

THIS DOCUMENT IS ONLY AN UNOFFICIAL ENGLISH TRANSLATION OF THE ROMANIAN LANGUAGE PROPORTIONATE PROSPECTUS OF SOCIETATEA DE ASIGURARE-REASIGURARE ASTRA SA BUCURESTI WHICH WAS APPROVED BY THE ROMANIAN FINANCIAL SUPERVISORY AUTHORITY BY DECISION NO 1143 ON AUGUST 20, 2014 AND WHICH IS THE ONLY LEGALLY BINDING DOCUMENT PROVIDING INFORMATION ON THE COMPANY, THE OFFER AND THE OFFERED SHARES FOR THE PURPOSES OF THE OFFER. THE COMPANY, THE SPECIAL ADMINISTRATOR AND THE INTERMEDIARY DO NOT AND WILL NOT BEAR ANY LIABILITY TOWARDS ANYONE FOR AND IN RELATION WITH THIS TRANSLATION.

THIS DOCUMENT DOES NOT INCLUDE AN ENGLISH TRANSLATION OF THE APPENDICES I TO V TO THE PROPORTIONATE PROSPECTUS, FOR WHICH ONLY THE ROMANIAN LANGUAGE VERSION IS AVAILABLE.



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

APPENDIX III – The annual financial statements of the Issuer related to the financial year ending 31 December 2013 together with the related audit report

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

APPENDIX V – Letter no. 250/ 25.04.2014, remitted to Societatea de Asigurare-Reasigurare ASTRA S.A. by The Nova Group Investments Romania SA in regard to the structure of the Group the Issuer is part of



NOTE TO THE INVESTORS

This Prospectus ("Prospectus") includes the information necessary in regard to the shares' offer ("Offer") related to the cash share capital increase, on a level proportionate to this type of issuance. In accordance with Decision no. 1 of the Extraordinary General Meeting of the Shareholders of Societatea de Asigurare – Reasigurare ASTRA S.A. on 12.05.2014, published in the Official Journal of Romania, Part IV, no. 3078 din 30.05.2014, ("Shareholders' Decision on the Increase") was approved the delegation to KPMG Advisory SRL, as the Special Administrator of the Company, appointed by ASF Decision no. 42 from 18.02.2014 ("Special Administrator,") respectively the Management Board of the Company (if further to convening the EGMS, the management of the Company would be resumed by the Management Board), of the prerogative to increase the share capital of the Company, in accordance with art. 236, paragraph 2 from Law 297/2004 on the capital markets, as subsequently amended, by observing the following rules:

- The delegation of the prerogative to increase the share capital operates on a term of maximum one year and it is granted further to analyzing the financial condition of the Company by the Special Administrator, according to the mandate rendered by ASF through Decision no. 42 from 18.02.2014, from which resulted *inter alia* the demand of recapitalizing the Company in order to improve the financial indicators;
- In executing the delegation, the Special Administrator/Management Board may conclude, through one or more decision(s) to increase the share capital of the Company by issuing new shares that may not exceed in total the amount of RON 490,000,000;
- The increase of the share capital may be realized through cash contributions fully paid on the date of subscription and/or by converting uncontested, liquid and enforceable receivables deriving from loans granted to the Company and in this latter case, the conversion would be exclusively performed in regard to amounts granted representing the actual principal collected by the Company;
- The subscription of the amounts representing the increase of the share capital approved by a decision of the Special Administrator/Management Board shall be performed by observing the pre-emption right of the shareholders of the Company on the Registration Date.

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

The increase of the share capital shall be performed in a single stage and the new shares shall be offered for subscription to the shareholders of the Company registered with the Shareholder Register of the Company on the Registration Date, 14.07.2014, who will be allowed to subscribe the new shares pro rata to the participation quota in the share capital held on such date.



The shares shall be fully paid on the date of subscription, by observing the requirements mentioned in this Prospectus, any share subscription is to be validated by rounding down to the immediately lower even number.

The subscription term is one month (32 calendar days) from the date established in this Prospectus and the related Offer. Shares not subscribed by the shareholders with pre-emption rights within the term of exercising the pre-emption right shall be cancelled by the decision of the Special Administrator.

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

The Issuer declares that it took all reasonable care to ensure himself that all information comprised in this Prospectus is real, accurate and not misleading in regard to significant issues. The Prospectus, the financial information and the appendices thereof were drafted in accordance with the applicable laws and the ASF regulations. The Prospectus comprises information proportionate to this type of issuance and it was drafted based on appendices XXII, XXIII and XXIV from the Regulation of the European Commission no. 809/2004 on the implementation of Directive 2003/71/EC, as subsequently amended and supplemented, in regard to the information comprised in prospectuses, as well as the format, inclusion and publication of such prospectuses and the dissemination of publicity materials.

This Prospectus is drafted and the Offer is addressed exclusively to the persons registered with the Company Shareholders' Register on the Registration Date. No other person may rely on the Prospectus for his decision to invest in the shares issued by the Company and the Issuer has no liability or responsibility towards persons, other than those registered with the Company Shareholders' Register on the Registration Date as regards the information comprised in this Prospectus either throughout the Offer or after closing the Offer by transacting the shares of the Issuer on the secondary market. Hence, investors that shall trade the shares issued by the Company after closing the Offer may not rely their investment decision on the information comprised in this Prospectus. SSIF BROKER S.A., as intermediary, has fulfilled all necessary formalities in order to ensure itself that, in accordance with the documents and information made available by the Issuer and the information obtained from sources other than such indicated in the Prospectus and supplied by the Issuer, the information comprised in the Prospectus is real and comprises no omissions likely to significantly impact the content of the Prospectus. Neither the Special Administrator, nor the Intermediary assumes any liability in regard to the performances and future evolution of the Issuer. Nothing from the content of this Prospectus shall be construed as an investment recommendation or an opinion of the Intermediary, of the Special Administrator or of the Issuer in regard to the standing of the Issuer or legal or tax consultancy. Each prospective investor should perform an independent evaluation by own means that should not rely only on the information comprised in this Prospectus. The Issuer and the Intermediary recommend to potential investors to employ specialized consultants in regard to the legal, tax, commercial or financial issues.



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

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

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

The Financial Supervisory Authority approved this Prospectus through Decision no. 1143 from August 29th, 2014.



