Cash payments for acquisition of tangible and intangible assets		(25,713)	-
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
Cash payment for interest, dividends and others		231	-
2. Net cash flow from investing activities		(5,037,714)	2,667,245

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.**INDIVIDUAL FINANCIAL STATEMENTS****FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013****(unless otherwise specified, all the amounts are expressed in RON)****CASH FLOW STATEMENT – LIFE INSURANCE****For the year ended 31 December 2013****- indirect method- (continued)**

	Nota	Financial year	
		Previous	current
Cash flows from financing activities:			
Cash payments through transfer to non-life insurance		-	(8,118,610)
3. Net cash flow from financing activities		-	(8,118,610)
Net increase/(decrease) in cash and cash equivalents (1+2+3)		(1,406,950)	(5,669,820)
Cash and cash equivalents at the beginning of the year (A)	33	7,727,316	6,320,367
Cash and cash equivalents at the year-end (C=A+B)	33	6,320,367	650,548

SPECIAL ADMINISTRATOR,

KPMG Advisory LLC,

By representative:

Angela Manolache

Name and first name:

Puscasiu Antonela

Signature

Position:

Company stamp

Signature

The notes to the individual financial statements on page 24 to 105 are integral part of the individual financial statements



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.

INDIVIDUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013

(unless otherwise specified, all the amounts are expressed in RON)

1 General

S.C. ASIGURARE-REASIGURARE ASTRA S.A. (hereinafter referred to as the "Company" or "Astra") is a legal entity registered in Romania on 1 January 1991. ASTRA is authorised to carry on insurance and reinsurance activities through its central office in Bucharest, Strada Nerva Traian, nr. 3, Sector 3 and through its branches, agencies and working points in Bucharest and the rest of the country. The Company's main activity is non-life and life insurance.

Under Decision no.42/2014 regarding the initiation of the financial recovery procedure through special administration of Societatea de Asigurare Reasigurare ASTRA S.A. („the "Company"”), published in the Official Journal, Part I, no. 120 of 18.02.2014 and implemented under Decision no. 43/2014 and Decision no. 66/2014, S.C. KPMG Advisory S.R.L was appointed by the Financial Supervisory Authority („ASF”) as Special Administrator of ASTRA.

The Company has a central office located in Bucharest, 50 branches, 147 agencies, 30 working points and 1 regional center located in Bucharest (2012: 46 branches, 164 agencies, 30 working points and 1 regional center located in Bucharest) located throughout the country and abroad through three branches: Hungary (opened in 2010), Slovakia (opened in 2012) and Germany (opened in 2014).

The tangible and intangible assets and liabilities structure of the branch located in Hungary as at 31 December 2013 was as follows: total assets RON 7,723,897 (31 December 2012: RON 74,656,239); total liabilities RON 7,883,502 (31 December 2012: RON 94,710,339), losses RON 22,776,776 (2012: RON 13,096,613).

The tangible and intangible assets and liabilities structure of the branch located in Slovakia as at 31 December 2013 was as follows: total assets RON 306,975 (31 December 2012: RON 60,643); total liabilities RON 3,693,746 (31 December 2012: 144,927 RON), losses RON 3,301,238 (2012: RON 84,464).

As at 31 December 2013, the Company held shares in the following entities:

<i>RON</i>	31 December 2013 <i>% of the share capital</i>	31 December 2012 <i>% of the share capital</i>
SC ASTRA SAFE IMOB SRL	95	95
SC ASTRA TRAINING SRL	95	95
SC ASTRA ACTIV SRL	95	95
SC NOVACUART SRL	100	100



1 General (continued)

The Company's management analyzed the requirements to prepare consolidated financial statements as per the Order no. 3129/2005 by the President of the Insurance Supervisory Commission (currently, Financial Supervisory Authority) (Order 3129/2005). Art. 17 and art. 18 of part 2 "Accounting regulations according to the European Directives on the consolidated financial statements of insurance companies" under Order 3129/2005, specifies the materiality principle applies for including the subsidiaries' balance sheet and profit and loss account items in the consolidated statements. Following the analysis an insignificant impact resulted for every item (less than 1% of the balance sheet items, i.e. of the profit and loss account at consolidated level). Thus, these financial statements present a true and fair view of the assets, liabilities, financial position and losses insofar as the consolidated financial statements are concerned.

In consideration of the above, the Company will not prepare another set of consolidated financial statements as per Order 3129/2005, the equity investments being presented under row 11: "*Equity investments in related parties*" of the balance sheet presented in these individual financial statements.

2 Significant accounting policies

The significant accounting policies applied in preparing the individual financial statements of the Company are presented below:

(a) Preparation and disclosure of individual financial statements

These individual financial statements have been prepared in compliance with:

- 1) Order no. 3129/2005 by 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 individual financial statement comprises the following:

- Balance sheet
- Profit and Loss account (Non-life technical account, Life technical account, Non-technical account)
- Statement of changes in shareholders' equity
- Statement of cash flows
- Notes to the individual annual financial statements



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.

INDIVIDUAL FINANCIAL STATEMENTS

FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013

(unless otherwise specified, all the amounts are expressed in RON)

2 Significant accounting policies (*continued*)

(b) Basis of preparation

These individual financial statements were prepared on a historical cost basis, with exceptions presented in the following accounting policies. The financial statements were prepared and presented in lei (RON), rounded to the nearest RON.

(c) Foreign currency conversion

Foreign currency transactions are recorded at the National Bank of Romania (NBR) exchange rate prevailing at the date of the transaction. Foreign exchange differences arising from foreign currency transactions are recorded as income or expenses at the date of the transaction using the available exchange rate of the day.

Monetary assets and liabilities in foreign currencies are translated in RON at the National Bank of Romania exchange rate prevailing at the balance sheet date.

The foreign exchange gain or loss resulting from the conversion of monetary assets and liabilities are recorded in the profit and loss account of the year in progress.

The foreign exchange rates for the main foreign currencies at the end of the financial were:

Currency	31 December 2013		31 December 2012	
Dollar (USD)	1:RON	3.2551	1:RON	3.3575
Euro (EUR)	1:RON	4.4847	1:RON	4.4287
Hungarian Forint (HUF)	1:RON	1.5091	1:RON	1.5135

For the preparation of the individual financial statements in accordance with Order 3129/2005, estimates and assumptions were used to measure the value of the assets and liabilities reported in the balance sheet as at 31 December 2013, contingent assets and liabilities at the date of individual financial statements and income and expenses reported for that period.

(d) Use of estimates

Although these individual estimates have a certain degree of uncertainty, their effect on the financial statements is considered to be insignificant.

The main components of these individual financial statements for which estimates were used are:

- Technical reserves for non-life and life insurance
- The share of technical reserves ceded in reinsurance
- Insurance receivables
- Liabilities from reinsurance operations
- Foreign exchange gains or losses
- Premiums ceded in reinsurance
- Commission expenses with agents and brokers
- Deferred acquisition costs



2 Significant accounting policies (*continued*)

(e) Going concern

Under Decision no. 42 of 18 February 2014, implemented under Decision no. 43/2014 and Decision no. 66/2014, the Financial Supervisory Authority decided that a financial recovery procedure through special administration should be opened, in line with the provisions of Law no. 503/2004 regarding the financial recovery, bankruptcy, dissolution and voluntary liquidation of insurance companies, as republished, and appointed KPMG Advisory SRL as Special Administrator of the Company.

Pursuant to Decision no. 43/2014, the Special Administrator prepared a detailed report in connection with the Company's financial situation. This report details the issues set forth under Decision no. 43/2014, among which: a detailed report regarding the Company's financial position based on a due diligence performed by the Special Administrator on the non-audited financial information as at 31.12.2013 and the actual and operative possibilities for the Company's financial recovery, the measures to be undertaken by the Special Administrator to this end or, as applicable, the reasons that might prevent the fulfilment of the objectives pursued under this procedure.

The Company depends on the successful implementation of the financial recovery measures to be undertaken, set out in the Special Administrator's report submitted to the Financial Supervisory Authority ("ASF") on 25 March 2014 and approved under ASF Decision no. 117/07.04.2014 (except for two of the measures). The recovery plan included in the Special Administrator's Report deemed to avoid bankruptcy proceedings and instead envisages the Company's recovery through methods to restore liquidity and solvency, depending on the actual and operative recovery possibilities to be identified, and taking into account the applicable economic restraints, the cumulated requirements of the insurance, capital markets and companies legislation, as well as the complex diagnosis of the Company's aggravated, generalized condition with symptoms building up in time.

As at 31 December 2013, the Company's net asset, determined as the difference between total assets and total liabilities had a negative value. If the Company's net asset, determined as the difference between its total assets and total liabilities, decreased to less than half of the subscribed share capital, pursuant to Law 31/1990 as republished and amended under law 441/2006, the Extraordinary General Meeting of Shareholders has to be called to decide on the measures to be taken according to applicable legal requirements.

As at 31 December 2013, the solvency margin available for non-life insurance was RON (810,151,361), the minimum solvency margin for non-life insurance was RON de 144,770,548, while the security fund was RON 48.256.849. 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, determined as the ratio between liquid assets and short-term debts to policyholders. Thus the Company did not comply 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 life insurance activities, 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



Significant accounting policies (continued)

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").

(e) Going concern

as the liquidity ratio, as subsequently amended and supplemented ("Order 8/2011").

As at 31 December 2013, the Company registered a negative difference of RON (722,858,247) 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.

On 12 May 2014, the Extraordinary General Meeting of Shareholders (EGMS) approved the delegation to the Special Administrator, the Board of Directors respectively (in the event that after the calling of the EGMS the Company's management would be resumed by the Board of Directors) of the prerogative to increase the Company's share capital. The delegation of the share capital increase prerogative is valid for a maximum of one year after the date of the resolution. The Special Administrator / Board of Directors may decide, under one or several resolutions, the Company's share capital increase through the issuance of new shares, with amounts that may not exceed in total the amount of RON 490,000,000.

On 27 June 2014, KPMG Advisory SRL, mandated as Special Administrator of the Company by ASF under Decision no. 42/18.02.2014, and in consideration of Resolution no. 1 of 12 May 2014 adopted by EGMS, issued Resolution no. 26, approving the Company's share capital increase by contribution in cash with an amount of RON 70,000,001.40, from RON 192,712,533.86 to RON 262,712,535.26, through the issuance of new shares (more details about the share capital increase are presented in Note 36 to the individual financial statements).

According to the analysis performed by the Special Administrator on the Company's financial and operational situation, the net asset could be restored up to a level where the Company would reach the minimum solvency margin, and implicitly, would cover the minimum security fund level through a number of measures, as follows:

- Contribution in cash to the share capital of RON 490 million for which the above mentioned actions were initiated;
- Operational measures with no impact on liquidity (non-cash), with a net effect on the Company's equity, comprising:
 - Extension of the catastrophe risk reinsurance program NATCAT reinsurance program, including the reduction of the Company's retention to EUR 3 million, a measure that has a net estimated impact of RON 40 Million in Shareholders' equity.
 - Securing/giving in payment intergroup loans (details of these loans are presented in Note 18 to the individual financial statements) having an estimated net impact on net assets of RON 125 Million;
 - Off-court settlement of disputes over insurance contracts with Romstrade (details are presented in Note 13(iii) to the individual financial statements), having a net estimated impact of RON 151 Million in shareholders' equity;
 - Business combination by financial consolidation of life insurance portfolios of a Romanian life insurance entity and Astra, with a positive effect on the Company's liquidities and equity estimated to RON 118 Million.



3 Significant accounting policies (continued)

These recovery measures are conditional on the shareholders' commitment to make an initial capital injection and cover the short-term liquidity requirements during the recovery plan, on the interest of potential strategic investors in the Company and on the approval by ASF of the special transitory measures.

Taking into account the above mentioned aspects, the present individual financial situations have been concluded based on the principle of continuity of the activity.

(f) Non-life insurance activities

The technical result for non-life insurance operations is computed on an annual basis, so that the claims expenses, commissions and other related charges are computed by reference to the share allocated to premiums, net of reinsurance, accounted for on an accrual basis, as follows:

Gross written premiums

Gross written premium comprise the value of gross premium collected and receivable related to insurance contracts. If the term of the insurance contract is longer than one year, the gross written premium represents the value of gross premium collected and receivable related to a calendar year under the insurance contract, except for contracts with single premium, for which the gross written premium represents the value of the single gross written premium related to the insurance contract. For insurance contracts denominated in foreign currencies, the gross written premiums are presented in RON at historical exchange rate of the subscription date.

Deferred acquisition costs

Acquisition costs are expenses incurred in relation to the sale of policies. Acquisition costs include commissions, variable expenses with the issuance and subscription of policies that are directly linked to the Company's business. In general, deferred acquisition costs represent that share of acquisition costs that correspond to the premium reserve.

Deferred acquisition costs are computed for each policy. For premiums collected in advance the underlying commissions were recorded as prepayments. Other acquisition cost were recorded as expenses related to the period in which they were incurred.

Commission expenses are recorded as counterparty to debts to insurance intermediaries based on existing mandate contracts and on policies for which gross written premiums were recognized. Given that under the mandate contracts the amounts are payable, deferred costs were recorded for commission expenses that diminish as the risk expires and premium income is earned.

Claims

The claims incurred for non life insurance include all claims incurred during the period, whether they are reported or not.

The reserves for unpaid claims, assessed on a case by case basis and using statistical methodologies, are determined based on estimated amounts payable for all claims occurred until the balance sheet date but unpaid, whether they are reported or not, together with all external costs related to claims settlements.

Although management considers that the gross claim reserve and recoveries from reinsurers and from subrogation are correctly estimated and recorded, the final liability may be influenced by subsequent events and information and may significantly differ from the reserves already booked. Adjustments for reserves are reflected in the financial statements for the period when they are made. The methods



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.
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2 Significant accounting policies (*continued*)

(f) Non-life insurance activities (*continued*)

used and estimates made are regularly revised.

Income from recovery and subrogation

Income from recovery and subrogation include all the amounts corresponding to claims paid for which the person at fault is not insured by the Company. This income is recorded in order to recover the amounts spent and for which the Company is entitled to a subrogation against the entity that caused the prejudice.

Ceded reinsurance

Premiums, claims and acquisition costs are presented net of amounts ceded to reinsurers and recoverable from them. The amounts estimated to be collected from reinsurers corresponding to unpaid claims and loss adjustments are recorded separately from the amounts estimated to be paid to the insured persons.

The amounts recoverable from reinsurers are estimated according to claims due in relation to the insurance policy and reinsurance contracts.

Non-life technical reserves

The Company maintains technical reserves in accordance with Order no. 3109/2003 issued by the Insurance Supervisory Commission for application of the Norms regarding the computation methodology and record of minimum technical reserves for non-life insurance, with subsequent amendments.

(i) Premiums reserve

The premiums reserve is computed monthly, by cumulating the quota of gross written premiums corresponding to the unexpired periods of insurance contracts, so that the difference between the volume of gross written premiums and this reserve reflects the gross written premiums allocated to the share of risks expired at the date of the calculation. The premiums reserve is obtained by cumulating the values of the premium reserve computed for each contract.

(ii) Claims reserve

The claims reserve is recorded based on estimates for claims notified by policyholders, so that the reserve created should be sufficient to cover the payment of such claims.

The claim reserve is maintained for claims reported and not settled and it is computed for each insurance contract for which the occurrence of the insured event was notified, starting with the expenses estimated to be incurred in the future for settling those claims. The claims reserve is obtained by cumulating the individual values of claim reserves computed for each non - life insurance contract.

Since 2013 financial year, pursuant to CSA Order no. 19/2012 amending and supplementing the Norms on the computation and record of non-life minimum technical reserves, the Company revised its policies for recording claim reserves for claims subject to court actions. Thus, insofar as claims for losses resulting from bodily injuries or death are concerned, the claims reserve is determined at the estimated value of payable claims according to the case law, including the court fees.



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2 Significant accounting policies (*continued*)

(f) Non-life insurance activities (*continued*)

In respect of claims for pecuniary losses, the elements taken into consideration for the computation of the claims reserves are pursuant to CSA Order no. 3109/2003 as follows:

- The estimated value of the payable claim capped at the amount insured;
- Expenses with the investigation and evaluation of losses, corresponding to services rendered by third parties;
- Allocated loss adjustment expenses corresponding to services rendered by third parties;
- Value of amount recovered and subrogated both for settled and unsettled claims.