DEFINITIONS

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

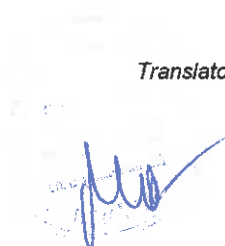
Articles of Incorporation	The Articles of Incorporation of Societatea de Asigurare – Reasigurare ASTRA S.A., updated as of the date of the Prospectus
Special Administrator or KPMG Advisory SRL	Special Administrator of Societatea de Asigurare – Reasigurare ASTRA S.A., KPMG Advisory SRL, with the registered office in Bucharest, șos. București-Ploiești, nr. 69-71, Sole Registration Code 13204347, registered with the Trade Register Office under no. J40/6657/2000, appointed by ASF by Decision no. 43/18.02.2014
ADAS	Administrația Asigurărilor de Stat (State Insurance Administration), set up by virtue of Decree no. 38/1952, under the general management of the Ministry of Finance, authorized to perform insurance, reinsurance operations, as well as any other operations in regard to the insurance activity according to the provisions of Decree no. 470/1971. ADAS ceased its activity under Decision no. 1279/1990 and its assets and liabilities were taken over as of 1 January 1991 by the following trading companies: Asigurarea romaneasca SA, Astra SA and Carom SA. ¹
EGMS	Extraordinary General Meeting of the Shareholders of the Company
OGMS	Ordinary General Meeting of the Shareholders of the Company
ASF	Autoritatea de Supraveghere Financiară (The Financial Supervisory Authority)
BVB	Bursa de Valori București S.A. (Bucharest Stock Exchange)

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

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CAEN	Classification of Activities in the National Economy
CASCO	Facultative vehicle insurance against casualty and collision
CNVM	Comisia Națională a Valorilor Mobiliare (National Securities Commission - currently the Financial Supervisory Authority)
Collector Account or Offer Account	The account opened by the Intermediary, destined to collect the amounts corresponding to the subscriptions under the Offer, having IBAN code RO26BTRLRONCRT00R1814004, opened with Banca Transilvania, Zorilor Branch, Cluj-Napoca.
Intermediation Agreement	Contract concluded between the Issuer and Intermediary with the view of intermediating the Offer
Registration Date	14.07.2014, persons registered at this date with the Shareholders Register of Societatea de Asigurare – Reasigurare ASTRA S.A. shall be entitled to subscribe the newly-issued shares under the Offer
Depozitarul Central	Depozitarul Central S.A., as the company holding the Company Shareholder Register, as well as the clearing and settlement system and as the register for the operations carried out by the issuers admitted to trading in the trading system managed by BVB
The Issuer, Company, Societatea de Asigurare – Reasigurare ASTRA S.A. or ASTRA	Societatea de Asigurare – Reasigurare ASTRA S.A., a company managed in a two-tier system, with the registered office in Bucharest, str. Nerva Traian, nr. 3, bl. M101, etaj 10, sector 3, telephone (+40) 21 318 80 80, fax (+40) 21 318 80 74, webpage www.astrasig.ro , Sole Registration Code 330904, registration number with the Trade Register J40/305/1991
Revocation Form	Form that has to be filled in for the revocation of the subscriptions made under the Offer, in accordance with the provisions of the Capital Market Law, the model of which is attached to this Prospectus
Subscription Form	Form that has to be filled in for the subscription under the Offer, the model of which is attached hereto

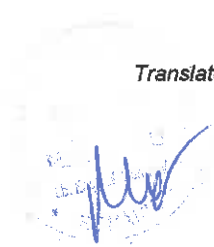


Shareholders' Decision on the Increase	Decision no. 1 of the Extraordinary General Meeting of the Shareholder of the Company from 12.05.2014, published in the Official Journal of Romania, Part IV, no. 3078 from 30.05.2014 on the delegation of the competence to increase the share capital of the Company
Solvency Margin	<p>Available solvency margin = aggregate asset elements free of any burdens, except intangible assets, as defined in the Order of the President of the Insurance Supervisory Commission no 3/2008 for non-life insurance, in the Order of the President of the Insurance Supervisory Commission no 4/ 2008 for life insurance respectively</p> <p>Minimum solvency margin = the minimum level of the available solvency margin that insurers authorized to practice non-life insurance or life insurance respectively are bound to permanently hold, as defined in the Order of the President of the Insurance Supervisory Commission 3/2008 for non-life insurance, in the Order of the President of the Insurance Supervisory Commission 4/2008 for life insurance respectively</p>
Insurance Law	Law no. 32/2000 on the insurance activity and insurance supervision, with subsequent amendments and supplements
Capital Market Law	Law no. 297/2004 on the capital market, as subsequently amended and supplemented
Company Law	Company Law no. 31/1990, as subsequently amended and supplemented
Subscription Period	one month, i.e. between September 1, 2014 (inclusively) and October 1, 2014 (inclusively), a time interval comprising a number of 32 calendar days
Offer	Offer related to share capital increase through cash contribution, through the issuance of new shares by the Company for exercising the pre-emption right, as described in this Prospectus
Prospectus	This proportionate Offer prospectus drafted in accordance with the provisions of art. 26a from Regulation no. 809/2004
MTPL	Motor third party liability
Shareholder Register	the Company Shareholder Register is kept by Depozitarul

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	Central under a service contract concluded between the Company and Depozitarul Central in accordance with the applicable regulations.
Regulation no. 1/2006	CNVM Regulation no. 1/2006 on issuers and operations with securities, with subsequent amendments and supplements
Regulation no. 809/2004	EC Regulation no. 809 on the implementation of Directive 2003/71/EC in regard to the information comprised in prospectuses, as well as the format, inclusion and publication of such prospectuses and the dissemination of publicity materials.
RON or leu	National currency of Romania
Financial Statements 2013	Individual financial statements of the Issuer for the financial year ending 31 December 2013, financial statements that were subject to the audit performed by Deloitte Audit SRL and in regard to which Deloitte Audit SRL has expressed no opinion due to the uncertainties detailed in the audit report.
SSIF Broker S.A./ Broker/ Intermediary	<p>SSIF Broker S.A., a company with the registered office in Cluj-Napoca, Calea Moșilor nr. 119, județul Cluj, authorized by the National Securities Commission (currently ASF) as a financial investment service company by Decision 3097/2003.</p> <p>telephone (+40) 364 401709</p> <p>fax (+40) 364 401710,</p> <p>email: secretariat@ssifbroker.ro,</p> <p>site web www.ssifbroker.ro,</p> <p>Sole Registration Code 6738423,</p> <p>registration number with the Trade Register J12/3038/1994</p>
EU	European Union
Business Day	Any day on which both the interbank Romanian market and the trading and clearing and settlement systems of Bursa de Valori București/Depozitarului Central are open to carry out activity.



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

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

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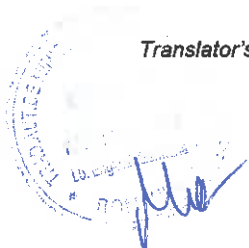


FORWARD-LOOKING STATEMENTS

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

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

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SPECIAL ADMINISTRATION OF THE COMPANY

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

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

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

Other prudential measures provided by Decision no. 42 refer to the inventory of the claims files accounted by the Company, undertaking necessary measures to properly compute the technical reserves set up by the Company in accordance with the legal requirements, the interdiction to invest in securities and real estate, except placements in bank deposits and government securities/treasury bills, the interdiction to dispose goods and/or assets of the Company without the prior approval of ASF, undertaking necessary measures with the view of accelerating the disbursement of the loans granted within the group where Company is a party and the interdiction to grant new loans, the inventory and assessment receivables recorded in the registers of the Company and the cancellation of insurance receivables related to expired contracts in accordance with the applicable norms of, the re-assessment of the corporate insurance policy and the placement of risks to reinsurers rated by recognized rating agencies.

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

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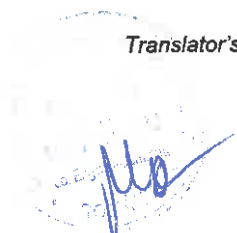
The Company depends on the successful implementation of the recovery measures proposed to be undertaken and approved by ASF, such as re-establishing the liquidity and solvency according to the real operational recovery capacities of the Company, considering the economic constraints, the cumulated requirements of the insurance law, the capital market law and the companies law and the complex diagnostic of aggravated symptoms that were generalised and accumulated in time at corporate level.

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

On 27 June 2014, based on the mandate of Special Administrator of the Company, vested by ASF Decision no. 42, and taking into account the Shareholders' Decision on the Increase, KPMG Advisory SRL issued Decision no. 26 which approved the increase of the share capital of the Company through cash contribution in amount of RON 70,000,001.40 – from RON 192,712,533.86 to RON 262,712,535,26 by issuing a number of 26,315,790 new shares with a nominal value of RON 2.66 each.

At the date of this Prospectus, the Company is undergoing the financial recovery process through special administration, based on the action plan approved by ASF.

The recovery possibilities of the Company based on the action plan mainly depend on the materialization of the corporate shareholders' commitment to undertake the initial capital infusion and to cover the short-term liquidity demand and on the interest of potential strategic investors in the Company.



SUMMARY OF THE PROSPECTUS

This summary ("Summary") is made up of the publicity requirements known as elements ("Elements"). Such elements are numbered in sections A – E (A.1 – E.7).

The Summary comprises all Elements necessary to be included in a summary for this type of securities and for this type of issuer. Taking into account the fact that for certain Elements no information needs to be included, there may be discrepancies in the succession of numbering the Elements.

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

A. Introduction and Warnings

A.1	Warnings	<p>This summary ("Summary") should be read as an introduction to the proportionate prospectus drafted by SOCIETATEA DE ASIGURARE – REASIGURARE ASTRA S.A. ("Prospectus") in view of increasing the share capital by the issuance of new shares, rendering the pre-emption right of shareholders ("Offer").</p> <p>Any decision of an investor to invest in shares that shall be issued by virtue of the Prospectus ("Shares") should be taken by the investor, considering the Prospectus in fully.</p> <p>If a claim is filed with a court of law in regard to the information comprised in the Prospectus, there is a possibility that in accordance with the applicable national law in the Member States within the European Economic Space, the complaining investor to be bound to incur the costs related to the translation of the Prospectus before commencing the legal procedures.</p> <p>The civil liability is incumbent only upon SOCIETATEA DE ASIGURARE-REASIGURARE ASTRA S.A. ("Astra" or "Company"), str. Nerva Traian, nr. 3, bl. M101, level 10, Bucharest, sector 3, Romania (as the Issuer in the Offer, "Issuer"), which drafted the Summary in modular structure, but only in case the Summary is misleading, incorrect or inconsistent with the other parts of the Prospectus or if it does not include the key-information, in order to support investors in their assessment of the possibility to invest in Shares, when read in conjunction with other parts of the Prospectus,</p>
A.2	The approval of the Issuer or of the person in charge for the drafting of the Prospectus of the use of the Prospectus for subsequent resale or final placement of securities by financial intermediaries.	Not applicable. The Issuer does not approve the use of the Prospectus for subsequent resale or final placement of the Shares to any dealer or financial intermediary.
	The specification of the Offer term in which a subsequent resale or a final placement of the	Not applicable. The Issuer has not approved the use of the Prospectus for subsequent resale or final placement of the Shares by any dealer or financial intermediary.

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	Shares can be performed by financial intermediaries and in which the approval for the use of the Prospectus is valid.	
	Any other clear and objective terms associated with the agreement, which are relevant for the use of the Prospectus.	Not applicable. The Issuer has not approved the use of the Prospectus for subsequent resale or final placement of the Shares by any dealer or financial intermediary.
	Note by which the investors are informed about the fact that the information on the terms and conditions of the Offer carried out by a financial intermediary shall be supplied at the moment at which the Offer shall be carried out by the financial intermediary.	Not applicable. The Issuer has not approved the use of the Prospectus for subsequent resale or final placement of the Shares by any dealer or financial intermediary.

B. The Issuer

B.1	Legal name and trade name of the Issuer:	The legal name of the Issuer is "SOCIETATEA DE ASIGURARE – REASIGURARE ASTRA S.A.", its trade name is "ASTRA".
B.2	The registered office and legal form of the Issuer, the legislation based on which the Issuer carries out its activity and the country in which it was set up:	Astra is a joint-stock company, set up and with the registered office in Romania, carrying out its activity in accordance with the Romanian law. The registered office of Astra is in str. Nerva Traian, nr. 3, bl. M101, etaj 10, Bucharest, sector 3, Romania.
B.3	A brief description of the operations and main activities of the Issuer, as well as any significant changes that had an impact upon such operations and activities, specifying any new products or services that were launched or developed and the identification of the main markets in which the Issuer competes	<p>The main activities of the Issuer comprise non-life insurance and life insurance and reinsurance services.</p> <p>Throughout time, the Issuer has continuously ensured the proportionate diversification of the sales activity by a mixture of: own forces, agents and intermediaries. Astra has a network of over 9,000 individual agents with effective contracts, who carried out the activity of intermediating insurance policies within the first 6 months of the year 2014.</p> <p>In the meantime, for the placement of risks in reinsurance, both those covered under treaties and those of individual nature (facultative reinsurance), the Issuer cooperates with international reinsurance intermediaries, such as: Willis Limited UK, Guy Carpenter, Robert Fleming Insurance Brokers, as well as with international intermediaries with local representation: Stellar Re and Olsa Re.</p> <p>In 2013, according to the annual activity report drafted by the Financial Supervisory Authority ("ASF") for the year 2013, Astra held the leading position on the Romanian insurance market (according to the value of the gross written premiums). Furthermore, the Issuer carried out insurance activities overseas through its three branches set up in: Hungary (opened in the year 2010), Slovakia (opened in the year 2012)</p>