(iii) Incurred but not reported claim reserve

Incurred but not reported claim reserve („IBNR”) is created and adjusted at financial year end based on statistical data and actuarial calculations for the claims incurred but not reported

The Company's management considers the IBNR reserve as at 31 December 2013 to be sufficient for covering the payment of these claims incurred but not reported.

The incurred but not reported claim reserve for MTPL is computed, according to CSA Order no.7/03.06.2008 amending and supplementing the Norms on the computation and record of non-life minimum technical reserve, implemented under Order no. 3109/2003, through an analysis of quarterly data corresponding to claim files arising from mandatory civil liability insurance contracts for losses caused by vehicle accidents, registered over the last 3 years (i.e. 12 quarterly periods) prior to the date of computation.

(iv) Unexpired risks reserve

The unexpired risks reserve is computed based on estimates of claims to occur after the financial year end, if the claims estimated to incur in the future exceed the already booked premium reserves and, as a consequence, in future periods the premium reserve will not be sufficient to cover future claims occurring in the following financial periods

(v) Catastrophe reserve

The catastrophe reserve is created monthly by applying a minimum 5% percentage to the gross written premiums corresponding to contracts covering catastrophic risks, until the reserve fund reaches at least the level of own retention or 10% of the cumulated risks assumed under contracts covering catastrophic risks

(vi) Equalization Reserve

The equalization reserve is created at the end of the financial years with favorable technical results to generate sources for covering claims incurred in the financial years with unfavorable technical results. This reserve cannot exceed the value computed by applying a 3.5% percentage to the entire volume of gross written premiums recorded in the financial year for which the computation is made.



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2 Significant accounting policies (*continued*)

(g) Life insurance activities

Gross written premiums

Life insurance gross written premiums are recognized and recorded as follows:

- For insurance contracts with a term longer than one year with premiums payable in instalments, the gross written premium represents the amount of gross premiums collected and receivable related to a calendar year, and for single premium contracts, the gross written premium represents the value of the single gross premium related to the contract;
- For insurance contracts with a term shorter than or equal to one year, the gross written premium represents the amount of gross premiums collected and receivable under the contract.

For contracts concluded in foreign currency, the gross written premiums are reflected in RON at the historical exchange rate valid at subscription date.

Technical reserves life insurance

The Company maintains technical reserves according to Order 8/2011 issued by the President of the Insurance Supervisory Commission, as subsequently amended. The computation of premium reserves and life insurance claims is similar to the one described for non-life insurance.

Mathematical reserve

The mathematical reserve is maintained in line with the provisions of Order 8/2011 issued by the President of the Insurance Supervisory Commission, as subsequently amended and represents the actuarial value of the insurer's financial liabilities after deducting the actuarial value of the policyholder's financial liabilities. This reserve is computed by using a prospective actuarial method, by computing the liabilities separately for each life insurance contract.

The reserves are determined by taking into account several years and using a linear interpolation formula. The repurchase values are expressed as a percentage of the reserves value. For life insurance contracts under which the policyholder is entitled to the benefits generated from the mathematical reserve, the reserve for bonuses and rebates is created according to liabilities assumed.

(h) Investments in land and buildings

Land and buildings are separately valued, making a distinction between them by means of estimation, when required. Real estate investments are registered at cost less depreciation accumulated and impairment losses. The value of real estate investments is adjusted according to the result of revaluations made in line with the legal requirements issued for this purpose.

The acquisition cost comprises the purchase price, non-recoverable taxes, transport expenses and other expenses incurred for the commissioning or the inventory inflow of the asset in question.

The estimated useful life of buildings ranges between 15 and 40 years.



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2 Significant accounting policies (*continued*)

(i) Financial instruments

Classification

The financial assets measured at fair value through profit and loss are financial assets classified as held for trading or classified by the Company at fair value through profit and loss at the moment of initial recognition. A financial asset is classified as held for trading if:

- it is obtained or generated mainly for the purpose of selling or repurchasing it in the near future;
- it is part of an identified financial instruments portfolio which are managed all together and for which there is proof of a real recent pattern to target a short term profit or,
- it is a derivative financial instrument (except for a derivative which is a designated and effective hedging instrument).

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not traded on an active market, other than those which the entity intends to sell immediately or in the near future, those which the entity designates, at initial recognition, at fair value through profit and loss account or for which the Company will not be able to substantially recover its initial investment, for other reasons than impairment of the loan, or which are classified as available for sale. These include deposits and other placements with banks.

Held to maturity investments represent those financial assets with fixed or determinable payments and fixed maturity which the Company's management has the positive intention and ability to hold to maturity. Held to maturity financial instruments include bonds and other fixed income securities (including treasury bills) which the Company can and intends to hold until maturity.

The available for sale financial assets are those financial assets which are not loans and receivables of the Company, financial assets valued at fair value through profit and loss account or investments held to maturity. The financial instruments available for sale include money market placements, bonds and other fixed income securities (including treasury bills), and participating interests which are not held for trading or held to maturity. As at 31 December 2013 they included shares, bonds and other fixed income securities.

Recognition

The Company recognizes financial assets when they become part of the contractual provisions of the financial instrument.

Measurement

The financial instruments are measured initially at acquisition cost, including trading costs.

After initial recognition, all the financial assets measured at fair value through the profit and loss account and the financial assets available for sale are measured at fair value, except for the instruments that are not listed on an active market and for those whose fair value cannot be accurately measured, which are valued at cost, including the trading costs, less impairment losses.

Financial assets available for sale, other than participating interests, are measured at fair value as at the balance sheet date, while the revaluation differences are recorded in the profit and loss account. Participating interests are measured and recorded at cost.

Loans and receivables and investments held to maturity are measured at amortized cost. The



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amortized cost is computed using the effective interest rate method.

2 Significant accounting policies (*continued*)

(i) Financial instruments (*continued*)

Fair value measurement

The fair value of a financial instrument is based on the market value at the balance sheet date, without deducting the trading costs. Where no market price quotation is available, the fair value of the financial instruments is estimated using price models or discounted cash-flows techniques.

When the discounted cash flow method is used, future cash flows are based on management's best estimate and the discount rate is a market rate at balance sheet date available for financial instruments with similar terms and characteristics. When price models are used, the data introduced is based on market estimates at balance sheet date.

Derecognition

Financial assets are derecognized when control of contractual rights over a certain asset has been lost. The Company loses control when the rights over the specified benefits are exercised, the rights expire, or the Company waives these rights. Financial assets sold are derecognized at the transaction date.

The assets transferred under a sale contract whereby the Company reserves the possibility to retake or repurchase the ceded elements against payment of an agreed price at a certain date or predetermined term are derecognized.

Specific Instruments

Cash and cash equivalents

Cash and cash equivalents refer to the balance of cash in hand and at bank as well as bank deposits with a maturity of up to 3 months.

Deposits placed with credit institutions

Bank placements are classified as loans and receivables. Placements are short term financial assets not quoted on an active market, hence deposits are measured at face value less the specific credit risk provision for possible losses from impairment of these receivables

Bonds and other fixed income securities

Bonds and other fixed income securities include state treasury bills, municipal and corporate bonds and are recorded at initial purchase price, while the related receivables are recorded as income from financial assets

(j) Investment income

Investment income is recognized in accordance with accruals principle. The realized gains and losses represent the difference between the purchase price and net selling income.

(k) Intangible assets

Intangible assets purchased by the Company are recorded at historical cost less accumulated depreciation.

Subsequent expenses

Subsequent expenses with intangible assets are capitalized only if they lead to a significant increase in their capacity to generate future benefits. All the other expenses are recorded when incurred.



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2 Significant accounting policies (*continued*)

(I) Intangible assets (*continued*)

Depreciation

Depreciation is recorded in the profit and loss account based on linear method over the estimated useful life of the intangible asset. Intangible assets are depreciated starting with the date when the asset is ready for use, and the useful life is determined by reference to the asset's period of use but not less than 2 years. The useful life of software is 3 years

(I) Tangible assets

Tangible assets, except for land and buildings, are measured at cost less accumulated depreciation and impairment losses.

Land and buildings are measured according to the methodology presented in note 2.h.

Subsequent expenses

Subsequent expenses with tangible assets are capitalized only if they lead to a significant increase in their capacity to generate future benefits. All the other expenses are recorded when incurred.

Depreciation

Depreciation of tangible assets is computed based on a depreciation plan, from the commissioning date until the date of full recovery of their entry value, according to their useful lives and normal conditions of use.

The Company's management estimated that the fixed assets useful lives, as set forth in Government Decision no 2139/2004 for approval of Catalogue for fixed assets classification and normal useful lives correspond to the economic useful lives and normal conditions of use of tangible assets owned by the Company.

The depreciation of tangible assets is made using the linear method over their estimated useful lives as follows:

Category	Years
Furniture and equipment	15
Vehicles	4 - 6
IT equipment	4

Tangible assets in progress are not depreciated until their commissioning date.

The Company's management reconsiders the book value of buildings and equipment if events or changing circumstances indicate that their book value could not be recoverable.

Gains and losses from fixed assets decommissioning are determined by reference to their net book value and are taken in consideration in determining the profit from operations.

Tangible assets that are written-off or transferred are removed from the balance sheet along with the corresponding accumulated depreciation. The resulting profit or loss is determined as the difference between the amount obtained and the net book value and is included in the operating profit for the period.



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2 Significant accounting policies (*continued*)

(l) Tangible assets (*continued*)

Maintenance and repair costs of fixed assets are recorded as expenses when incurred while improvements brought to the assets that enhance their value or useful life are capitalized.

Expenses with repairs and renovation are recorded in the profit and loss account when incurred.

(m) Receivables

i) Insurance receivables

Receivables are recorded at their carrying amount less provisions for doubtful debts if considered necessary. Starting 2013, for computing provisions for doubtful debts, the Company applies the following risk ratios, estimated on the basis of the collection history, the insurance market analysis and estimated probabilities of recovery:

- between 90 and 180 days old: 25%;
- between 180 and 270 days old: 40%;
- between 270 and 365 days old: 50%;
- older than 365 days: 100%.

ii) VAT receivables

The VAT amounts to be recovered are initially recognized at the value corresponding to invoices paid to service units in respect of claims for partial damages to insured vehicles owned by leasing companies with which collaboration protocols were concluded.

These receivables are subsequently measured at their recoverable value, the Company creating for this purpose provisions for doubtful debts in consideration of: the statutory period during which the Company is entitled to recover the receivables (5 years), costs for their recovery as well as unrecoverable amounts due to incorrect and/or inexistent documentation or for reasons pertaining to partner companies through which these amounts are recovered.

(iii) Subrogation and recovery receivables

For the computation of provisions for impairment of subrogation and recovery receivables, since 2013, the Company applies the following ratios determined according to the Company's collection history:

- 100% for receivables from insolvent third parties, receivables claimed in court or enforced or amicably settled, older than 3 years;
- 95% for receivables claimed in court or being enforced that are between 2 and 3 years old and for receivables amicably settled that are between 1 and 2 years old;
- 50% for receivables claimed in court or being enforced that are between 1 and 2 years old and for receivables amicably settled that are less than 1 year old;
- 25% for receivables claimed in court or being enforced that are less than 1 year old.

(n) Cash at bank and in hand

The cash at bank and in hand include all debit balances of current accounts and petty cash accounts.



2 Significant accounting policies (*continued*)

(o) Provisions for impairment of assets

The book value of Company's assets is revised at each balance sheet date, in order to identify the existence of any impairment indicators. When such impairment indicators exist, the recoverable amount of Company's assets is estimated. An impairment provision is recorded when the asset's book value exceeds its recoverable amount. The impairment provision charge is recognized in the profit or loss account. The impairment provision can be released if a change occurs in the conditions existing at the moment when the recoverable amount was first determined.

The release of an impairment provision can be performed so that the net book value of the asset does not exceed its historical net book value, considering the impairment charge and without taking into account the provision.

(p) Provisions for risks and charges

The provisions are recognized in the balance sheet when a legal or constructive obligation arises as a result of a past event and it is probable that an outflow of resources will be required to settle this obligation. The provisions are revised at each financial period end and adjusted to reflect the most appropriate current estimate. The differences resulting from required adjustments are recognized in the profit or loss for the period.

A provision will be recognized only when:

- an entity has a current obligation arisen from a past event;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate of the obligation's value can be made.

If these conditions are not met, the provision is not recognized in the financial statements

(q) Loans received

Loans received are measured at face value.

(r) Pensions and other post-employment benefits

In its normal course of business, the Company makes payments to the Romanian state pension fund, social security, health and unemployment fund for its employees in Romania. All the Company's employees are included in the state pension scheme.

The Company does not operate any other pension scheme and, as a result, the Company has no other obligation in relation to pensions. The Company does not operate any other post-employment benefit plan and does not have the obligation to render post-employment services to former and present employees.

(s) Dividend income

Dividend income is recognized in the financial year result at the date when the right to receive such income is established. Income from participations and other non-fixed income investments are recognized as dividend income when incurred. Dividend is reflected as a component of investment income.

Dividend is treated as profit distribution for the period when it is declared and approved by the General Meeting of Shareholders.



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2 Significant accounting policies (*continued*)

(t) Income tax

The Company records income tax according to the accounting regulations and reporting requirements issued by the Ministry of Public Finances.

The current tax is the tax paid for the profit of the period, determined based on the percentages applied as at balance sheet date and all the adjustments for the period.

The income tax rate used for current taxes computation as at 31 December 2013 is 16% (31 December 2012: 16%)

(u) Legal reserve

The legal reserve is created within deductibility limits, by allocating 5% of the gross profit before determining tax income, until the reserve reaches 20% of the share capital. The legal reserve may not be distributed to shareholders, nor may it be used for covering losses.

(v) Rectification of accounting errors and changes in accounting policies

The annual stocktaking of the Company's tangible and intangible assets and liabilities and the review of the adopted accounting policies, with effects on the financial position, revealed a number of changes made in previous periods with errors in the implementation of accounting policies due to their wrong interpretation or to changes in accounting policies regarding the computation of written gross premiums, commissions and reserves. As a result, the retained earnings recorded an additional loss of RON 65,440,572, arising from the accounting bookings presented in the table below.

The results for the financial year-ended 2013 is also affected by certain corrections that have been made impacting the outcome of 2013 with the full amount that, similarly to other adjustments listed below, should have been recorded with impact on the previous years results, but due to the lack of historical information we consider this being impractical. Thus, the most significant corrections that have been performed, showing the impact on the result of financial year 2013 are: premiums reserve ceded in reinsurance, adjusting the proportional reinsurance treaty concluded with Pan-American for auto insurance, impairment adjustment of receivables from insurance and reinsurance activity, impairment adjustments for loans granted to related parties, impairment allowance of receivables from subrogation and recovery, adjustments of value of the Company's investments.



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For details on the rectifications made, please refer to the notes to the individual financial statements indicated.

Affected balance item 2012	Reported 31-Dec-12	Correction	31-Dec-12 after adjustment	Reference to note
3 – Leases, patents, licenses, trademarks, other rights and similar values	6,008,424	(170,255)	5,838,169	Nota 3.1
9 – Advances and investments in intangible assets in progress	4,971,917	(2,575,833)	2,396,084	Nota 4.1
18 – Bonds and other fixed income securities	21,568,644	60,044	21,628,688	Nota 4.5
46 – Receivables from direct insurance operations– Insurance receivables	527,751,678	(311,331,708)	216,419,970	Nota 5
55 – Advances for tangible assets in progress	33,934	(23,119)	10,815	Nota 3.2
93 – Premium reserve related to non-life insurance	(697,455,169)	187,800,707	(509,654,462)	Nota 13
121 – Payables from reinsurance operations	(302,291,299)	59,901,096	(242,390,203)	Nota 6
124 – Other payables including tax and other social security charges	(130,283,940)	898,496	(129,385,444)	Nota 16
Total		(65,440,572)		

Starting 2013, the Company has revised the recognition of VAT receivables for claims paid, as presented in note 2 (m) (ii).

Starting 2013, the Company has revised the measurement of financial investments, as presented in note 2 (i).



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RON	Leases, patents, licenses, trademarks, other rights and similar values	Other intangible assets	Total
<i>Gross Book Value</i>			
Balance at 1 January 2013	14,715,314	90,315	14,805,629
Derecognition of maintenance services (i)	(170,255)	-	(170,255)
Additions	1,410,645	-	1,410,645
Disposals	-	-	-
Balance at 31 December 2013	15,955,704	90,315	16,046,019
<i>Depreciation</i>			
Balance at 1 January 2013	8,706,668	51,087	8,757,755
Depreciation charge	3,628,075	21,864	3,649,939
Balance at 31 December 2013	12,334,743	72,951	12,407,694
<i>Net Book Value</i>			
Balance at 1 January 2013	6,008,646	39,450	6,047,874
Balance at 31 December 2013	3,620,960	17,365	3,638,325



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3 Non-Current Assets (continued)

3.1 Intangible assets (continued)

Out of which:

General insurance:

RON	Leases, patents, licenses, trademarks, other rights and similar values	Other intangible assets	Total
Gross Book Value			
Balance at 1 January 2013	14,715,314	90,315	14,805,629
Derecognition of maintenance services (i)	(170,255)	-	(170,255)
Additions	1,410,645	-	1,410,645
Disposals	-	-	-
Balance at 31 December 2013	15,955,704	90,315	16,046,019
Depreciation			
Balance at 1 January 2013	8,706,668	51,087	8,757,755
Depreciation charge	3,628,075	21,864	3,649,939
Balance at 31 December 2013	12,334,743	72,951	12,407,694
Net Book Value			
Balance at 1 January 2013	6,008,646	39,450	6,047,874
Balance at 31 December 2013	3,620,960	17,365	3,638,325

- (i) During 2013, the company proceeded with derecognition of maintenance services provided by SC Indacco Systems SRL related to 2012, which were initially capitalized, but represented expenses in the period, having a value of RON 170,255 (Note 2(v) of individual financial statements).



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3 Non-Current Assets (continued)

3.1 Intangible assets (continued)

Life insurance

RON	Leases, patents, licenses, trademarks, other rights and similar values	Other intangible assets	Total
Gross Book Value			
Balance at 1 January 2013	9,024	-	9,024
Additions	-	-	-
Disposals	-	-	-
Balance at 31 December 2013	9,024	-	9,024
Depreciation			
Balance at 1 January 2013	9,024	-	9,024
Depreciation charge	-	-	-
Balance at 31 December 2013	9,024	-	9,024
Net Book Value			
Balance at 1 January 2013	-	-	-
Balance at 31 December 2013	-	-	-



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3 Non-Current Assets (*continued*)

3.2 Tangible assets

<i>RON</i>	Technical equipment and vehicles	Other equipment and furniture	Advances and tangible assets in progress	Total
<i>Gross Book Value</i>				
Balance at 1 January 2013	26,086,522	2,636,955	33,934	28,757,411
Derecognition of maintenance expenses (i)	-	-	(23,119)	(23,119)
Additions	444,435	41,194	501,598	987,227
Disposals	(265,071)	(73,040)	-	(338,111)
Transfers	453,556	52,751	(506,307)	-
Balance at 31 December 2013	26,719,442	2,657,860	6,106	29,383,408
<i>Depreciation</i>				
Balance at 1 January 2013	16,192,065	1,813,447	-	18,005,512
Depreciation charge	3,341,577	157,257	-	3,498,834
Accumulated depreciation for disposals	(248,685)	(73,040)	-	(321,725)
Balance at 31 December 2013	19,284,957	1,897,664	-	21,182,621
<i>Net Book Value</i>				
Balance at 1 January 2013	9,894,457	823,508	33,934	10,751,899
Balance at 31 December 2013	7,434,485	760,196	6,106	8,200,787



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3 Non-Current Assets (continued)

3.2 Tangible assets (continued)

Out of which:

General insurance:

<i>RON</i>	Technical equipment and vehicles	Other equipment and furniture	Advance and tangible assets in progress	Total
<i>Gross Book Value</i>				
Balance at 1 January 2013	25,753,994	2,612,391	33,934	28,400,319
Derecognition of repair and maintenance expenses (i)	-	-	(23,119)	(23,119)
Additions	444,435	41,194	501,598	987,227
Disposals	(264,909)	(73,040)	-	(337,949)
Transfers	526,191	52,751	(506,307)	72,635
Balance at 31 December 2013	26,459,711	2,633,296	6,106	29,099,113
<i>Depreciation</i>				
Balance at 1 January 2013	16,004,276	1,796,517	-	17,800,793
Depreciation charge	3,334,498	156,075	-	3,490,573
Accumulated depreciation for disposals	(248,685)	(73,040)	-	(321,725)
Balance at 31 December 2013	19,090,089	1,879,552	-	20,969,641
<i>Net Book Value</i>				
Balance at 1 January 2013	9,749,718	815,874	33,934	10,599,526
Balance at 31 December 2013	7,369,622	753,744	6,106	8,129,472

- (i) During 2013, the Company has derecognized maintenance and repairs services related to previous periods having a value of RON 23,119 in counterparty with retained earnings (Note 2(v) of individual financial statements).



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3 Non-Current Assets (*continued*)

3.2 Tangible assets (*continued*)

Life insurance

<i>RON</i>	Technical equipment and vehicles	Other equipment and furniture	Total
Gross Book Value			
Balance at 1 January 2013	332,528	24,564	357,092
Additions			
Disposals	(162)	-	(162)
Transfers	(72,635)	-	(72,635)
Balance at 31 December 2013	259,731	24,564	284,295

Depreciation

Balance at 1 January 2013	187,789	16,930	204,719
Depreciation charge	7,079	1,182	8,261
Accumulated depreciation for disposals	-	-	-
Allowance for buildings depreciation	-	-	-
Balance at 31 December 2013	194,868	18,112	212,980

Gross Book Value

Balance at 1 January 2013	144,739	7,634	152,373
Balance at 31 December 2013	64,863	6,452	71,315

As at 31 December 2013, the Company has tangible assets acquired under financial lease contracts amounting to RON 6,117,678 (31 December 2012: RON 6,219,416).

As of 31 December 2013, the Company does not hold pledged tangible or intangible assets.



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4 Investments

4.1 Investments in land and buildings

<i>RON</i>	Land and building	Investments in tangible assets in progress	Total
Gross Book Value			
Balance at 1 January 2013	89,700,513	4,971,917	94,672,430
Derecognition of repairs and maintenance expenses (i)	-	(4,971,917)	(4,971,917)
Additions	2,184,221	-	2,184,221
Disposals	-	-	-
Transfers	-	-	-
Balance at 31 December 2013	91,884,734	-	91,884,734
Depreciation			
Balance at 1 January 2013	2,749,078	-	2,749,078
Depreciation charge	2,746,102	-	2,746,102
Accumulated depreciation for disposals	-	-	-
Allowance for buildings depreciation (ii)	5,965,070	-	5,965,070
Balance at 31 December 2013	11,460,250	-	11,460,250
Net Book Value			
Balance at 1 January 2013	86,951,435	4,971,917	91,923,352
Balance at 31 December 2013	80,424,484	-	80,424,484



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4 Investments (*continued*)

4.1 Investments in land and buildings (*continued*)

Out of which:

Non-life insurance:

RON

	Land and buildings	Advances and investments for land and buildings in progress	Total
Gross Book Value			
Balance at 1 January 2013	71,832,074	4,971,917	76,803,991
Derecognition of repairs and maintenance expenses (i)	-	(4,971,917)	(4,971,917)
Additions	2,184,221	-	2,184,221
Disposals	-	-	-
Transfers	-	-	-
Balance at 31 December 2013	74,016,295	-	74,016,295
Depreciation			
Balance at 1 January 2013	2,145,988	-	2,145,988
Depreciation charge	2,143,013	-	2,143,013
Accumulated depreciation for disposals	-	-	-
Allowance for buildings depreciation (ii)	5,965,070	-	5,965,070
Balance at 31 December 2013	10,254,071	-	10,254,071
Net Book Value			
Balance at 1 January 2013	69,686,086	4,971,917	74,658,003
Balance at 31 December 2013	63,762,224	-	63,762,224

(i) Following the analysis of accounting policies, investments in tangible assets in progress were adjusted as follows:

- During 2013 corrections were made on retained earnings for the derecognition of maintenance and repair services for prior periods amounting to RON 2,575,833, representing expenses related to those periods that did not qualify for capitalization (Note 2 (v) to the individual financial statements);
- Advance payments for tangible assets in progress (land and related building) granted by Pall D'or Con SA, with a value of RON 2,052,700 have been reclassified as doubtful receivables, as the supplier sold during 2013 the related assets to another client. For the doubtful receivables, the Company has recorded a provision for impairment losses amounting to RON 2,052,700, in counterparty with operating expenses related to provisions for other assets (refer to Note 11);



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- Repair and maintenance expenses amounting RON 343,384, which were initially capitalized and included in investments in tangible assets in progress have been reclassified as current period expenses.

(ii) Taking into consideration the evolution of the real estate market since the last reporting date, the Company has conducted an impairment analysis on the net book value of land and buildings for a sample representing 55% of this value compared to current market values as at 31 December 2013 for the respective assets. The result is an adjustment for depreciation amounting to RON 5,965,070 recorded for the buildings located on Banu Manta Boulevard, Slătineanu Street and Câmpineanu Street, which decreased the balance of the investments in intangible assets.

As at 31 December 2013, investments in land and buildings are free of charges.

Life insurance

<i>RON</i>	Land and buildings	Advances and investments for land and buildings in progress	Total
Gross Book Value			
Balance at 1 January 2013	17,868,439	-	17,868,439
Additions	-	-	-
Disposals	-	-	-
Transfers	-	-	-
Balance at 31 December 2013	17,868,439	-	17,868,439
Depreciation			
Balance at 1 January 2013	603,090	-	603,090
Depreciation charge	603,089	-	603,089
Accumulated depreciation for disposals	-	-	-
Allowance for buildings depreciation	-	-	-
Balance at 31 December 2013	1,206,179	-	1,206,179
Net Book Value			
Balance at 1 January 2013	17,265,349	-	17,265,349
Balance at 31 December 2013	16,662,260	-	16,662,260



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The value of the land and building used for conducting the regular course of business as at 31 December 2013 is RON 85,919,664 (31 December 2012: RON 89,700,513).

The last valuation of the investments in tangible assets was made on 31 December 2011 by an independent valuator, member of ANEVAR (Damiro Expert SRL).

As at 31 December 2013 the net value of the investments is RON 21,002,686 (31 December 2012: RON 21,766,040) representing collaterals for loans granted by Libra Bank and Intesa San Paolo. As at 31 December 2013, the remaining investment in land and buildings are free of charges.

4.2. Investments in related parties

RON	31 December 2012		31 December 2013	
	Investment amount	Quota	Investment amount	Quota
SC ASTRA SAFE IMOB SRL	190	95%	190	95%
SC ASTRA TRAINING SRL	190	95%	190	95%
SC ASTRA ACTIV SRL	190	95%	190	95%
SC NOVACUART SRL	17,838,920	100%	17,838,920	100%
Allowance for impairment (i)	-		(17,839,490)	
TOTAL	17,839,490		-	

As at 31 December 2013, the investments in related parties are free of charges.

- (i) For investments in Novacuart SRL, the Company holds a valuation report dated 15 October 2010 from SC Damiro Expert SRL, under which the value in use generated by the quartz exploitation deposit is EUR 4,918,000.

According to the valuation report, the Company holds 84.79% of resource exploitation rights of the quartz deposit, with a value of the contribution to the share capital of Novacuart SRL is EUR 4,169,972. At the date of the individual financial statements the concession license for exploitation of the mineral resources of quartz ore is suspended. Although Shareholders of the Company estimates that the investment can be recovered in full, this quartz mine showing high commercial interest, due to lack of evidence, the Company considered a prudent approach to record an impairment adjustment for the entire value of the investment.

Entities in which the Company has ownership of 95% recorded negative equity over the period 2008-2013, operating expenses consistently exceeding operating revenues. As a consequence, for these holdings the Company has recognized an impairment adjustment for 100% of the shares value.

The financial position and results of the Company's subsidiaries are presented below:



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4 Investments (*continued*)

4.2. Investments in related parties (*continued*)

31 December 2013	Total Net Assets	Total liabilities	Result for the year
SC ASTRA SAFE IMOB SRL	(1,500)	1,642	(548)
SC ASTRA TRAINING SRL	(24,858)	28,751	(19,938)
SC ASTRA ACTIV SRL	(316,868)	325,672	(172,577)
SC NOVACUART SRL	17,851,976	192,245	(13,402)
Total	17,508,750	548,310	(206,465)

4.3. Other investments in financial assets

RON	31 December 2012	31 December 2013
Long-term investments - life insurance (i)	-	12,485,921
Guarantees from employees (ii)	-	725,415
Garnishments (iii)	-	6,476,299
Long term loans (iv)	-	448,670
Other long term receivables (Guarantees from suppliers and endorsements) (v)	1,267,110	2,122,231
Other long term investments (vi)	3,190,581	3,190,581
TOTAL	4,457,691	25,449,117

As at 31 December 2013, other investments in financial assets are free of charges.

- (i) As at 31 December 2013, in accordance with the Order 3129/2005 issued by the Insurance Supervisory Commission (currently the Financial Supervision Authority), the Company has reclassified government securities and bonds related to life insurance activity, having a total value of RON 12,023,359 from „Bonds and other fixed income securities” to „Other investments in financial assets”. As at 31 December 2013, the Company has recorded adjustments amounting RON 462,562 in counterparty with revenues from investments in order to recognize the long term investments related to life insurance at amortized cost.



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As at 31 December 2013 and 31 December 2012 the structure of long-term investment related to life insurance is presented below:

RON	Original Currency	31 December 2012		31 December 2013	
		Market price	Book Value	Market price	Book Value
Treasury Bills	RON	5,183,293	5,241,606	5,314,197	5,170,138
Bonds - Portugal	EUR	1,890,896	2,344,268	2,373,303	2,119,812
Bonds - Romania	EUR	3,939,865	4,519,780	4,462,552	4,176,145
Bonds - Spain	RON	1,009,305	790,377	1,040,040	1,019,827
TOTAL		12,023,359	12,896,031	12,485,921	12,485,921

Maturity related to bonds and other fixed income securities:

Treasury Bills	RON	between 2011 and 2027
Bonds - Portugal	EUR	between 2012 and 2016
Bonds - Romania	EUR	between 2011 and 2018
Bonds - Spain	RON	between 2011 and 2015

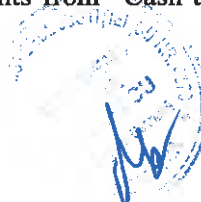
Interest related to bonds and other fixed income securities:

Treasury Bills	RON	5.95%
Bonds - Portugal	EUR	6.4%
Bonds - Romania	EUR	6.50%
Bonds - Spain	RON	8.85%

Foreign currency equivalent of long-term securities related to life insurance:

EUR		31 December 2012	31 December 2013
Bonds - Portugal	EUR	426,964	472,676
Bonds - Romania	EUR	889,621	931,198

- (ii) As at 31 December 2013 the Company holds guarantees from employees amounting to RON 725,415 which were reclassified from "Cash at bank and in hand" to "Other investment in financial assets". As at 31 December 2012, the guarantees from employees amounting to RON 799,415 are presented under "Cash at bank and in hand" caption.
- (iii) As at 31 December 2013 the Company has garnishments for current accounts amounting to RON 6,476,299 (31 December 2012: RON 6,806,095). Taking into consideration that these amounts are to be paid to legal prosecutor offices followings the settlement of forced execution cases, the Company has decided to reclassify these amounts from "Cash at bank and in hand" to "Other investments in financial assets" caption.



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- (iv) As at 31 December 2013 the amount of RON 448,470 (31 December 2012: RON 442,870) representing long term loan granted to Societatea Distribuțiile Unite in 2011 in amount of EUR 100,000, was reclassified from „Other long term receivables” to “Other investments in financial assets”.
- (v) As at 31 December 2013 the Company has amounts blocked in Volksbank Romania S.A. accounts in total amount of RON 267,216 (31 December 2012: RON 41,455). Similar to point (iii), these amounts were reclassified from “Cash at bank and in hand” to “other investments in financial assets” caption (Note 4.7 to the individual financial statements).
- (vi) Other long term investments include, as at 31 December 2013 and 31 December 2012, non-tradable shares on an active market within SC PAID SA POOL ASIGURĂRI ÎMPOTRIVA DEZASTRELOR (RON 2,901,723) and in other entities (RON 289,508).

4.4 Shares, other variable income securities and unit funds

<i>RON</i>	31 December 2012	31 December 2013
Traded shares – general insurance (i)	37,531,361	13,067,119
Unit funds – life insurance (iii)	2,900,000	3,420,380
Value adjustments (ii)	-	(1,202,607)
TOTAL	40,431,361	15,284,891

As at 31 December 2013, investments in shares, other variable income securities and units in investment funds are free of charges.