		and Germany (authorized for underwriting starting with December 2013).
B.4a	A description of any recent significant trends impairing the Issuer and the industry in which it carries out his activity	Favourable forecasts regarding the prosperity and economic growth place Romania as an attractive market for investing. In May 2014, after a period of six years, the agency Standard&Poor's positively revised the rating for long-term loans in foreign currency and local currency of Romania from "BB+" to "BBB-".
B.5	If the Issuer is part of a group, a description of the group and of the position of the Issuer therein:	The Issuer is part of the group of companies held by Nova Group Investment S.A. with the registered office in Bucharest, sector 3, P-ta Unirii, Magazin Unirea, no. 1, Et. 5 and 6, with the Trade Register number J40/6208/1994, which is 100% owned by THE NOVA GROUP INVESTMENT BV with the registered office in the Netherlands, Delft, Martinus Nijhofflaan 2, 2624ES. The Nova Group operates as a financial holding dealing with the management of participations in various companies. The NOVA Group is active in the field of financial services, media, real estate developments, constructions, hotels and commerce. The Issuer holds four subsidiaries: Astra Activ Imob SRL, Astra Safe Imob SRL, Astra Training SRL and Novacuart SRL.
B.6	According to the knowledge of the Issuer, the firms/names and holding of any persons, who directly or indirectly hold a participation in the share capital of the Issuer or voting rights that are the subject matter of the notification according to the Romanian legislation:	According to the knowledge of the Issuer, on the date of the Prospectus, the following persons held participations exceeding 5% out of the total number of votes related to the shares issued by the Issuer (holding thresholds that are the subject to obligation to notify: 5%, 10%, 15%, 20%, 25%, 33%, 50%, 75% or 90% out of the total number of voting rights): The Nova Group Investments România S.A. -52,657,615 shares representing 72.6830% out of the total number of voting rights; Epsilon Estate Provider S.R.L. -18,866,507 shares representing 26.0413% out of the total number of voting rights.
	Mention whether the main shareholders of the Issuer have different voting rights	The main shareholders of the Issuer have no voting rights which differ by comparison to any other shareholder of the Issuer. However, the Decision of the Financial Supervisory Authority no. 42/18.02.2014 stipulated that as of the date of communicating the decision the following is suspended: a) the legal prerogatives of the significant shareholders; b) the voting rights in regard to the appointment and revocation of the members in the Supervisory Board of the Company, the shareholders' right to dividends. The suspension is effective throughout the term of the financial recovery by special administration.
	Insofar as this information is known by the Issuer, it should specified whether the Issuer is directly or indirectly held or controlled and by whom; a	The direct majority shareholders of the Issuer are The Nova Group Investments România S.A., with a holding of 72.683% from the shares of the Issuer and Epsilon Estate Provider S.R.L., with a holding of 26,0413% from the shares of the Issuer.

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	description of the nature of the control	<p>The Nova Group Investments BV holds interests of 99.9 % both in The Nova Group Investments România S.A. and in Epsilon Estate Provider S.R.L..</p> <p>In accordance with the most recent information held by the Issuer, The Nova Group Investments BV is fully owned by STICHTING ADMINISTRATIEKANTOOR TNG. The Issuer has no information on the shareholding of STICHTING ADMINISTRATIEKANTOOR TNG, according to the information made available to the Issuer by the management of the group it is a part of.</p> <p>Bogdan Alexander Adamescu is the legal representative of The Nova Group Investments Romania SA.</p> <p>The Nova Group Investments Romania SA (duly represented by Bogdan Alexander Adamescu) is the director legal person of Epsilon Estate Provider SRL.</p>
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<p>B.7</p>	<p>The selected historical financial key-information on the Issuer for each financial year within the period covered by the financial information and for any intermediary financial period.</p>	<p>A part of the financial information selected to be included in this section was extracted from the annual financial statements of the Issuer related to the financial year ending 31 December 2013, which were subject to the audit of DELOITTE AUDIT SRL. This financial information should be read in conjunction with and with reference to the annual financial statements.</p> <p>The financial information as at 30 June 2014 was included together with the comparative financial data. We note that the financial data presented as at 30 June 2014 have not been audited or reviewed and is prepared pursuant to the requirements of Norm 18/2014 of the Financial Supervisory Authority for the application of the accounting reporting system as at 30 June 2014 for companies acting in the insurance field.</p> <p>We recommend to potential investors that, in substantiating their investment decisions, to consider both the provisions of the above Norms and the fact that such half-year financial information was not subject to the audit or review or any other form of independent assurance in regard to the compliance or its true and fair view.</p> <p>Moreover, the financial data as at 30 June 2013 has not been audited or reviewed. Furthermore, taking into account the fact that the changes in the accounting policies and corrections of errors presented in Note 2(v) to the Financial Statements 2013 , following the annual inventory of the Company's assets and liabilities and the reassessment of the accounting policies, generated significant corrections on the retained earnings and the result of the financial year ended 31 December 2013 that are not reflected by correction in the financial performance of the 6-month period ended 30 June 2013, as well as in the context of significant uncertainty presented in the auditors' report on the Financial Statements 2013as grounding the impossibility of the auditor to express an opinion, there is a high probability that the financial data as at 30 June 2013 is inaccurate and/or compliant with reality. These data were included in the Prospectus only to formally fulfil the comparability requirement of the presentation of interim financial information and investors are warned not to substantiate their decision of investing in Astra's shares considering such data. The Issuer assumes no liability in regard to the accuracy, correctness or exhaustiveness of the financial data presented as at 30 June 2013, included below.</p>
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The main elements of the balance sheet are presented below:

Description	31.12.2012 RON	31.12.2013 RON	30.06.2014 RON
Intangible assets	6,047,874	3,638,325	2,445,471
Investments in tangible assets and fixed assets in progress	91,923,352	80,424,484	79,072,892
Investments in related parties, equity investments and other investments in financial assets	22,297,181	25,449,117	22,713,604
Other financial investments	169,380,158	86,535,033	26,983,643
Reinsurer's share of technical reserves, out of which:	420,488,233	101,042,596	132,831,936
reinsurer's share of technical reserves for non-life insurance	409,570,334	98,660,110	130,679,091
reinsurer's share of technical reserves for life insurance	10,917,899	2,382,486	2,152,845
Receivables from related parties	110,414,606	8,220,754	9,511,178
Receivables originating from direct insurance operations	527,751,678	184,415,571	196,009,614
Receivables originating from reinsurance operations	201,957,286	26,036,243	28,119,717
Other receivables	121,275,212	55,240,359	66,037,685
Tangible assets and inventories	11,365,790	8,742,376	6,851,730
Cash at bank and in hand	19,845,427	6,250,901	6,891,289
Accrued interest and prepaid rent	201,656	63,060	35,650
Deferred acquisition costs	155,440,297	109,756,023	73,718,390
Other prepayments	8,786,923	7,292,316	6,487,030
TOTAL ASSETS	1,867,175,673	703,107,158	657,709,829
Share capital	192,712,534	192,712,534	192,712,534
Revaluation reserves	55,281,367	55,281,367	55,281,367

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		Legal and other reserves	29,952,086	29,952,086	29,952,086
		Retained earnings representing undistributed profit or loss brought forward	(11,185,935)	(4,514,877)	(918,305,171)
		Retained earnings arising from first time adoption of IAS, except for IAS 29	7,382,386	7,382,386	7,382,386
		Retained earnings from the correction of accounting errors	(72,630,571)	(138,071,143)	(139,782,498)
		Result of the year	6,671,058	(917,328,742)	15,818,628
		Total capital and reserves	208,182,925	(774,586,389)	(756,940,667)
		Technical reserves for non-life insurance	1,166,577,709	1,226,479,797	1,197,629,394
		Technical reserves for life insurance	40,111,604	32,271,408	32,171,479
		Provisions		6,497,729	6,497,729
		Liabilities from direct insurance operations	730,488	423,924	426,655
		Amounts due to related parties		10,900,834	3,053,509
		Liabilities from reinsurance operations	302,291,299	57,761,055	53,063,654
		Other liabilities including tax and other social security charges	130,283,940	130,245,213	116,385,423
		Deferred income	18,997,708	13,113,587	5,422,653
		TOTAL LIABILITIES	1,867,175,673	703,107,158	657,709,829

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The main elements of the Non-life insurance Technical Account are presented below:

	31.12.2012	30.06.2013	31.12.2013	30.06.2014
Description	RON	RON	RON	RON
Earned premiums, net of reinsurance, out of which:				
Gross written premiums (+)	752,760,787	378,694,514	511,981,838	345,667,518
Premiums ceded to reinsurers (-)	1,107,387,211	595,969,438	905,003,566	397,617,494
Change in unearned premium reserve (+/-)	312,216,145	152,296,775	333,500,295	108,177,487
Changes in unearned premium reserve ceded in reinsurance (+/-)	90,424,053	64,396,014	(92,167,082)	(64,035,054)
Share of the net investment return (difference between the investment income and expenses), transferred from the non-technical account	48,013,774	(582,135)	(151,688,515)	(7,807,543)
Other technical income, net of reinsurance	16,756,707	7,502,630		
Claim expenses, net of reinsurance	60,444,546	17,487,079	103,834,106	11,786,955
Change in other technical reserves, net of reinsurance	283,129,398	146,030,671	559,074,334	150,118,155
Net operating expenses	51,220,147	2,518,669	5,553,912	(24,817,210)
Other technical expenses, net of reinsurance	325,954,530	154,913,997	505,773,963	183,206,479
Technical result for non-life insurance Profit/(Loss)	174,044,737	77,702,719	235,793,382	38,682,950
	(4,386,772)	22,518,167	(690,379,647)	10,264,099

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

Description	31.12.2012 RON	30.06.2013 RON	31.12.2013 RON	30.06.2014 RON
Earned premiums, net of reinsurance, out of which:	26,095,358	7,215,153	14,908,687	6,681,419
Gross written premiums (+)	24,157,572	5,972,497	14,282,368	5,503,901
Premiums ceded to reinsurers (-)	116,137	306,405	306,405	158,325
Change in unearned premium reserve (+/-)	(2,053,923)	(1,549,061)	(932,724)	(1,335,843)
Investment income	1,199,961	635,868	1,972,545	676,782
Other technical income, net of reinsurance	-	-	110,962	(26,583)
Claim expenses, net of reinsurance	3,220,625	5,851,429	20,491,187	1,806,605
Change in life insurance technical reserves	9,599,247	(3,458,830)	(7,091,745)	823,637
Net operating expenses	5,599,574	2,205,601	4,577,030	2,028,519
Investments charges	281,903	91,544	1,586	394,709
Other technical expenses, net of reinsurance	-	-	128,569	16,521
Technical result for life insurance Profit/(Loss)	8,593,970	3,159,277	(1,114,433)	2,461,627



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

Name of element	31.12.2012 RON	30.06.2013 RON	31.12.2013 RON	30.06.2014 RON
Technical result for non-life insurance Profit/(Loss)	(4,386,772)	22,518,167	(690,379,647)	10,264,099
Technical result for life insurance Profit/(Loss)	8,593,970	3,159,277	(1,114,433)	2,461,627
Investment income	18,803,350	8,483,199	12,301,534	1,303,340
Unrealized gains from investments			111,556	1,436,605
Investment charges	2,046,643	981,388	31,388,546	1,793,101
Unrealized losses on investments				
Share of net gains from investments transferred to the non-life insurance technical account	16,756,707	7,501,811		
Other non-technical income	10,057,727	4,608,015	4,192,249	2,402,038
Other non-technical income, including provisions and allowances	7,269,836	3,607,847	210,905,643	1,165
Current result	6,995,089	26,677,612	(917,182,930)	16,073,442
Profit/(Loss)				
Total income	1,461,908,608	793,081,383	1,186,505,009	448,969,953
Total expenses	1,454,913,519	766,403,771	2,103,687,939	432,896,511
Gross result				
Profit/(Loss)	6,995,089	26,677,612	(917,182,930)	16,073,442
Income tax		34,098	145,812	255,255
Other taxes (not included in the previous items)	324,031	87,732	-	-
Net result				
Profit/(Loss)	6,671,058	26,555,782	(917,328,742)	15,818,187