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4 Investments (continued)

4.4 Shares, other variable income securities and unit funds (continued)

(i) As at 31 December 2013 and 31 December 2012 the structure of the traded shares related to general insurance activity is presented below:

RON		31 December 2012			31 December 2013		
		Number of shares	Market value	Book value	Number of shares	Market value	Book value
	Societatea Națională de Transport Gaze Naturale TRANSGAZ S.A.	3,831	835,158	1,003,391	3,831	709,693	709,693
	SC Compania Hotelieră INTERCONTINENTAL SA	136,064,000	11,075,610	16,988,961	136,064,000	9,157,108	9,157,108
	SC Unirea Shopping Center SA	31,469	2,201,257	2,702,201	31,823	1,909,380	1,909,380
	BRD Groupe Societe Generale SA	20,000	162,200	238,483	20,000	180,000	180,000
	OMV PETROM SA	2,164,000	926,408	771,497	-	-	-
	FDI ACTIVE DINAMIC	82,833	627,038	1,000,000	82,833	573,738	573,738
	Societatea de Investiții Financiare Banat-Crișana S.A.	1,004,000	1,217,852	1,063,837	-	-	-
	Societatea de Investiții Financiare TRANSILVANIA S.A.	800,000	569,200	425,644	800,000	537,200	537,200
	Societatea de Investiții Financiare OLTEANIA S.A.	3,028,500	4,248,986	4,185,027	-	-	-
	SC FONDUL PROPRIETATEA SA	12,500,000	6,868,750	7,344,387	-	-	-
	BANCA TRANSILVANIA	772,485	981,056	750,335	-	-	-
	FLAMINGO INTERNATIONAL SA (*)	38,850,000	-	1,057,598	38,850,000	-	-
	TOTAL		29,713,515	37,531,361		13,067,119	13,067,119

Starting with 2013, shares and unit funds are recorded at market value.

Shares held by the Company have been presented as at 31 December 2012 at weighted average cost and no adjustments for impairment losses have been recorded. As at 31 December 2013 the Company has recorded adjustments representing loss on investments amounting RON 9,431,027, respectively gain on investments amounting RON 111,556, for recognizing the market value of shares traded on stock exchange. (Please refer to Note 2(v) of individual financial statements).

(*) as at 31 December 2013 a 100% adjustment was recorded for the shares in Flamingo International SA, which had been liquidated.

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- (ii) As at 31 December 2013, considering the impairment indicators for the shares issued by Unirea Shopping Center, an additional adjustment amounting RON 1,202,607 was booked, as a consequence of the low liquidity level of Bucharest Stock Exchange.
- (iii) The structure of the unit funds related to life insurance as at 31 December 2012 and 31 December 2013 is presented below:

		31 December 2012		31 December 2013	
		Market value	Book Value	Market value	Book Value
BCR MONETAR	RON	1,026,869	900,000	1,087,366	1,087,366
RAIFFEISEN RON PLUS	RON	1,111,335	1,000,000	1,181,364	1,181,365
RAIFFEISEN RON FLEXI	RON	1,091,679	1,000,000	1,151,649	1,151,649
TOTAL		3,229,883	2,900,000	3,420,379	3,420,380

4.5. Bonds and other fixed income securities

RON	31 December 2012	31 December 2013
Treasury bills - general insurance (i)	9,545,285	-
Long term treasury bills - life insurance (ii)	12,023,359	-
TOTAL	21,568,644	-

As at 31 December 2013, investments in bonds and other fixed income securities are free of charges.

- (i) Treasury bills related to general insurance have been sold during 2013;
- (ii) As at 31 December 2013 treasury bills and bonds related to life insurance were reclassified from „Bonds and other fixed income securities” category to „Other investments in financial assets” (Note 4.3 to the individual financial statements).

During 2013, the Company has booked adjustments in counterparty with retained earnings amounting RON 60,044 representing net income from 2012, in order to reflect investments in bonds and other fixed income securities at amortized cost, following the changes in accounting treatment of bonds and other fixed income securities from acquisition cost to amortized cost (Note 2(v) of individual financial statements).



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4 Investments (continued)

4.6 Deposits to credit institutions

RON	31 December 2012	31 December 2013
Deposits at credit institutions	-	9,672,665
TOTAL	-	9,672,665

As at 31 December 2013, the Company has reclassified deposits amounting to RON 9,672,665 (31 December 2012: RON 6,895,000) with a maturity greater than 365 days from „Other financial investments” to „Deposits at credit institutions” (Note 4.7 of individual financial statements).

As at 31 December 2013 the investments in deposits held at credit institutions comprise of guarantees amounting to RON 9,465,998 and collateral deposits amounting to RON 215,667.

4.7. Other financial investments

RON	31 December 2012	31 December 2013
Bank deposits including accrued interest receivable	107,046,610	61,571,199
Other financial investments	333,543	6,278
TOTAL	107,380,153	61,577,477

As at 31 December 2013 deposits amounting RON 9,672,665 (31 December 2012: RON 6,895,000) with a maturity greater than 365 days have been reclassified from „Other financial assets” category to „Deposits to credit institutions”. (Note 4.6 of individual financial statements).

As at 31 December 2013, the Company have reclassified the balance amounting RON 267,216 (31 December 2012: RON 41,455) representing guarantees issued to suppliers and other commitments from „Other financial assets” category to „Other investments in financial assets”.

RON	31 December 2012	31 December 2013
In EUR	20,851,291	13,938,447
In USD	3,162,721	-
In HUF	358,866	918,980
In RON	83,007,275	46,720,050
Total	107,380,153	61,577,477



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4 Investments (continued)

4.7. Other financial investments (continued)

Out of which:

General insurance

RON	31 December 2012	31 December 2013
In EUR	16,895,049	13,599,595
In USD	3,162,721	-
In HUF	358,867	918,980
In RON	74,787,386	43,524,504
Total	95,204,023	58,043,079

Life insurance

RON	31 December 2012	31 December 2013
In EUR	3,956,241	338,852
In RON	8,219,889	3,195,546
Total	12,176,130	3,534,398

Interest rates for deposits

	31 December 2012	31 December 2013
In EUR	0.01% - 5.6%	0.15% - 3.75%
In USD	0.18%	0%
In HUF	3.35% - 4%	1.58% - 2%
In RON	1 - 7.5%	0.40% - 7 %

Deposits with maturities greater than 90 days have the amount of RON 31,963,859 as at 31 December 2013 (31 December 2012: RON 1,710,575) and are free of charges.

As at 31 December 2013 the Company holds collateral deposits totalling RON 2,408,868 (31 December 2012: RON 1,710,575), all with maturity greater than three months.

As at 31 December 2013, except for amounts described in previous paragraph the other financial investments are free of charges.



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5. Receivables from direct insurance operations

<i>RON</i>	31 December 2012	31 December 2013
Receivables from insurance activity (i)	527,751,678	254,451,801
Out of which: general insurance	522,255,425	248,832,470
life insurance	5,496,253	5,619,331
Allowance for doubtful receivables (ii) (Note 15)	-	(70,036,231)
Out of which: general insurance	-	(70,036,231)
life insurance	-	-
Receivables related to insurance activity, Net of allowance	527,751,678	184,415,571

- (i) Adjustments related to receivables from insurance activity recorded in counterparty with retained earnings amounting RON 311,331,718 refer to cancellation of expired policies, recognition of insurance premiums for multi-annual insurance policies paid in instalments and correction of receivables balances in relation with PAID policies, as detailed below. (refer also to Note 2(v) of individual financial statements).

Corrected Balance Sheet position	Reported at 31 December 2012	Related adjustment (Note 2(v))	Balance at at 31 December 2012 (after adjustments)
46 - Receivables arising from direct insurance operations	527,751,678	(311,331,708)	216,419,970

Cancellation of expired policies

Following the annual inventory process, the Company has cancelled receivables related to insurance contracts that have exceeded the validity term or the risk period.

As a consequence, as at 31 December 2013, the impact on receivables from insurance related to prior periods from cancellation of expired policies amounts to RON 101,292,352.

Recognition of insurance premiums for multi annual insurance policies paid in instalments

Following the annual inventory process of insurance policies payable in instalments, the Company has recorded corrections related to recognition of insurance premiums for these insurance policies. According to the accounting regulations in force, for contracts with maturity higher than one year and payable in instalments, the value of receivables and income from gross written premiums is determined as cashed gross written premiums and related receivables within one calendar year.



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5. Receivables from direct insurance operations (*continued*)

Recognition of insurance premiums for multi-annual insurance policies paid in instalments (*continued*)

Due to the fact that the Company fully recognized the insurance premiums in the first year of underwriting together with the premium reserve computed until the maturity of the insurance policies, adjustments were made for the recognition of insurance premiums in accordance with the accounting regulations in force. Following these corrections, the resulting impact of RON 186,667,510 for the policies written in prior periods, was booked within retained earnings.

Recognition of PAID premiums

Due to the fact that the Company booked the PAID policies as gross written premiums ceded to reinsurance and not at the level of the due brokerage commission, a RON 23,368,846 correction was computed related to these insurance policies.

(ii) Adjustment for impairment of insurance receivables

Based on an ageing analysis of insurance receivables and also considering the cancellation of premiums described above, an adjustment for impairment of receivables of RON 70,036,231 was determined by applying the following adjustment coefficients based on market practices and collection history at Company level:

- Over one year: 100%
- 270 days – 1 year: 50%
- 180 – 270 days: 40%
- 90 – 180 days: 25%



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<i>RON</i>	31 December 2012	31 December 2013
Receivables from reinsurance activities - general insurance (i)	205,343,158	117,438,691
Receivables from reinsurance activities - life insurance	150,057	-
Allowance for receivables from reinsurance activities (i)	(3,535,931)	(91,402,448)
Total	201,957,284	26,036,243

(i)

<i>RON</i>	31 December 2012	31 December 2013
Reinsurance receivables from Panamerican treaty (a)	171,458,697	81,104,570
Receivables from reinsurance activity – ceded reinsurance	33,330,229	36,334,120
Reinsurance receivables – acceptance into reinsurance	554,231	-
Allowance for reinsurance receivables – Panamerican treaty(a)	-	(81,104,570)
Other impairment adjustments related to reinsurance receivables (b)	(3,535,931)	(10,297,878)
Total	201,807,226	26,036,242

- a) For risks related to Motor Hull and Motor third party liability (including Green Card), the Company has concluded a 50% proportional reinsurance contract with Panamerican, starting 1 May 2012. On 10 February 2014, the Board of Directors has decided closing the reinsurance treaty starting 1 March 2013 and has electronically notified the reinsurance administrator, Marsh Management Services Cayman Islands Ltd. As at financial statements date the contract is under termination process, the closing settlement file with the reinsurer is pending.

Following the reanalysis of the accounting treatment under the provisions of Order 3129/2005, taking into consideration the settlement method for the reinsurance treaty (including the claims reserve ceded in reinsurance), the Company is not required to book claims reserve ceded during the reporting year or at the end of the reporting date. Thus, the balance of the incurred but not reported reserves and the reported but not settled reserves has been adjusted by reclassification into settlement accounts with Panamerican reinsurer.

As at 31 December 2013, the balance with Panamerican after reflecting the transactions according to the reinsurance treaty, was booked by the Company as a RON 81,104,570 receivable. Following receivables recoverability analysis, an allowance for receivables from insurance activities was booked

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amounting RON 81,104,570. During the execution of this reinsurance treaty, only one payment was made amounting USD 10,395 on 25 February 2013.

- b) As at 31 December 2013, the Company has also analyzed the recoverability of the receivables from reinsurance activity with other counterparties and has booked allowances for impairment losses of RON 10,297,878 (31 December 2012: RON 3,535,931). The adjustment for impairment was computed taking into consideration the ageing of receivables (greater than 1 year) and the total balance by counterparty, considering both amounts to be recovered and due.

<i>RON</i>	31 December 2012	31 December 2013
Liabilities from reinsurance activity - general insurance	302,109,504	57,576,961
Liabilities from reinsurance activity - life insurance	181,795	184,094
Total	302,291,299	57,761,055

As at 31 December 2013, following the inventory of insurance policies with validity period higher than one year with premiums payable in instalments and the cancellation of receivables related to insurance contracts which were outside the insurance validity or risk period (Note 5 of individual financial statements), the Company has booked adjustments with impact in liabilities from reinsurance activities, out of which the amount of RON 59,901,096 was booked in counterparty with retained earnings for decreasing the liabilities from reinsurance from previous periods.

7 Inventories

<i>RON</i>	31 December 2012	31 December 2013
Consumables	606,680	541,589
Out of which: general insurance	606,566	541,475
life insurance	114	114
Materials in the form of small inventory	7,211	-
Out of which: general insurance	7,211	-
life insurance	-	-
Total	613,891	541,589



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8 Cash at bank and in hand

	31 December 2013		
RON	In RON	In Foreign Currency	Total
Cash in hand	42,021	71,272	113,293
Cash at banks	3,777,175	2,265,421	6,042,596
Treasury advances	95,012	-	95,012
Total	3,914,208	2,336,693	6,250,901

	31 December 2012		
RON	In RON	In Foreign Currency	Total
Cash in hand	43,503	54,151	97,653
Cash at banks	18,702,804	1,015,343	19,718,147
Treasury advances	29,626	-	29,626
Total	18,775,933	1,069,494	19,845,427

General insurance

	31 December 2013		
	In RON	In Foreign Currency	Total
Cash in hand	40,518	71,271	111,789
Cash at banks	3,553,924	2,102,237	5,656,161
Treasury advances	95,012	-	95,012
Total	3,689,454	2,173,508	5,862,962

	31 December 2012		
	In RON	In Foreign Currency	Total
Cash in hand	41,507	54,149	95,656
Cash at banks	18,462,207	791,011	19,253,218
Treasury advances	29,594	-	29,594
Total	18,533,308	845,160	19,378,468



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8 Cash at bank and in hand (continued)

Life insurance

<i>RON</i>			31 December 2013
	In RON	In Foreign Currency	Total
Cash in hand	1,503	1	1,504
Cash at banks	223,251	163,184	386,435
Total	224,754	163,185	387,939

<i>RON</i>			31 December 2012
	In RON	In Foreign Currency	Total
Cash in hand	1,996	1	1,997
Cash at banks	240,597	224,332	464,929
Treasury advances	33	-	33
Total	242,625	224,333	466,959

As at 31 December 2013 the Company has reclassified RON 1,479,663 from "Cash at bank and in hand" category to "Other financial assets, and RON 258,765 from "Cash at bank and in hand" category to "Other receivables".

As at 31 December 2013, cash at bank and in hand are free of charges.

9 Deferred acquisition costs

<i>RON</i>	31 December 2012	31 December 2013
Accrued interest and prepaid rent,	201,656	63,060
out of which: - general insurance	201,656	62,657
- life insurance	-	403
Deferred acquisition costs,	155,440,297	109,756,023
out of which: - general insurance (i)	155,440,297	109,756,023
- life insurance	-	-
Other prepayments,	8,786,925	7,292,315
out of which: - general insurance	8,773,675	7,279,065
- life insurance	13,250	13,250
Total	164,428,878	117,111,398

- (i) As at 31 December 2013, following the inventory process of insurance policies with a validity period higher than one year with premiums payable in instalments, the Company has recorded adjustments related to recognition of premiums related to insurance policies with a validity period higher than one year with premiums payable in instalments, with impact on deferred acquisition costs (Note 5 to the individual financial statements).