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	Description of main changes in the financial condition and the operating results of the Issuer within or after the period covered by the financial key- information	The main changes in the financial condition and the operating results of the Issuer within or after the period covered by the financial key- information are materialized in the evolution of the balance item "Total capital and reserves" that recorded a significant decrease mainly due to the changes of the accounting policies and correction of the accounting errors presented in Note 2(v) to the Financial Statements 2013.
B.8	Selected pro forma financial information:	Not applicable; The Issuer decided not to include in the Prospectus pro forma financial information.
B.9	If forecasts or an estimation of the profit are drafted, the figure shall be specified:	Not applicable; The Issuer decided not to include profit forecast or estimates on the profit in the Prospectus.
B.10	A description of the nature of all reserves included in the audit report regarding the historical financial information:	In the independent auditors' report on the 2013 Financial Statements, Deloitte Audit SRL did not express any opinion due to the multiple significant uncertainties with regards to the Issuer and the impact thereof upon the financial statements. Amongst the significant uncertainties presented in the audit report as grounding the impossibility of the auditor to express an opinion are the following: (a) the fact that as at 31 December 2013 the net asset value of the Company is negative in the amount of RON 774,586,389, (b) the fact that one of the significant measures regarding the recovery of the financial condition of the Company in the foreseeable future is the identification of one or more strategic investors, a process that is undergoing the negotiation stage and it was not possible to obtain sufficient and adequate audit evidence in regard to the binding willingness of these potential investors to restate the financial stability the Company and this makes the negotiation result uncertain, (c) one of the recovery measures mentions the finalization of the transaction with a life insurance entity on Romanian market by 15 January 2015 and ASF has requested additional steps to be implemented in order for the successful completion of this transaction, and (d) the claim reserve includes a number of four litigations having a total value of RON 141,985,647 and on the date of the audit report, the outcome, the timing and the amounts to be ultimately paid by the Company for these litigations are uncertain. Furthermore, the auditor mentioned in the audit report that he could not obtain sufficient audit evidence in regard to the initial balances as at 1 January 2013 and, due to the fact that the initial balances are included in the determination of the financial performance and the treasury flows, the auditor was unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the income statements, net cash flows reported in the statement of cash flows and statements of changes in equity for the financial year ending as at 31 December 2013.
B.11	If the working capital of the Issuer is not sufficient for current necessities, the explanation of this insufficiency	Ensuring the necessary liquidity of the Issuer through capitalization is one of the measures imposed by ASF and detailed in the recovery measures approved by ASF. The necessary capital raise via the share capital increase depends upon the willingness of the Issuer's current shareholders to capitalize the company, as well as on the realization of the interest of strategic investors in regard to the Issuer.

C. Securities

C.1	The description of the nature and type of securities that are the subject matter of the public Offer and/or are admitted to trading, including any identification number of the securities:	<ul style="list-style-type: none"> - Type and class of Offered securities: ordinary shares - ISIN: ROATRAACNOR2 - Bloomberg Code <u>BBGID</u>: BBG000CYN648 - Market symbol: ATRA <p>The shares issued by the Issuer are ordinary, nominative, dematerialized shares.</p>
C.2	Currency of the securities issuance:	RON
C.3	The number of securities issued and fully paid, the number of securities issued and not fully paid. The nominal value of a security or the specification of the fact that the securities have no nominal value	<ul style="list-style-type: none"> - The number of shares issued and fully paid: 72,448,321 shares - The number of shares issued and unpaid: 0 shares - The nominal value of one share: RON 2.66
C.4	Description of the rights related to securities	<p>The rights related to shares include, without limitation to:</p> <ul style="list-style-type: none"> - the right to receive dividends; - the right to vote; - the right to receive information; - the right to participate in the surplus in case of winding up; - the right to participate or be represented in the general meeting of shareholders; - the pre-emption right at an increase of the share capital or in case of an issuance of bonds convertible into shares; - the right to elect and be elected within the shareholders meetings for appointing the Supervisory Board of the Issuer; - the right to withdraw from the Issuer in certain circumstances; - the right to request the annulment or nullity of decisions of the general meeting of shareholders that were enacted by breaching the legal provisions and/or the provisions registered with the Articles of Incorporation of the Issuer; - the shareholders' right, who individually or jointly hold at least 5% from the share capital to request the convening of the general meeting of the shareholder; - the shareholders' right, who individually or jointly hold at least 5% from the share capital to request the inclusion of new items on the agenda of a general meeting of the shareholders or to present decision drafts on the items registered on the agenda; - the shareholders' right, who individually or jointly hold at least 5% from the share capital to request the drafting of additional reports by the financial auditors of the Company; - the shareholders' right, who individually or jointly hold at least 10% from the voting rights or from the share capital of the

		<p>Company to request the election of the members in the Supervisory Board by cumulative voting.</p> <p>In accordance with Decision ASF no. 42/18.02.2014 on the commencement of the financial recovery procedure by special administration at Societatea de Asigurare – Reasigurare ASTRA S.A., KPMG Advisory SRL was appointed as Special Administrator of the Issuer ("Special Administrator") starting on the date of serving the decision, and the following were suspended:</p> <ul style="list-style-type: none"> - the legal prerogatives of the significant shareholders and of the significant persons of the Issuer. These prerogatives were transferred to the Special Administrator throughout the period of the special administration; - the voting rights in regard to the appointment and revocation of the members in the Supervisory Board of the Issuer, the right to dividends of the shareholders, the activity, as well as the right to remuneration of the members in the Supervisory Board.
C.5	The description of any restriction upon the free transferability of securities:	<p>Shares issued by the Issuer are generally freely transferable.</p> <p>Share subscribed within the Offer may not be transferred by any means before the registration of the share capital increase following the Offer with Depozitarul Central S.A.. No transactions may be carried out with the issued shares before registering the share capital increase with Depozitarul Central S.A..</p> <p>In principle, the newly issued shares could be traded further to the registration with Depozitarul Central S.A..</p> <p><i>De facto</i>, starting from 18.02.2014, the shares issued by the Company are suspended from trading; as a consequence, the shareholders of the Company and the investors respectively may not sell/buy the shares issued by the Company through the trading system of the RASDAQ market throughout the period of suspending the shares from trading.</p>
C.6	The indication of the fact whether the securities are or will be the subject matter of an application for admission to trading on a regulated market and the identification of all regulated markets on which there are or there will be securities traded	<p>Not applicable. Starting from 27.11.1997 the shares of the Company are traded on the RASDAQ market managed by Bursa de Valori București, which is not a regulated market for the purpose of art. 125 from Law no. 297/2004 on the capital market or an alternative trading system. The Issuer does not intend to submit an application for the admission of the shares to trading on a regulated market.</p>
C.7	Description of the dividends policy	<p>During the last three years, the Issuer has not distributed any dividends. The Issuer has no policy in place for dividends distribution.</p>

D. Risks

D.1	Essential information on the key-risks specific to the Issuer or the industry:	<p>The main risks associated with the activity of the Issuer and the industry sector where the Issuer carries out its activity.</p> <p>The Company is undergoing the financial recovery procedure by special administration and the failure to implement the recovery measures can result in the commencement of the insolvency or even the bankruptcy procedure of the Issuer;</p> <p>The failure to raise the capital needed to cover the short-term liquidity demand may result in the commencement of the insolvency or even the bankruptcy procedure of the Issuer;</p> <p>The financial auditor of the Company has not expressed any opinion upon the individual Financial Statements of the Issuer for the financial year ending 31 December 2013 due to the importance of the multiple uncertainties in regard to the Issuer;</p> <p>The Issuer is carrying out his activity in a very extensive and diverse legal framework that may generate increased costs and compliance issues;</p> <p>The failure to observe the requirements on the Solvency Margin or the requirements regarding the assets accepted to cover the gross technical reserves can have a negative material effect upon the Issuer;</p> <p>The Issuer shall have to observe more restrictive requirements once the implementation of Solvency II takes place (estimative date: January 2016);</p> <p>The Issuer is exposed to the concentration risk;</p> <p>It is almost impossible to quantify the risks assumed on the reinsurance portfolio written by the former state-owned company ADAS;</p> <p>The accelerated increase of the level and volatility of the claims paid as moral damages for bodily injury and death could negatively affect the financial condition of the Issuer;</p> <p>The Issuer is exposed to the liquidity risk;</p> <p>The Issuer holds certain non-liquid assets or certain assets that are exposed to the risk of significant fluctuations; hence it is possible that it cannot sell such assets in due time or to sell them for a price lower than the market value thereof;</p> <p>The income of the Issuer are subject to fluctuations deriving from the seasonal nature of income;</p> <p>The Issuer is exposed to the foreign exchange risk, the interest</p>
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	<p>rate risk and inflation risk;</p> <p>The Issuer is exposed to the operational risk;</p> <p>The Issuer is exposed to the reputational risk;</p> <p>The Issuer is exposed to the credit risk;</p> <p>The Issuer is exposed to the risk of reconsidering the tax treatment applied to certain operations;</p> <p>The risk of non-compliance with the corporate governance requirements;</p> <p>The Issuer sells insurance products also through the external distribution networks and an erroneous presentation of its products and services may have a negative impact;</p> <p>The increased importance of the internet and of media platforms could have an impact upon the distribution of insurance policies and there are no warranties that the Issuer will be able to efficiently adapt its strategy to the changing business environment;</p> <p>It is possible that the actual level of claims, the assumptions used for underwriting and the pricing policy would not accurately reflect the risk exposure of the Issuer and hence the claim reserves set up by the Issuer could prove insufficient to cover the claims;</p> <p>The Issuer is carrying out his activity in a very competitive environment;</p> <p>The Issuer may be negatively affected by the incapacity of reinsurers he concluded reinsurance contracts with, to fulfil their contractual obligations or by possible seasonality in the reinsurance nature and coverage area or the increased reinsurance costs;</p> <p>The Issuer is exposed to the risks deriving from the activities he carries out outside Romania;</p> <p>The Issuer uses the IT systems on a regular basis, whose possible inadequacy or dysfunction is a risk source for the Issuer;</p> <p>The occurrence of fraud cases in the insurance activity may inflict damages upon the Issuer;</p> <p>It is possible that the Issuer cannot recruit and/or maintain well-trained key-employees;</p> <p>The Issuer shall change the accounting reporting standards and this could lead to significant changes to the financial condition of the Issuer by reporting to the new standards;</p> <p>The amendment of the legal norms governing the activity of the</p>
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		<p>Issuer could have a negative impact upon the Issuer;</p> <p>The US Foreign Account Tax Compliance Act ("FATCA") could compel the Issuer to withhold certain payments it performs;</p> <p>The Issuer might record a negative impact further to the disputes in which it is a party and it is exposed to an ever increasing dispute risk;</p> <p>Potential conflicts of interests and related party transactions may have a negative impact upon the activity of the Issuer;</p> <p>Provided it is selected as a participant in the stress test carried out in 2014 on the insurance market, the Issuer might not record results that are satisfactory or representative for the insurance sector in aggregate and/or the obtained results could lead to significant costs incurred to comply with the prudential recommendations.</p>
D.3	Essential information on the main risks that are specific to securities:	<p>The main risks associated with the shares of the Issuer</p> <ul style="list-style-type: none"> - On the date of this Prospectus, the shares issued by the Issuer are suspended from trading; - The liquidity of the shares issued by the Issuer is very low; - The very low liquidity of the Issuer's shares might result in a significant volatility of the market price of the shares; - The shares of the Issuer are admitted to trading on the RASDAQ market, the status and regulation framework of which are unclear.

E. Offer

E.1	The net funds to be obtained from the Offer:	RON 70,000,001.4
	The total expenses related to the Offer, including the estimated expenses that shall be imposed to investors by the Issuer	<p>Expenses related to the Offer are:</p> <ul style="list-style-type: none"> - ASF commission – an initial quota of 0.3% from the total value of the Offer and an adjustment level of this quota up to 0.5% from the value of the subscribed shares, if the case. The difference between the initially quota charge and the adjustment quota is paid on the closing of the Offer. - ASF commission – tariff charged for the registration of the securities with ASF - RON 1,000. - The intermediary fee is fixed in amount of EURO 6,500 in RON equivalent and it shall be paid by the Issuer out of its own funds. - Other expenses incurred with the Offer and not quantified yet are estimated to not exceed RON 10,000 and they shall be paid out of the own funds of the Issuer. <p>Investors shall be liable for the payment of bank charges related to the fund transfer for subscription within the Offer.</p>
E.2a	The reasons of the Offer, the use of funds and the estimated net	One of the measures imposed by ASF and detailed in the recovery measures approved by ASF is the capitalization of the