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10 Other receivables

	31 December 2013		
<i>RON</i>	Gross Value	Impairment adjustments	Book Value
Other receivables from deleted or insolvent companies, insurance brokers and other private individuals with low recoverability level (i)	91,360,493	(91,360,493)	-
Debtors from subrogations (ii)	76,709,753	(57,318,684)	19,391,069
VAT receivables (iii)	42,246,163	(17,471,338)	24,774,825
Sundry debtors (iv)	7,114,852	(258,765)	6,856,087
Receivables from state budget	3,053,548	-	3,053,548
Other doubtful receivables (v)	2,052,700	(2,052,700)	-
Advances to suppliers	1,164,830	-	1,164,830
Total	223,702,339	(168,461,980)	55,240,359

	31 December 2012		
<i>RON</i>	Gross Value	Impairment adjustments	Book Value
Other receivables from deleted or insolvent companies, insurance brokers and other private individuals with low recoverability level (i)	99,299,415	(12,602,317)	86,697,098
Debtors from subrogation (ii)	12,396,644	-	12,396,644
Settlement accounts – transfer (vi)	11,826,950	-	11,407,901
Sundry debtors (iv)	6,599,415	(2,323,365)	4,875,216
Receivables from state budget	5,612,618	-	5,512,501
Advances to suppliers	465,854	-	465,854
Total	136,200,895	(14,925,683)	121,275,212

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- (i) As at 31 December 2013, the Company registers receivables from deleted or and insolvent companies (Megavision, Duracon Consult & Construct SR, Banca Română de Scont, Banca de Investiții și Dezvoltare, Sivamo) and also from private individuals and companies, with low recoverability level amounting a total of RON 91,360,493 (31 December 2012: RON 99,299,415), as presented below:

Description	31 December 2012	31 December 2013
Receivables from Megavision (deleted company)	7,870,821	7,900,000
Receivables from Duracon Consult & Construct SRL (insolvency)	788,541	788,541
Receivables from Banca Română de Scont (deleted company)	1,976,572	-
Receivables from Banca de Investiții și Dezvoltare (deleted company)	6,427,909	6,339,262
Receivables from Sivamo (reduced recoverability level)	18,708,203	18,708,203
Receivables from other private companies, insurance brokers, insurance agencies, deleted companies, former employees, prosecutors or other private individuals with low recoverability level	63,527,369	57,624,487
Total	99,299,415	91,360,493

For these receivables, as there is no realistic recoverability chances, following the measures taken up to the present date, the Company has booked an impairment adjustments for 100% of the receivables balance in amount of RON 91,360,493 (31 December 2012: RON 12,602,317).

- (ii) As at 31 December 2013, the Company registers subrogation receivable from third parties in amount of RON 76,709,753 (31 December 2012: RON 12,396,644). According to methodology in force, was computed allowance for impairment related to subrogation receivables amounting RON 57,318,684 (31 December 2012: nil), by applying the following adjustment coefficients according to Company historical collections:

- 100% for receivables from third parties in insolvency, for receivables claimed in Court or in forced execution process or settled amicably older than 3 years;
- 95% for receivable from third parties in insolvency or in forced execution process between 2 and 3 years and for the ones settled amicable between 1 and 2 years;
- 50% for receivable requested in Court or in forced execution process between 1 and 2 years and for receivables settled amicable less than 1 year;
- 25% for receivables requested in Court of in forced execution process greater than 1 year.

- (iii) As at 31 December 2013, the Company has amounts recoverable from leasing companies with which it has concluded agreements, related to VAT for repairs costs invoiced by car services and paid as indemnities by the Company as partial damages for auto vehicles insured by the Company and in property of the leasing companies. These amounts have been recorded by the Company when collected, resulting in an unrecorded receivable for the period 2009 to date with a nominal value of RON 42,246,163. As at 31 December 2013 the recoverable amount of these claims is estimated at RON 24,774,824 (31 December 2012: nil).



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10 Other receivables (*continued*)

- (iv) Sundry debtors include receivables from PAID related to commissions from brokerage of insurance policies or other receivables from insurance brokers or suppliers of services. As at 31 December 2012, the Company has booked and disclosed impairment adjustments related to receivables from insurance activities in amount of RON 2,323,365 in the "Other receivables" caption. As at 31 December 2013, this adjustment was reclassified to adjustments for impairment of lease receivables and disclosed in "Receivables from direct insurance activity" (Note 15 to individual financial statements).

For the other receivables adjustments for impairment were booked amounting to RON 258,677 (31 December 2012: nil).

- (v) Doubtful receivables amounting RON 2,052,700 are represented by advances for tangible assets in progress (land and building) to Pall D'or Con S.A., reclassified in the receivable account due to the fact that the supplier has sold the goods. As at 31 December 2013, adjustments for impairment were booked for 100% of these receivables.
- (vi) As at 31 December 2012, the Company has reclassified the debit balance of the internal transfer accounts amounting RON 11,826,950 to "Other receivables", while the credit balance was classified to "Other liabilities".

11 Subscribed Share capital

Share capital of the Company is represented by 72,448,321 shares (31 December 2012: 72,448,321 shares) having a nominal value of RON 2.66 each, equal to the one as at 31 December 2012. The shareholder structure as at 31 December 2012 and 31 December 2013 is presented below:

RON	31 December 2012		31 December 2013	
	RON	%	RON	%
THE NOVA GROUP INVESTMENTS ROMANIA SA	140,069,256	72.68	140,069,256	72.68
EPSILON ESTATE PROVIDER SRL	52,063,132	27.02	52,063,132	27.02
Private individuals and companies	580,146	0.3	580,146	0.3
TOTAL	192,712,534	100	192,712,534	100



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12 Reserves

<i>RON</i>	31 December 2012	31 December 2013
Revaluation reserves (i)	55,281,367	55,281,367
Legal reserves (ii)	6,133,118	6,133,118
Other reserves (iii)	23,818,968	23,818,968
Total	85,233,453	85,233,453

- (i) Revaluation reserves relate to investments in land and buildings. The last revaluation was performed as at 31 December 2011 by independent valuers, member of ANEVAR (Damiro Expert SRL). Taking into consideration the evolution of the real estate market compared to last valuation date, the Company has performed an impairment test for the net book value of land and buildings for a sample of 55% of its value, by comparison with current market value for specific non-current assets as at 31 December 2013.
- (ii) As at 31 December 2013, legal reserves amount RON 6,133,118 (31 December 2012: RON 6,133,118). Legal reserve is established by allocating 5% of gross profit, until reaching 20% of share capital and can be used only under provisions provided by law.
- (iii) Other reserves include realized surplus for revaluation reserves amounting RON 12,618,172.



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13 Technical reserves

<i>RON</i>	31 December 2012	31 December 2013
Premium reserve (i)	705,411,975	424,461,422
Premium reserve ceded (ii)	(164,201,676)	(12,506,856)
<i>Premium reserve, net of reinsurance</i>	<i>541,210,299</i>	<i>411,954,566</i>
Claims reserve (iii)	356,651,104	677,676,901
Claims reserve ceded (ii)	(189,156,113)	(7,880,816)
<i>Claims reserve, net of reinsurance</i>	<i>167,494,991</i>	<i>669,796,085</i>
Mathematical reserve	7,731,481	9,293,243
Mathematical reserve ceded	-	-
<i>Mathematical reserve, net of reinsurance</i>	<i>7,731,481</i>	<i>9,293,243</i>
Bonuses and rebates reserve	12,382,511	3,729,004
Bonuses and rebates reserve ceded	-	-
<i>Bonuses and rebates reserve, net of reinsurance</i>	<i>12,382,511</i>	<i>3,729,004</i>
Catastrophe reserve	124,512,242	143,590,635
Catastrophe reserve ceded	(67,130,444)	(80,654,924)
<i>Catastrophe reserve, net of reinsurance</i>	<i>57,381,798</i>	<i>62,935,711</i>
Total technical reserves	1,206,689,313	1,258,751,205
Reinsurer's share of total technical reserves	(420,488,233)	(101,042,596)
Total technical reserves, net of reinsurance	786,201,080	1,157,708,609

i) As at 31 December 2013, following inventory process of the multiannual insurance policies payable in instalments, the Company recorded adjustments related to the method of recognition of premiums for multiannual insurance policies payable in instalments, having impact on the general insurance premium reserve, by diminishing its value with RON 188,650,013, out of which the amount of RON 187,800,707 was recorded in counterparty with retained earnings, being related to previous periods. (Please see Note 2 (v) and 5 of individual financial statements).

ii) As at 31 December 2013, after analysing the contractual provisions of the proportional reinsurance contract with Panamerican for covering damage and third party liability risks, the change in the reinsurer's share of the reported but not settled reserve and incurred but not reported reserve amounting RON 204,537,878 has been reclassified as part of reinsurer's share of claims paid. The balance of the reported claims reserve ceded into reinsurance based on proportional treaty in amount of RON 100,216,639, respectively the incurred and not reported reserve ceded on the same treaty in amount of RON 104,321,239 have been reclassified in settlement accounts, being component of receivables balance from reinsurance operations (presented in Note 6 - "Receivables and liabilities from reinsurance operations").

iii) The reported but not settled reserve is recognized in accordance with the accounting regulations in force. As at 31 December 2013, the Company recorded reserves for court case claims file at the amount requested in court for material damages, out of which the amount of RON 141,985,647 relates to a total number of 4 court cases related to insurance policies in which the insured party is Romstrade.



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- RON 93,930,037, reserve booked for court file no. 11570/3/2013 (policies issued in the favor of CNADNR);
- RON 34,400,000, reserve booked for court file no. 16039/3/2013 (policy issued in the favor of Eximbank);
- RON 13,655,610, reserve booked for court file no 22310/3/2013 (policy issued in the favor of Primăria Municipiului București);

The amount of the reported but not settled reserve in relation to these claim files was determined by applying the accounting regulations in force, taking into account the entire amount requested for material damages, requested in court by the beneficiaries of insurance policies. These reserves may be reduced in case a final court decision sets or allows another amount for these material damages. At the financial statements date, the court cases are still in progress in various stages.

Out of which:

General insurance

RON	31 December 2012	31 December 2013
Premium reserve	697,455,169	417,402,557
Premium reserve ceded	(164,155,527)	(12,424,370)
<i>Premium reserve, net of reinsurance</i>	<i>533,299,642</i>	<i>404,978,187</i>
Claims reserve	344,610,298	665,486,605
Claims reserve ceded	(178,284,363)	(5,580,816)
<i>Claims reserve, net of reinsurance</i>	<i>166,325,935</i>	<i>659,905,789</i>
Catastrophe reserve	124,512,242	143,590,635
Catastrophe reserve ceded	(67,130,444)	(80,654,924)
<i>Catastrophe reserve, net of reinsurance</i>	<i>57,381,798</i>	<i>62,935,711</i>
Reserve for unexpired risk	-	-
Reserve for unexpired risk ceded	-	-
<i>Reserve for unexpired risk, net of reinsurance</i>	<i>-</i>	<i>-</i>

Total technical reserves for general insurance	1,166,577,709	1,226,479,797
Reinsurer's share of total technical reserves for general insurance	(409,570,334)	(98,660,110)
Total technical reserves for general insurance, net of reinsurance	757,007,375	1,127,819,687



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13 Technical reserves (continued)

Out of which:

Life insurance

<i>RON</i>	31 December 2012	31 December 2013
Premium reserve	7,956,806	7,058,865
Premium reserve ceded	(46,149)	(82,486)
<i>Premium reserve, net of reinsurance</i>	<i>7,910,657</i>	<i>6,976,379</i>
Claims reserve	12,040,806	12,190,296
Claims reserve ceded	(10,871,750)	(2,300,000)
<i>Claims reserve, net of reinsurance</i>	<i>1,169,056</i>	<i>9,890,296</i>
Mathematical reserve	7,731,481	9,293,243
Mathematical reserve ceded	-	-
<i>Mathematical reserve, net of reinsurance</i>	<i>7,731,481</i>	<i>9,293,243</i>
Bonuses and rebates reserve	12,382,511	3,729,004
Bonuses and rebates reserve ceded	-	-
<i>Bonuses and rebates reserve, net of reinsurance</i>	<i>12,382,511</i>	<i>3,729,004</i>
Total technical reserves for life insurance	40,111,604	32,271,408
Reinsurer's share of total technical reserves for life insurance	(10,917,899)	(2,382,486)
Total technical reserves for life insurance, net of reinsurance	29,193,705	29,888,922



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14 Technical reserve (for life insurance)

Mathematical reserve

RON	31 December 2012	31 December 2013	Change in mathematical reserve
Mathematical reserve Garant Individual	55,026	41,406	(13,620)
Mathematical reserve Garant Bancar	68,904	75,341	6,437
Mathematical reserve Economica	698,901	793,189	94,288
Mathematical reserve Tezaur	4,071,398	4,955,047	883,649
Mathematical reserve Viitor	2,809,107	3,395,879	586,772
Mathematical reserve Respect	21,896	19,961	(1,935)
Mathematical reserve Avantaj Protect	4,079	2,699	(1,380)
Mathematical reserve Garant HUNGARY	2,170	9,721	7,551
TOTAL	7,731,481	9,293,243	1,561,762

Bonuses and rebates reserve

RON	31 December 2012	31 December 2013	Change in bonuses and rebates reserve
Bonuses and rebates reserve Garant Individual	887	-	(887)
Bonuses and rebates reserve Economice	24,903	37,510	12,607
Bonuses and rebates reserve Tezaur	115,820	191,924	76,104
Bonuses and rebates reserve Viitor	153,388	232,511	79,123
Bonuses and rebates reserve Respect	2,550,716	2,619,168	68,452
Bonuses and rebates reserve Garant Familia	-	4,354	4,354
Bonuses and rebates reserve Garant Grup	9,533,140	627,692	(8,905,448)
Bonuses and rebates reserve Garant L&A, Hungary	3,657	15,845	12,188
	12,382,511	3,729,004	(8,653,507)



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15 Provisions for risks and charges and impairment adjustments

Provisions for risks and charges

RON	31 December 2012	Increase in 2013	Release in 2013	31 December 2013
Provisions for risks and charges (ii)	-	6,497,729	-	6,497,729
Total provisions for risks and charges	-	6,497,729	-	6,497,729

- (i) The provision amounting to RON 6,497,729 represents estimated additional charges in relation to reinsurance premiums for closed contracts (31 December 2012: nil).

Impairment adjustments

RON	Note	31 December 2012	Increase in 2013	31 December 2013
Impairment adjustments - investments in related parties	4.2.	-	17,839,490	17,839,490
Impairment adjustments - shares, other variable income securities and unit funds in investment funds	4.4.	-	11,691,232	11,691,232
Subtotal (expenses with investments)	26	-	29,530,722	29,530,722
Impairment adjustments - receivables from direct insurance	5	2,323,365	67,712,866	70,036,231
Impairment adjustments - receivables ceded in reinsurance other than Panamerican	6	3,376,583	6,570,460	9,947,043
Impairment adjustments - receivables accepted from reinsurance	6	159,347	191,488	350,835
Impairment adjustments - Panamerican contract	6	-	81,104,570	81,104,570
Impairment adjustments - receivables from subrogation	10	-	57,318,684	57,318,684
Impairment adjustments - receivables from VAT recovery	10	-	17,471,338	17,471,338
Impairment adjustments - sundry debtors	10	-	258,765	258,765
Subtotal (other technical charges)	27	5,859,295	230,628,171	236,487,466
Impairment adjustments - investments in tangible assets	4.1.	-	5,965,070	5,965,070
Impairment adjustments - receivables from litigations	10	12,602,317	78,758,176	91,360,493
Impairment adjustments - doubtful receivables	10	-	2,052,700	2,052,700
Impairment adjustments - amounts to receive from related parties	18	-	113,453,001	113,453,001
Subtotal (other non-technical charges)	28	12,602,317	200,228,947	212,831,264
Total impairment adjustments		18,461,612	460,387,840	478,849,452



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<i>RON</i>	31 December 2012	31 December 2013
Commissions due to insurance brokers	61,181,287	59,201,343
Sundry creditors	13,690,663	21,620,622
Liabilities for loans from banks	20,602,830	20,494,791
Suppliers	10,983,266	13,800,286
Other liabilities	15,940,832	7,062,961
Payroll tax	3,398,807	3,427,999
Social security charges	1,512,842	2,958,483
Liabilities for leasing contracts	2,973,413	1,671,145
Current income tax		7,583
Total	130,283,940	130,245,213

Following the analysis of the accounting policies, other liabilities balance as at 31 December 2012, was corrected in counterparty with retained earnings by decreasing the liability by RON 898,496, out of which RON 896,337 represented tax due for activity performed in Hungary, which erroneously was recorded twice (refer to Note 2 (v) to individual financial statements).

All debts listed are payable over a period smaller than 1 year.

17 Deferred income

<i>RON</i>	31 December 2012	31 December 2013
Deferred income from premiums	18,788,917	12,959,260
Subsidies for investments	208,791	154,326
Total	18,997,708	13,113,586



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18 Amounts receivable from related parties

RON	31 December 2013					
	Initial Balance	Increase	Decrease	Gross Book Value	Impairment adjustment	Net Book Value
Medien Holding SRL (i)	22,052,423	1,190,967	642,166	22,601,224	22,601,224	-
Medien Holding SRL (i)	4,843,489	264,659	83,595	5,024,553	5,024,553	-
Medien Holding SRL (i)	77,437,306	4,234,550	1,337,530	80,334,326	80,334,326	-
Baumeister (i)	1,797,819	23,088	-	1,820,907	1,820,907	-
Medien Holding SRL (i)	1,045,313	1,462,451	600,000	1,907,764	1,907,764	-
Novacuart (i)	162,072	13,028	-	175,100	175,100	-
MegaConstruct (ii)	2,629,694	5,137,594	2,850,000	4,917,288	-	4,917,288
ASTRA CARD SRL (i)	310,000	-	-	310,000	310,000	-
ASTRA SAFE IMOB SRL (i)	131,478	192,701	-	324,179	324,179	-
ASTRA TRAINING SRL (i)	5,012	20,946	-	25,958	25,958	-
ETA ESTATE SOLUTION SPV (ii)	-	978,005	-	978,005	-	978,005
TNG REAL ESTATE MANAGEMENT (i)	-	1,328,990	400,000	928,990	928,990	-
THETA PROFICIENCY SRL (ii)	-	2,325,461	-	2,325,461	-	2,325,461
Total	110,414,606	17,172,440	5,913,291	121,673,755	113,453,001	8,220,754



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18 Amounts receivable from related parties (continued)

Receivables represent loans granted to related parties in the period 2011-2013.

As at 31 December 2013, amounts receivable from related parties include accrued interest receivable amounting RON 15,673,896 (31 December 2012: RON 9,487,556).

- (i) As at 31 December 2013, the Company recognized an impairment adjustment for 100% of the balance of loans granted to related parties, taking into consideration the lack of relevant financial information/lack of income to provide sources for reimbursement of the loans. Moreover, the maturities of the loans granted to Medien Holding SRL, Baumeister and ASTRA CARD SRL were before 31 December 2013;

At the sign-off date of the financial statements dated 31 December 2013, the Company has engaged compensation procedures related to the loans granted to Medien Holdings SRL with assets of the company or other related parties. Taking into consideration the legal status related to the encumbrance of assets, namely establishing their value through a valuation report carried out by an independent reputable valuation, the Company considered prudent to adjust the value of these loans for the full amount.

- (ii) Subsequent to 31 December 2013, the Company has concluded compensation arrangement for amounts receivable from Mega Construct, ETA ESTATE SOLUTION SPV and THETA PROFICIENCY SRL, having a total amount of RON 8,220,754 with amounts owed by the Company to Intercontinental and Business Modern. For these receivables, no impairment adjustment was recorded as at 31 December 2013.

19 Amounts payable to related parties

RON	31 December 2012	Increase in 2013	Decrease in 2013	31 December 2013
INTERCONTINENTAL BUSINESS CENTER	-	1,403,692	700,000	703,692
COMPANIA HOTELIERĂ INTERCONTINENTAL	-	7,248,772	-	7,248,772
PALL D'OR	-	4,073,370	1,125,000	2,948,370
Total	-	12,725,834	1,825,000	10,900,834

During 2013, the Company entered into investment management agreements with related parties for 1 year period, under which the Company undertakes the management of individual portfolios of investments in view of making profit to investors. For this activity the Company receives management fees (between 0% and 1%) applied to the average value of the total assets managed for the related month when the computation is performed.

As at 31 December 2013, amounts due to related parties include interest, representing the guaranteed minimum return for investments received amount of RON 244,774 (31 December 2012: nil). These liabilities are payable over a period less than 1 year.



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20 Earned premiums, net of reinsurance- general insurance

a) Earned premiums, net of reinsurance

2013	Gross written premiums	Change of unearned premium reserve	Earned premiums	Premiums ceded to reinsurers	Change of unearned premium reserve ceded to reinsurers	Net premiums ceded	Net earned premiums
	1	2	3=1-2	4	5	6=4-5	7=3-6
Motor third party liability and green card	398,524,428	(21,053,338)	419,577,766	213,975,212	(80,339,596)	294,314,808	125,262,958
Motor Hull	174,183,282	5,872,864	168,310,418	79,831,527	(26,733,156)	106,564,683	61,745,735
Cargo	129,426,291	(60,106,669)	189,532,960	24,672,269	(29,005,964)	53,678,233	135,854,727
Marine Hull	22,913,465	(2,869,751)	25,783,216	13,653,819	(2,547,873)	16,201,692	9,581,524
Health insurance	68,219,681	(4,030,034)	72,249,715	353,608	254,439	99,169	72,150,546
General third party liability	57,416,025	(5,956,662)	63,372,687	666,573	(2,605,680)	3,272,253	60,100,434
Guarantees	14,635,354	(5,285,970)	19,921,324	-	(1,971,361)	1,971,361	17,949,963
Others (i)	39,685,040	1,262,478	38,422,562	347,287	(8,739,324)	9,086,611	29,335,951
Total	905,003,566	(92,167,082)	997,170,648	333,500,295	(151,688,515)	485,188,810	511,981,838

As at 31 December 2013, the Company corrected the method of recording the multiannual policies payable in instalments, resulting a decrease in premium reserve in amount of RON 187,800,707, corresponding to policies underwritten in prior periods and recorded based on retained earnings.

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20 Earned premiums, net of reinsurance- general insurance

a) Earned premiums, net of reinsurance

2012	Gross written premiums	Change of unearned premium reserve	Earned premiums	Premiums ceded to reinsurers	Change of unearned premium reserve ceded to reinsurers	Net premiums ceded	Earned premiums, net of reinsurance
	1	2	3=1-2	4	5	6=4-5	7=3-6
Motor third party liability and green card	405,866,992	24,163,253	381,703,739	205,146,131	76,384,663	128,761,468	252,942,271
Motor Hull	128,093,913	(113,311,434)	241,405,347	68,535,498	17,192,227	51,343,271	190,062,076
Cargo	230,061,423	(15,480,421)	245,541,844	17,450,550	(49,828,800)	67,279,350	178,262,494
Marine Hull	28,557,093	(1,704,311)	30,261,404	18,907,863	(1,135,365)	20,043,228	10,218,176
Health insurance	170,609,410	155,248,947	15,360,463	702,222	(483,295)	1,185,517	14,174,946
General third party liability	77,580,743	28,554,963	49,025,780	1,119,866	1,732,846	(612,980)	49,638,760
Guarantees	31,145,890	9,883,392	21,262,498	-	1,971,361	(1,971,361)	23,233,859
Others (i)	35,471,747	3,069,664	32,402,083	354,015	2,180,137	(1,826,122)	34,228,205
Total	1,107,387,211	90,424,053	1,016,963,158	312,216,145	48,013,774	264,202,371	752,760,787

i) "Others" include gross written premium related to policies from class Health (class II), Credit (class XIV), Financial Risk (class XVI) and Travel (class XVIII).

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20 Earned premiums, net of reinsurance- general insurance

a) Earned premiums, net of reinsurance

The amount of gross written premium accepted into reinsurance in 2013 was RON 3,993,676 (2012: RON 2,440,498).

b) Premium collected

<i>RON</i>	2012	2013
Motor third party liability and green card	397,458,469	401,229,672
Motor Hull	203,525,299	155,693,514
Cargo	202,934,211	111,568,568
Marine Hull	31,173,119	24,906,877
Health insurance	65,160,700	64,403,873
General third party liability	53,016,042	54,418,208
Guarantees	26,949,104	19,143,652
Others (i)	36,497,565	38,266,304
Total	1,016,714,509	869,630,668

c) Gross written premium on branches

<i>RON</i>	2012	2013
Hungary	66,563,593	46,447,971
Slovakia	-	2,992,681
Total	66,563,593	49,440,652



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21 Earned premiums, net of reinsurance- life insurance

a) Earned premiums, net of reinsurance

	2013					
	RON					
	Gross written premiums	Premiums ceded to reinsurers	Change of unearned premium reserve	Change of unearned premium reserve ceded to reinsurers	Change of unearned premium reserve, net of reinsurance	Earned premiums, net of reinsurance
	1	2	3	4	5=3-4	6=1-2-5
Mixed life insurance	1,842,883	-	388,835	-	388,835	1,454,048
Death	5,641,122	306,405	839,522	36,337	803,185	4,531,535
Waiver of premium for total and permanent disability	34,205	-	917	-	917	33,288
Critical illness	29,617	-	(3,936)	-	(3,936)	33,554
Death and total an permanent disability due to an accident	22,285	-	1,372	-	1,372	20,913
Surgery due to an accident	153,080	-	(4,346)	-	(4,346)	157,423
Hospitalization due to an accident	322,633	-	4,214	-	4,214	318,419
Others	6,236,542	-	(2,122,965)	-	(2,122,965)	8,359,507
Total	14,282,368	306,405	(896,387)	36,337	(932,723)	14,908,687

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21 Earned premiums, net of reinsurance - life insurance (continued)

a) Earned premiums, net of reinsurance (continued)

2012	Gross written premiums	Premiums ceded to reinsurers	Change of unearned premium reserve	Change of unearned premium reserve ceded to reinsurers	Change of unearned premium reserve, net of reinsurance	Earned premiums, net of reinsurance
RON	1	2	3	4	5=3-4	6=1-2-5
Mixed life insurance	1,617,130	-	(622,153)	-	(622,153)	2,239,283
Death	6,012,215	116,137	(3,556,241)	(11,982)	(3,544,259)	9,440,337
Waiver of premium for total and permanent disability	49,191	-	6,074	-	6,074	43,117
Critical illness	56,991	-	(3,398)	-	(3,398)	60,389
Death and total and permanent disability due to an accident	29,691	-	(8,511)	-	(8,511)	38,202
Surgery due to an accident	246,337	-	(92,177)	-	(92,177)	338,514
Hospitalization due to an accident	477,482	-	(182,386)	-	(182,386)	659,868
Others	15,668,534	-	2,392,887	-	2,392,887	13,275,647
Total	24,157,572	116,137	(2,065,905)	(11,982)	(2,053,924)	26,095,358

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21 Earned premiums, net of reinsurance- life insurance (continued)

b) Gross written premiums were made based on individual life insurance contracts and groups as follows:

<i>RON</i>	2012	2013
Individual policies	9,955,303	9,153,835
Group policies	14,202,269	5,128,533
Total	24,157,572	14,282,368

c) Insurance contracts concluded on life insurance segment provides the possibility to pay the premium in installments or full and in advance upon signing the contract. Gross written premiums for the two methods of collection are as follows:

<i>RON</i>	2012	2013
Single premium policies	10,947,285	1,655,060
Multiple installments policies	13,210,287	12,627,308
Total	24,157,572	14,282,368

d) Life insurance contracts concluded have provisions regarding participation of the insured persons in profits sharing or investment component providing that the premium is invested in financial investments whose risk is borne by the insured person. The structure of gross written premiums is:

<i>RON</i>	2012	2013
Insurance premiums without participation in profit	21,269,736	9,963,308
Investment premiums where the risk of investments is borne by the insured	2,887,836	4,319,060
Total	24,157,572	14,282,368

e) Gross written premium on foreign branches

<i>RON</i>	2012	2013
Hungary	1,574,909	1,065,825
Total	1,574,909	1,065,825



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22 Claim paid net of reinsurance- general insurance

2013	Claims paid 1	Claims paid to reinsurers 2	Change of claim reserves 3	Change of claim reserves ceded to reinsurers 4	Claims paid, net of reinsurance 5=1-2+3+4
<i>RON</i>					
Motor third party liability	338,053,055	429,909,849	134,383,673	131,735,043	174,261,922
Motor Hull	123,371,696	14,554,234	6,251,232	27,483,796	142,552,490
Cargo	49,114,322	11,486,754	27,567,480	13,684,686	78,879,734
Marine Hull	2,865,588	542,931	699,650	28,160	3,050,467
Health insurance	495,396	-	625,643	(487,428)	633,611
General third party liability	3,541,154	-	7,478,698	118,465	11,138,317
Guarantees	978,043	-	144,176,635	-	145,154,678
Others	3,688,373	135,532	(227,857)	78,131	3,403,115
Total	522,107,627	456,629,300	320,955,154	172,640,853	559,074,334

As at 31 December 2013, after analyzing the contractual provisions of the proportional insurance contract with Panamerican for covering damage and third party liability risks, the change in reinsurer's share of the reported but not settled reserve and incurred but not reported reserve in the amount of RON 204,537, 878 has been reclassified as part of reinsurer's share of claims paid. The balance of the reported claims reserve ceded into reinsurance based on proportional treaty in amount of EUR 100,216,639, respectively the incurred and not reported reserve ceded on the same treaty in amount of RON 104,321,239 have been reclassified in settlement accounts, being a component of receivables balance from reinsurance operations (presented in Note 7 - "Receivables and liabilities from reinsurance operations").

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22 Claim paid net of reinsurance- general insurance (continued)

2012	Claims paid	Claims paid ceded to reinsurers	Change of claim reserves	Change of claim reserves ceded to reinsurers	Claims paid, net of reinsurance
RON	1	2	3	4	5=1-2+3+4
Motor third party liability	373,887,845	125,531,715	(29,906,811)	(124,284,121)	94,165,198
Motor Hull	188,168,832	39,190,393	27,739,945	(28,941,258)	147,777,126
Property	28,388,920	(122,974)	741,622	(1,232,060)	28,021,456
Marine Hull	2,611,461	71,813	599,307	(831,695)	2,307,260
Health insurance	647,849	335,072	524,897	(78,132)	759,542
General third party liability	2,712,046	-	895,783	(408,097)	3,199,732
Guantees	1,485,018	-	44,857	-	1,529,875
Others	5,447,300	(10,450)	(88,541)	-	5,369,209
Total	603,349,271	164,995,569	551,059	(155,775,363)	283,129,398



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22 Claim paid net of reinsurance- general insurance (*continued*)

After analyzing reinsurance contracts with Panamerican we identified the following elements:

- According to the reinsurance treaty, the Company should determine and record as debt to reinsurer proportional share of debt recoveries within a reporting year. Thus, based on Company's figures, related to subrogation receivables and subrogation income recorded by applying the 50% (according to the treaty) an adjustment was made by increasing the debt to the reinsurer.
- The reinsurance treaty is based on the reporting year and provides ceding claims paid starting with 1 May 2012 and change of claim reserves for the year, these components being part of the quarterly statement. Considering the settlement of this treaty (including changes in ceded claim reserves), the Company would not have to register claim reserves ceded, both during this reporting year and the end of this year. Thus, the balances of claim reserves have been reclassified in the settlement accounts with Panamerican reinsurer.

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23 Claims paid net of reinsurance- life insurance

	2013	Claims paid	Claims paid ceded to reinsurance	Change of claim reserve	Change of claim reserve ceded to reinsurance	Claims paid, net of reinsurance
RON						
Mixed life insurance		22,911	-	18,719	-	41,630
Death		557,998	-	204,053	(8,571,750)	9,333,801
Critical illness		8,565	-	(8,643)	-	(78)
Death and total an permanent disability due to an accident		-	-	19,231	-	19,231
Surgery due to an accident		86,262	-	(27,003)	-	59,259
Hospitalization due to an accident		30,408	-	(24,580)	-	5,828
Others		293,061	-	(32,265)	-	260,796
Total		999,203	-	149,511	(8,571,750)	9,720,464
Surrenders and maturities		10,770,723	-	-	-	10,770,723
Total claims paid		11,769,926	-	149,511	(8,571,750)	20,491,187

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23 Claims paid net of reinsurance- life insurance (continued)

2012	Claims paid	Claims paid	Change of	Change of claim	Claims paid, net
RON	claims paid	ceded to	claim reserve	reserve ceded to	of reinsurance
		reinsurance		reinsurance	
Mixed life insurance	5,666	-	1,401	-	7,067
Death	736,934	-	11,041,478	10,871,750	906,661
Critical illness	18,878	-	8,643	-	27,521
Death and total an permanent disability due to an accident	-	-	-	-	-
Surgery due to an accident	90,175	-	7,805	-	97,980
Hospitalization due to an accident	25,208	-	28,153	-	53,361
Other	671,679	-	(214,686)	-	456,993
Total	1,548,540	-	10,872,794	10,871,750	1,549,584
Surrenders and maturities	1,671,041	-	-	-	1,671,041
Total claims paid	3,219,581	-	10,872,794	10,871,750	3,220,625

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24 Net operating expenses

General insurance

<i>RON</i>	2012	2013
Acquisition costs (i)	51,496,958	218,947,054
Commissions expenses (ii)	161,350,507	128,576,324
Acquisition costs – Total	212,847,465	347,523,378
Change in deferred acquisition costs (ii)	8,781,382	44,030,593
Total	221,628,847	391,553,971
Administrative expenses (iii)	119,271,355	128,961,052
Commissions from reinsurers	(14,945,672)	(14,741,060)
	104,325,683	114,219,992
Total	325,954,530	505,773,963

Life insurance

<i>RON</i>	2012	2013
Acquisition costs	1,562,042	1,069,889
Commissions expenses	2,754,032	2,338,813
Administrative expenses (iv)	1,283,500	1,168,328
Total	5,599,574	4,577,030

(i) Acquisition costs – general insurance

<i>RON</i>	2012	2013
Expenses with granted discounts (a)	-	177,833,628
Salaries, social charges and other contributions (b)	40,351,501	38,597,118
Advertising expense	5,100,144	1,671,444
Expenses with special documents	4,170,381	264,935
Other acquisition expenses (c)	1,874,933	579,929
Total	51,496,958	218,947,054



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(a) As at 31 December 2013, acquisition expenses include discounts granted for insurance policies amounting RON 177,833,628 (31 December 2012: discount expenses amounting RON 117,305,438 have been disclosed in "Other technical expenses" – refer to Note 28 to individual financial statements).

(b) Expenses with salaries, social charges and other contributions to State Budget have been allocated as follows: 31% to "Acquisition costs" and 69% to "Administrative expenses".

As at 31 December 2013, tax expenses amounting RON 22,875,060 (e.g. functioning fee, Guarantee Fund tax, MTPL tax, etc.) have also been allocated according to percentages stated above. As of 31 December 2012, other tax expenses amounting RON 23,761,212 have been fully included in "Acquisition costs" caption.

(c) As at 31 December 2013, services expenses amounting RON 724,667 have been included in "Administrative expenses" caption (31 December 2012, expenses with services amounting RON 159,822 have been disclosed in "Acquisition costs" caption – refer to Note 28(iii) to individual financial statements).

Other expenses include rent expenses, fees to professional bodies and sponsorship expenses.

(ii) As at 31 December 2013, following the inventory process of insurance policies with a validity period higher than one year with premiums payable in installments, the Company has booked corrections related to recognition of premium for policies with validity period higher than one year with premiums payable in installments, with the following impact:

- Commission expenses, reducing the amount to RON 29,656,581;
- Change in deferred acquisition costs, increasing them up to the amount of RON 29,628,507.

<i>RON</i>	31 December 2012	31 December 2013
Motor third party liability	65,025,442	70,821,192
Motor Hull	34,355,561	21,715,801
Cargo Hull	53,038,686	31,177,852
Marine hull	1,104,305	859,105
Health insurance	105,843	1,221
General third party liability	2,100,903	2,252,879
Guarantees	1,280,815	394,410
Others	4,338,952	1,353,865
Total	161,350,507	128,576,324

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	2012	2013
RON	119,271,355	128,961,052
<i>out of which:</i>		
Tax expenses	2,914,477	3,563,004
Maintenance and repairs expenses	5,840,699	8,196,585
Rent expenses	7,718,820	7,046,672
Fees to professions bodies expenses	7,282,403	14,406,273
Suppliers of services expenses	16,827,428	21,901,319
Depreciation expenses	8,975,258	9,282,925
Postal and telecommunication expenses	9,353,509	8,672,507
Banking fees expenses	4,142,525	2,973,397
Other expenses (a)	19,289,463	17,781,281
Miscellaneous expenses (69% of salary expenses) (b)	36,926,772	35,137,089

(a) As at 31 December 2013, services expenses amounting to RON 724,667 were included in "Administrative expenses" (as at 31 December 2012, expenses with services amounting RON 159,822 have been disclosed in "Acquisition expenses"– refer to Note 24(i)(c) to individual financial statements.

(b) Administrative expenses include expenses with contracts for services, tax expenses, depreciation expenses for fixed assets, rent expenses and personnel expenses (69% of salary expenses – refer to Note 24(i)(b) to individual financial statements). Expenses are allocated between segments by allocation keys which are defined for each activity and department.

As at 31 December 2013, tax expenses amounting RON 22,875,060 (e.g. functioning tax, Guarantee Fund tax, Motor third party liability tax, etc.) have also been allocated according to percentages stated in the previous paragraph. As at 31 December 2012, other tax expense amounting RON 23,761,212 have been fully included in "Acquisition costs".



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24 Net operating expenses (*continued*)

(iv) Administrative expenses – life insurance

	2012	2013
<i>RON</i>	1,283,500	1,168,328
<i>Out of which:</i>		
Depreciation of intangibles and fixed assets	584,718	611,649
Tax expenses	279,983	278,081
Banking fees expenses	28,860	37,547
Maintenance and repairs expenses	46,445	25,542
Suppliers of services expenses	71,413	25,292
Postal and telecommunication expenses	-	2,951
Rent expenses	41,716	-
Other expenses	230,365	187,265

During 2013 financial statements audit expenses amount RON 695,129 (2012: RON 273,265).

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SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.**INDIVIDUAL FINANCIAL STATEMENTS****FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013****(unless otherwise specified, all the amounts are expressed in RON)****25 Investment income***General insurance*

<i>RON</i>	2012	2013
Interest income	13,669,255	7,237,409
<i>Income from other investments - Total</i>	13,669,255	7,237,409
Income from financial investments	1,601,184	3,516,491
Rental income	1,058,542	587,381
<i>Gain on investments - Total</i>	2,659,726	4,103,873
Dividend income (i)	1,445,103	960,252
Discounts income (ii)	1,029,266	-
TOTAL	18,803,350	12,301,534

- (i) As at 31 December 2012 and 31 December 2013 the structure of income from dividends cashed by the Company, related to general insurance activity is presented below:

<i>RON</i>	31 December 2012	31 December 2013
GERMANISCHER LLOYD INDUSTRIAL SERVICES ROMANIA S.R.L.	74,226	14,101
BRD Groupe Societe Generale SA	2,804	-
OMV PETROM SA	56,351	-
SC FONDUL PROPRIETATEA SA	404,670	429,345
Societatea de Investiții Financiare MOLDOVA S.A.	192,736	-
Societatea de Investiții Financiare MUNTENIA S.A.	88,470	-
Societatea de Investiții Financiare OLTENIA S.A.	330,694	330,694
Societatea de Investiții Financiare TRANSILVANIA S.A.	115,046	117,600
Societatea de Investiții Financiare Banat-Crișana S.A.	84,336	-
Societatea Națională de Transport Gaze Naturale TRANSGAZ S.A.	95,770	68,512
TOTAL	1,445,103	960,252

- (i) As at 31 December 2012, income from discounts amounts RON 1,029,266 have been included in "Income from gain on investments". As at 31 December 2013 this income category has been included in "Other non-technical income" category.

Life insurance

<i>RON</i>	2012	2013
Income from other financial investments (i)	-	982,938
Income from gain on investments (ii)	1,199,961	989,607
Total	1,199,961	1,972,545

- (i) During 2013, the Company purchased bonds and Treasury bill, with long term maturity (2018, 2021, 2027), having a superior yield compared to interest from deposits in RON and foreign currency.

SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.**INDIVIDUAL FINANCIAL STATEMENTS****FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013****(unless otherwise specified, all the amounts are expressed in RON)****25 Investment income (continued)**

- (ii) As at 31 December 2013, the Company has registered positive value adjustments amounting RON 462,562 to reflect the amortized cost for held to maturity securities related to life insurance activity. (Note 4.3 to individual financial statements).

As at 31 December 2013, the Company has registers positive value adjustments amounting RON 520,376 to reflect the market value of unit funds (Note 4.4 to the financial statements).
As at 31 December 2012, unit funds have been measured at cost less impairment adjustment.

26 Investment charges

<i>RON</i>	2012	2013
Expense with allowance for impairment of financial assets (i) (Note 15)	-	29,530,722
Expense with allowance for impairment of investments	42,350	-
Expense with investments management, including interest expense, out of which:	2,004,293	1,857,824
<i>Interest expense</i>	2,004,293	1,797,780
<i>Investment expense</i>	-	60,044
Total	2,046,642	31,388,546

- (i) Expense with allowance for impairment of financial assets" recorded in 2013 comprise of:

- Value adjustments of shares held with Unirea Shopping Center (SCDM), amounting RON 1,202,607;
- Value adjustments of shares held with Flamingo International amounting RON 1,057,598;
- Adjustments for impairment of investments in financial assets amounting RON 17,839,490, related to participation with Novacuart (Note 4.2);
- Adjustments for loss from investments amounting RON 9,431,027, for reflecting into books the market value for shares traded on stock market (Note 4.4);

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27. Other technical income and expense

General insurance

<i>RON</i>	2012	2013
Total technical income, out of which:	60,444,546	103,834,106
Net income from subrogation (i)	(17,668,298)	91,054,219
Foreign exchange gain (ii)	19,751,832	11,081,384
PAID commissions (iii)	-	1,698,502
Revenue from impairment adjustments (iv)	58,361,012	-

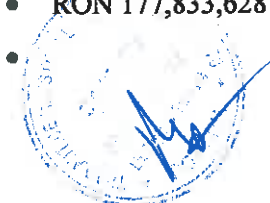
<i>RON</i>	2012	2013
Total technical expense, out of which:	174,044,737	235,793,382
Impairment losses (Note 15)	48,452,748	230,628,171
Foreign exchange loss	7,697,781	4,554,338
Reinsurance commissions	276,744	610,873
Discounts granted (v)	117,617,464	-

(i) During 2013, the Company has booked income from subrogation related to claims paid from insurance contracts, as follows:

<i>RON</i>	2012	2013
Income from subrogation for claims paid, at settlement date	(17,668,298)	130,775,330
Reinsurer's share - Panamerican treaty	-	(39,721,111)
Net income from subrogation	(17,668,298)	91,054,219

As at 31 December 2012, no estimated subrogation income was booked as ceded to reinsurance.

- (ii) The Company considered all foreign exchange gains as technical income from insurance.
- (iii) During 2013, following reassessment of amounts booked in reinsurance accounts, the Company has corrected the registration of brokerage contract for the mandatory property insurance policies issued by PAID ("Pool-ul de Asigurare Împotriva Dezastrelor") and has disclosed the income related to commission for PAID insurance policies under the "Other technical expenses". During 2012, these commissions have been disclosed under category 21 "Commission from reinsurers and bonuses" from general insurance technical account.
- (iv) During 2012, the Company has disclosed income from impairment adjustments reversal amounting RON 58,361,012 under "Other technical income". In 2013, the Company did not record income from reversal impairment adjustments.
- (v) During 2012, the Company has disclosed loss from write-off of receivables amounting RON 312,025 and discounts granted amounting RON 117,305,438 in technical expenses category. In 2013, due to their nature, these expenses are presented as follows:
 - RON 4,162,744 losses from receivables write-off are disclosed under "Other non-technical expenses";
 - RON 177,833,628 Expenses from discounts granted are disclosed under "Acquisition costs";



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RON	2012	2013
Other technical income:	-	110,962
Foreign exchange gain	-	110,962
Other technical expenses:	-	128,569
Foreign exchange loss	-	128,569

As at 31 December 2012, the Company has disclosed gain from foreign exchange amounting RON 25,111 under the "Investment income" category from life insurance technical accounts.

As at 31 December 2012, the Company has disclosed losses from foreign exchange amounting RON 281,672 under the "Investment expenses" category from life insurance technical accounts.

RON	2012	2013
Income from provisions (i)	7,233,561	-
Income from discounts received (ii)	-	1,994,152
Income from compensations, fines and penalties	349,768	241,136
Gain from assets disposal and other capital transactions	29,869	69,319
Other operating income from amounts to recover from insured parties (iii)	2,257,459	1,518,631
Other non-technical income (iv)	187,070	369,011
TOTAL	10,057,727	4,192,249

- (i) As at 31 December 2012, the Company has book income from reversal of allowance for impairment adjustments amounting to RON 7,233,561 under "Other non-technical income" category. During 2013, the Company did not book reversals of allowance for impairment adjustments.
- (ii) As at 31 December 2012, income from discounts received amounting RON 1,029,266 have been included under "Income from gain on investments" category. As at 31 December 2013 these expenses have been reclassified under "Other non-technical income" category.
- (iii) Income from amounts recoverable from insured parties represents amounts paid by the insured parties for the period not covered by the insurance policy. This amount is paid by the Company at the beginning of the year and is booked as expense and recovered during the year from the insured party and booked as income.
- (iv) "Other non-technical income" comprise of: other exceptional revenue from management operations, income from donations and grants received, rental income, damages recovered from debtors and other operating income.



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RON	2012	2013
Operating loss from impairment adjustments (v) (Nota 15)	-	200,228,947
Loss from provisions (Nota 15)	-	6,497,729
Receivables write-off	-	4,162,743
Gain from assets disposal and other capital transactions	15,771	16,224
Impairment adjustments	7,254,065	-
Total	7,269,836	210,905,643

(v) As at 31 December 2013, the Company has booked operating expenses with assets impairment adjustments amounting to RON 200,228,947, out of which:

- RON 113,453,001 related to loans granted to related parties (refer to Note 18 – “Amounts receivable from related parties”);
- RON 2,052,700 for doubtful receivables (refer to Note 15 – “Provisions for risks and charges and impairment adjustments”);
- RON 78,758,175 for receivables from BID, SIVAMO and other debtors (refer to Note 15 – “Provisions for risks and charges and impairment adjustments”);
- RON 5,965,070 for tangible assets. These value adjustments have been booked for buildings located on Banu Manta Bvd., Slătineanu Street and Câmpineanu Street (refer to Note 4.1 – “Investment in land and buildings”);

29 Reconciliation of accounting and fiscal profit

RON	31 December 2012	31 December 2012 adjusted (*)	31 December 2013
Gross profit	6,671,058	6,671,058	(917,328,742)
(+) Nondeductible expenses	70,295,834	70,295,834	500,309,984
(+) Elements similar to income	1,389,182	(40,032,327)	(23,583,798)
(-) Deductions from profit - statutory reserves	9,559,976	9,559,976	9,317,724
(-) Retained fiscal loss	18,040,313	18,040,313	57,705,399
(-) Non chargeable income and other fiscal deductions	67,039,675	67,039,675	8,092,731
Chargeable income	(16,283,890)	(57,705,399)	(515,718,410)
Income tax (16%)	-	-	-
Effect of elements subject to other tax rates	-	-	-
(-) Sponsorship expenses	-	-	-
Income tax due	(16,283,890)	(57,705,399)	(515,718,410)

(*) During 2013, the Company has booked value adjustments on retained earnings, as disclosed in Note 2(v) to individual financial statements, leading to a change in income tax due for financial year ended 31 December 2012.

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Payroll and social security:	2012	2013
Payroll expenses:	42,624,766	40,186,899
General insurance	41,547,579	39,443,503
Life insurance	1,077,187	743,396
Social security expenses:	11,945,462	11,568,813
General insurance	11,945,462	11,361,622
Life insurance	299,059	207,191
Remuneration of management	710,570	352,286

As at 31 December 2013, the average employee number, by category, is as presented below:

	2012	2013
Management	246	268
Insurance activity employees	616	808
Administrative employees	596	390
Total	1,458	1,466



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.**INDIVIDUAL FINANCIAL STATEMENTS****FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013****(unless otherwise specified, all the amounts are expressed in RON)****31 Related parties**

The company provides services to related party companies, in accordance with usual commercial terms and benefits of services from these companies in similar conditions.

As at 31 December 2013 there are a total of 90 related companies. The most significant transactions were carried with the following related parties: ASTRA NOVA SECURITY, Baumeister Medien Holding, MEGAConstruct, OMEGA CITY BUSINESS, PAID SA. The nature of transactions with related parties are of underwriting insurance policies, rental services, advertising services, security and protection services, maintenance and auto repairs, accommodation and protocol and grating intragroup loans.

Commercial transactions conducted in according to contracts and agreements concluded by the Company with related companies, the administrators and other related parties with the administrators can be classified as follows:

- a) Insurance transactions related to insurance contracts in which the related parties act as contractors/insured parties:

Gross written premiums	2012	2013
	79,353,227	57,981,572
Total	79,353,227	57,981,572

Out of which:

	31 December 2012	31 December 2013
FOTBAL CLUB OTELUL	18,047,733	5,310,207
ALPHA SPV SRL	3,855,120	3,902,952
GRUPUL DE PRESA ROMAN	3,858,683	3,900,618
UNITED PRINT SRL	3,860,410	3,893,868
ADASPED-PRESTARI-COMERT SRL	3,851,023	3,896,422
ADASPED INTERNATIONAL SA	3,851,507	3,898,002
ASTRA NOVA SECURITY SA	2,768,959	3,937,822
ICSIM SA	3,847,922	3,896,624
INTERNATIONAL BUSINESS CENTER MODER SRL	2,730,488	3,928.880
MEDIEN-HOLDING SRL	3,847,034	3,893,868
TNG REAL STATE MANAGEMENT SRL	2,670,706	1,196,277
BAUMEISTER SA	14,530,200	36,209
Other related parties	11,633,443	16,289,823
Total	79,353,227	57,981,572

- b) Insurance claims paid to related parties contracts in which the related parties act as contractors/insured parties:

Claims paid	2012	2013
	1,771,769	15,967,170
Total	1,771,769	15,967,170

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The claims paid as at 31 December 2013 contains 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 damages amounts owed by the Company to REX Mamaia. The value of the claims paid related to 2013, without taking into consideration the assignment of receivables amounts to RON 1,063,088.

c) Other related party expenses:

RON	2012	2013
Rent expenses	1,119,095	918,325
Management services	-	122,210
Utilities and other administrative expenses	2,637,325	2,396,559
Total	3,756,420	3,437,094

As at 31 December 2013, rent expenses with related parties amounts RON 918,325 (31 December 2012: RON 1,119,095). During 2012, the Company did not register management services expenses. As at 31 December 2013, management's services amount to RON 122,210.

d) Income from related party transactions:

RON	2012	2013
Income from related party transactions (Rent)	65,488	64,562

e) Compensation with related parties:

RON	2012	2013
Compensations with related parties	558,038	717,916
Total	558,038	717,916

The Company has concluded compensation agreements with related parties for services provided by them with the premiums receivable. As at 31 December 2013, the amount of RON 717,916 was compensated against debts towards the following related parties: Medien Holding, Omega City Business Center and Unirea Shopping Center. As at 31 December 2012, the amount of RON 558,038 was compensated against debts toward the following related parties: Baumeister, Unirea Shopping Center.

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31 Related parties (*continued*)

f) Loans granted/received from related parties:

<i>RON</i>	2012	2013
Loans granted (Note 18)	100,927,050	105,999,859
Loans received/Investments (Note 19)	-	10,656,060
Total	100,927,050	116,655,919

<i>RON</i>	2012	2013
Interest for loans granted (Note 18)	9,487,556	15,673,896
Interest for loans received/Investments (Note 19)	-	244,774
Total	9,487,556	15,918,670

g) Transactions with PAID:

PAID transactions	2012	2013
Net premiums income	536,483	1,691,021
Balance of premiums owed to PAID	2,618,665	10,063,536

As at 31 December 2013, the balance of premiums owed to PAID, which comprise of contribution payable to PAID for gross written premiums amounts RON 10,063,536 (31 December 2012: RON 2,618,665). The value has increased compared to 2012 due to mandatory conclusion of property insurance, in force since 2013.

h) Liabilities to related parties

As at 31 December 2013, the balance of liabilities towards related parties from services rendered by them and other related expenses amounts RON 1,700,847 (31 December 2012: RON 597,856), out of which:

	31 December 2012	31 December 2013
OMEGA CITY BUSINESS CENTER SRL	154,735	784,151
ASTRA NOVA SECURITY SA	96,687	366,586
INTERNATIONAL BUSINESS CENTER MODERN SRL	141,416	216,415
UNIREA SHOPPING CENTER SA	108,875	183,426
Other related parties	96,144	150,269
Total	597,857	1,700,847

i) Receivables from related parties

As at 31 December 2013, the Company has receivables amounting to RON 242,041 (31 December 2012: RON 177,479) towards Grupul de Presa Român, related to rental services provided.

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31 Related parties (continued)

j) Reserve balance recorded in relation to related parties:

	31 December 2012	31 December 2013
Premiums reserve (a)	19,305,325	13,307,302
Claim reserve	74,693	260,758
Bonuses and rebates reserve (b)	10,523,316	36,778
Mathematical reserve	1,736,621	2,118,040

(a) Premiums reserve

RON	31 December 2012	31 December 2013
INTERNATIONAL BUSINESS CENTER MODERN SRL	635,597	915,418
ASTRA NOVA SECURITY SA	625,383	926,392
TNG REAL STATE MANAGEMENT SRL	608,246	902,827
ADASPED-PRESTARI-COMERT SRL	871,966	894,036
ADASPED INTERNATIONAL SA	873,543	895,496
ALPHA SPV SRL	873,699	898,925
ICSIM SA	870,849	894,243
MEDIEN-HOLDING SRL	870,253	892,762
GRUPUL DE PRESA ROMAN	873,469	893,448
BAUMEISTER SA	934,866	566,658
FOTBAL CLUB OȚELUL	6,520,770	213,872
Other related parties	4,746,685	4,413,224
Total	19,305,325	13,307,302

(b) As at 31 December 2012, bonuses and claims reserve includes RON 8,716,163 related to insurance policies concluded with Fotbal Club Oțelul.

32 Profit appropriation

As at 31 December 2013, net realized loss amounts RON 917,328,742 (31 December 2012: RON 6,671,058 profit).

RON	2012	2013
Net Profit/(Loss)	6,671,058	(917,328,742)
Statutory reserves	-	-
Retained earnings arising from correction of errors	-	-
Retained earnings arising from retained loss	6,671,058	-
Undistributed Profit/(Loss)	-	(917,328,742)

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33 Cash and cash equivalents

<i>RON</i>	31 December 2012	31 December 2013
Cash in hand (Note 8)	97,653	113,293
Current accounts held at banks (Note 8)	19,718,147	6,042,596
Deposits at banks with maturity up to 3 months (Note 4.7)	69,445,133	31,963,859
Total	89,260,933	38,119,748

General insurance

<i>RON</i>	31 December 2012	31 December 2013
Cash in hand	95,656	111,789
Current accounts held at banks	19,253,218	5,656,161
Deposits at banks with maturity up to 3 months	63,591,725	31,701,249
Total	82,940,599	37,469,199

Life insurance

<i>RON</i>	31 December 2012	31 December 2013
Cash in hand	1,998	1,504
Current accounts held at banks	464,929	386,435
Deposits at banks with maturity up to 3 months	5,853,408	262,609
Total	6,320,335	650,548



SOCIETATEA ASIGURARE- REASIGURARE ASTRA S.A.**INDIVIDUAL FINANCIAL STATEMENTS****FINANCIAL YEAR ENDING AS AT 31 DECEMBER 2013****(unless otherwise specified, all the amounts are expressed in RON)****34 Assets and contingent liabilities***Rent contracts*

The Company has concluded rent agreements, for which the future value of payments is presented as follows:

<i>RON</i>	31 December 2012	31 December 2013
Up to one year	4,280,420	4,006,514
Between 1 and 5 years	5,270,561	3,777,346
Over 5 years	147,315	42,315
Total	9,698,295	7,826,174

Litigations

The Company is a defendant in litigation cases pending in Courts, with one of the following statute:

- **Defendant:** The Company was sued by a person who is a plaintiff; that persons may be another property insurer (administrative subrogation), an insured, an injured third party, a beneficiary, an assignee of the insurance rights. If the action against the Company is accepted, it is liable to pay monetary amounts representing compensations, penalties or interest, trial costs.
- **Summoned under guarantee:** On Court trial a main lawsuit between two parties (plaintiff and defendant), other than ASTRA. One of these parties summons under guarantee the Company, falling under claims (losing the trial), it can turn against ASTRA to recover the amounts.
- **Insurer:** The Company is liable together with the defendant. In the event that the criminal lawsuit is solved and the civil proceeding of the persons to request damages from insurance policies (usually Motor Third Party Liability, Professional Third Party Liability and Other Third Party Liabilities), then the Company is also cited to take over amounts the defendant is liable to pay, limited to insurance contract amounts.

As at 31 December 2013, the Company is part of 2,883 cases pending defensive courts, with a total value of RON 1,082,155,446, including claims related to moral damages in amount of RON 817,389,501 and claims related to material damage in amount of RON 264,180,895 and salary rights worth RON 582,050.

As at 31 December 2013, the Company is part of 2,240 court subrogation files, the total amount to be recovered being of RON 36,388,760.



35 Risk Management

Given the nature of the activities conducted, the Company is exposed to various risks, which include: insurance risk, economic environment risk, interest rate risk, liquidity risk, credit risk, foreign exchange risk, taxation risk, concentration risk, operational risk and reputation risk. The management aims to mitigate the potentially adverse effects associated with these risk factors that could affect the financial performance of the Company.

Insurance risk

When subscribing policies, the Company assumes a technical risk, i.e. the risk of incurring claims related to the written premiums. The concentration of the technical risk could result in significant losses for the Company, provided that an event or a series of events were to affect an entire insurance class or the country per se. The Company reduces the technical risk using a detailed client assessment, well established exposure limits, reinsurance programs and a cautious provisioning policy in what concerns the claims insurance, both reported and not reported yet.

Risk related to the economic climate

Over the past year, the European financial sector faced a debt crisis, triggered by major fiscal imbalances and high public debt in several European countries. Current fears that the deteriorating financial conditions, which may contribute in a later stage to a further loss of confidence, led to a joint effort of governments and central banks adopting special measures to counter the vicious circle of rising risk aversion and ensure the normal functioning of the market.

Identifying and assessment of the influence of a market liquidity shortages, analyze compliance with debt agreement and other contractual obligations, valuation of significant uncertainties, including uncertainties related to ability of an entity to continue to operate for a reasonable period of time, all these bringing their own challenges.

Company debtors may also be affected by crisis liquidity situations, which might hinder to honor current their current liabilities. Deterioration of operating conditions for debtors may also affect estimates of management on future cash flows and estimates on impairment of financial assets and financial assets.

To the extent that information is available, in its impairment policy, management has reflected revised estimates of expected future cash flows.

Management is unable to predict events that could have an impact on the financial sector in Romania and the effect this might have on the financial statements.

The management of the Company believes that it has taken all necessary measures to support the growth of the Company's business in the current market conditions by:

- constant monitoring of liquidity and dependence on certain sources of funding;
- projections of current liquidity;
- obtaining commitment from the shareholder to support the Company's operations in Romania;
- review the terms and conditions of funding agreements and consideration of the implications and risks identified obligations imposed. Such as compliance is due or breach any term or condition of a contract.

Given the fact that current market conditions and uncertainties will be maintained in 2013 and probably later on, additional effects can be felt beyond the data in these individual financial statements.



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35 Risk Management (*continued*)

Liquidity risk

The Company's liquidity policy is to maintain sufficient liquidities in order to fulfil its obligations once they fall due.

Interest rate risk

The Company has a significant number of assets which generate interest revenue. The Company compensates the future revenues related to these assets with its insurance obligations.

Credit Risk

Credit Risk represents an accounting loss that might be recognized in case in which the contracting parties wouldn't fulfill their obligations. To control the exposure to credit risk, the entity makes evaluations at the financial state of the contracting parties.

The entity is being exposed to the credit risk aroused from the financial instruments that emerge from the possible unfulfilling of payment by the contracting parties. However, the board does not anticipate significant loss, other than the one recorded in the financial statements.

Foreign Exchange rate risk

The Company is exposed to foreign exchange risk as a result of transactions in foreign currencies.

In order to avoid losses from adverse fluctuations of foreign exchange rates, the Company currently applies a policy of diversification of its foreign currency portfolio.

Taxation risk

Romanian tax legislation provides detailed and complex regulations and undergone various changes in recent years. Interpretation of the text and practical implementation procedures of the newly enforced EU tax regulations could vary, and there is a risk that certain transactions, for example, could be viewed differently by the tax authorities as compared to the Company's treatment. Furthermore, the Romanian Government has a number of agencies that are authorized to conduct audits (controls) of companies operating in Romania. These controls are similar in nature to tax audits performed by tax authorities in many countries, but may extend not only to tax matters but to other legal and regulatory matters in which the applicable agency may be interested. It is likely that the Company will continue to be subject to regular controls as new laws and regulations are issued.

Concentration risk

Concentration risk is the risk of exposure of the Company to potential losses that are large enough to threaten the solvency or financial situation. The company analyzes the influence that natural disasters can produce and mitigates the risk through reinsurance or by subscribing policies in different areas to avoid risk concentration in high seismic risk areas.

Operational risk

Operational risk is defined as the possibility of loss or failure to achieve the estimated profits which occurs due to the influence of internal factors (improper conduct of internal activities, the existence of a personal or inadequate system) or external factors (economic conditions, changes in the insurance market, technological progress). Operational risk policy includes procedures for the identification, assessment, monitoring and control for analysis of the operational losses database.

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35 Risk Management (*continued*)

Reputation risk

The company aims to create and preserve a good image in the market and public confidence in its integrity to prevent registration of the loss making or failure to realize the estimated profits due to reputational risk. The Company's management believes that the fair values were recorded in the tax and other debts to the state accounts, however there is a risk that the authorities will have a different position from that of the Company.

36 Subsequent events to balance sheet date

Financial recovery through special administration

Under Decision no.42/2014 regarding the initiation of financial recovery procedure by special administration of Societatea de Asigurare Reasigurare ASTRA S.A. („the Company”), published in the Official Journal, Part I, no.120 of 18.02.2014 and implemented under Decision no. 43/2014 and Decision no. 66/2014, S.C. KPMG Advisory S.R.L was appointed by the Financial Supervisory Authority („ASF”) as Special Administrator of ASTRA.

Pursuant to Decision 42 was ordered to suspend, for the duration of the financial recovery procedure through special administration, the legal duties of major shareholders and significant persons of Company's voting rights in respect of the appointment and removal of members of the Supervisory Board of the Company, right to dividends of shareholder the activity and the right to remuneration of Supervisory Board members, the special administrator taking over fully the tasks of significant persons of the Company.

Thus, according to Decision no. 43/2014, the Special Administrator examined the activity of the insurance company and prepared a detailed report on its financial position, indicating real possibilities operative recovery and the insurance company and the actions to be taken in this regard the Special Administrator. The report was submitted to the Special Administrator FSA on 25 March 2014. The Action Plan included in the Administrator's Special Report was approved by ASF Decision no. 117/07.04.2014 (except for two of the measures included in the plan).

At the time of approving the financial statements, the Company is in the process of financial recovery by special administration under the scheme included in the report by the Special Administrator and approved through the ASF Decision no. 117/07.04.2014 and the action plan approved by ASF is being implemented under special administration.

Share capital increase

One of the measures included in the approved Action Plan is the capital increase with the amount of 490 million through an initial share capital, amounting to at least RON 70 Million.

On 12 May 2014, the Extraordinary General Meeting of Shareholders (EGMS) approved the delegation to the Special Administrator and the Board of Directors (in the event that after the calling of the EGMS the Company's management would be resumed by the Board of Directors) of the prerogative to increase the Company's share capital. The delegation of the share capital increase prerogative is valid for at most one year after the date of the resolution. The Special Administrator / Board of Directors may decide, under one or several resolutions, the Company's share capital increase through the issuance of new shares, with amounts that may not exceed in total the amount of RON 490.000.000.



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36 Subsequent events to balance sheet date (*continued*)

Share capital increase (*continued*)

On 27 June 2014, KPMG Advisory SRL, mandated as Special Administrator of the Company by ASF under Decision no. 42/18.02.2014, and in consideration of Resolution no. 1 of 12 May 2014 adopted by EGMS, issued Resolution no. 26, approving the Company's share capital increase by contribution in cash with an amount of RON 70,000,001.40, from RON 192,712,533.86 to RON 262,712,535.26, through the issuance a total of 26,315,790 new shares with a face value of 2.66 RON per share.

According to this decision, the share capital increase will be achieved in a single step, the new shares being offered for subscription to the shareholders registered in the Register of Shareholders of the Company on 14 July 2014, which will be able to subscribe new shares proportional to the quota participation quota to the share capital as at that date.

The period during which the new shares will be subscribed will be one month from the date stated in the tender offer and in the proportionate prospectus to be issued by an authorized intermediary and approved by the Financial Supervisory Authority (the "Prospectus"). Shares not subscribed by shareholders with a right preference within the above period will be canceled by decision of the Special Administrator.



The undersigned, Carmen-Maria Mateescu, sworn interpreter and translator for the English and German languages by virtue of license no. 4678 from 18 June 2001 issued by the Ministry of Justice from Romania, certify the accuracy of the translation performed from the Romanian language into the English language