	value of the funds	Issuer through one/several share capital increases. This measure, along with other recovery measures approved by ASF, is aimed at improving the financial and prudential indicators of the Company, including the liquidity demand of the Issuer, the recapitalization of the Company in order to improve the financial indicators; the net value of the funds to be obtained further to the increase of the share capital was estimated at the level of the amounts at which the increase was approved (i.e. RON 70,000,001.4 net of costs related to the process).
E.3	Description of the terms and conditions of the Offer:	<p>Through the Special Administrator's Decision no. 26 from 27.06.2014 published in the Official Journal of Romania, Part IV, no. 3867 from 15.07.2014, was approved the increase of the Company's share capital, through cash contribution, with the amount of RON 70,000,001.4 - from RON 192,712,533.86 to RON 262,712,535.26 through the issuance of a number of 26,315,790 nominative shares, with a par value of RON 2.66/share.</p> <p>The share capital increase shall be performed in one single stage, the new shares being offered for subscription only to the shareholders of the Company recorded in the Shareholders' Register of the Issuer as at 14.07.2014, who will be allowed to subscribe new shares pro rata to the participation quota in the share capital held as at 14.07.2014.</p> <p>For each share owned, the shareholders may subscribe a number of 0.36323533 newly-issued shares through the Offer. The final number of shares subscribed by each shareholder shall be rounded down to the nearest even number.</p> <p>The subscription price of one newly-issued share by the Issuer shall be of RON 2.66/share. The minimum value of a subscription is of one share.</p> <p>The payment of the shares shall be fully made at the subscription date by observing the terms provided in the Prospectus.</p> <p>The subscription period in the Offer is one calendar month from the date established in the Prospectus and in the Offer announcement, respectively starting on the business day immediately following the publication of the Offer announcement in a newspaper of countrywide circulation and on the webpage of the Issuer and of the Intermediary. Thus, the Subscription Period shall span between September 1st, 2014 inclusively and October 1st, 2014 inclusively. The unsubscribed shares at the expiration date of the Subscription Period shall be annulled by the decision of the Special Administrator.</p>
E.4	The description of all interests that could influence the issuance/Offer, inclusively of the conflict interests:	The Issuer is not aware of any interests, including any conflict of interests, that could significantly influence the issuance of shares.
E.5	Lock-up contracts:	Not applicable.
E.6	The amount and percentage of dilution directly determined by	If all shareholders exercise their pre-emption right, the shareholding and the percentage holdings of each shareholder shall remain unchanged and only the number of shares owned

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	the issuance/offer	shall be modified
	The amount and percentage of immediate dilution that could take place in case of not subscribing to the new offer	The amount and percentage of immediate dilution that shall be recorded by a shareholder opting not to exercise his pre-emption right depend upon the number of shares that shall be subscribed by shareholders exercising their pre-emption right and hence it cannot be determined before the end of the Subscription Period.
E.7	The estimation of expenses charged from the investor by the Issuer or bidder:	Investors shall be liable for the payment of bank charges related to the transfer of funds for the subscription within the Offer.



A handwritten signature in blue ink is written over a circular stamp. The stamp contains text in a circular arrangement, likely a company or official seal, though the text is partially obscured by the signature.

Registration document regarding the shares**1. RESPONSIBLE PERSONS**

The information used to prepare this Prospectus related to the Issuer and its activity were provided by Societatea de Asigurare – Reasigurare ASTRA S.A., a company managed in a two-tier system, with the registered office in Bucharest, str. Nerva Traian, nr. 3, bl. M101, etaj 10, sector 3, Sole Registration Code 330904, registration number with the Trade Register J40/305/1991.

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

Societatea de Asigurare – Reasigurare ASTRA S.A., a company managed in two-tier system, with the registered office in Bucharest, str. Nerva Traian, nr. 3, bl. M101, etaj 10, sector 3, Sole Registration Code 330904, registration number with the Trade Register J40/305/1991

and

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

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

STATEMENT OF THE RESPONSIBLE PERSONS

Following the review of the information included in this Prospectus, each of SSIF Broker S.A. and Societatea de Asigurare – Reasigurare ASTRA S.A., after using all reasonable diligences to ensure that this declaration is accurate, declare that, according to the knowledge of each of them, the information included in the Prospectus is accurate and it does not omit anything able to significantly affect the content of the Prospectus.

Furthermore, we mention that all opinions, forecasts and intentions of the Issuer included in this document are expressed in good faith and there is no other aspect or issue that has been omitted and that would have been necessary for the investors and their consultants to perform an accurate

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assessment of all assets and liabilities, of the financial position, of the profit and of the prospects of the Issuer, an omission that may lead to forming an erroneous opinion in regard to certain relevant issues for the activity of the Issuer or that, in the context of the share issuance, would have been or would be important and necessary to be included in this Prospectus.

2. THE FINANCIAL AUDITOR

2.1. The name and address of the financial auditors of the Issuer from the period covered by the historical financial information (inclusively information on the appurtenance thereof to a professional body):

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

2.2. If the financial auditors resigned, were dismissed or have not been re-elected within the period covered by the historical financial information, detailed information on these circumstances shall be supplied, if the concerned pieces of information are important:

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

3. RISK FACTORS

3.1. THE RISKS ASSOCIATED TO THE ACTIVITY OF THE ISSUER AND ACTIVITY SECTOR IN WHICH THE ISSUER IS CARRYING OUT ITS ACTIVITY

The Company is undergoing the financial recovery by special administration and the failure to accomplish the recovery measures may result in the commencement of the insolvency or even the bankruptcy procedure of the Issuer

By Decision ASF no. 42 from 18 February 2014, ASF ordered the commencement of the financial recovery procedure by special administration, appointing KPMG Advisory SRL as the Special Administrator. In accordance with the applicable legal provisions, such a procedure may be initiated by ASF in order to prevent the insolvency status of an insurance company and avoid the commencement of the bankruptcy procedure by it. ASF approved the recovery measures proposed by the Special Administrator of the Issuer, measures aimed at achieving the financial recovery of the Company and which are in the course of being implemented as of the date of the Prospectus. If the measures taken under the financial recovery procedure are not adequately fulfilled or the application



thereof cannot result in the financial recovery and the removal of the causes generating them, ASF could order the withdrawal of the operating license of the Issuer and, if its insolvency is acknowledged, ASF would immediately request the commencing the bankruptcy procedure.

If the Issuer commences the insolvency and/or the bankruptcy procedure, the effects on the Issuer's business, financial condition and results of operations would be major and the investors could lose the entire value invested in the shares of the Issuer.

The failure to raise the capital necessary to cover the short-term liquidity demand may result in the commencement by the Issuer of the insolvency or even the bankruptcy procedure

One of the measures imposed by ASF and detailed in the recovery measures approved by ASF is the capitalization of the Issuer through one/several increases of the share capital for covering the liquidity demand of the Issuer inclusively. The raise of the necessary financial resources through the increase of the share capital depends upon the willingness of the current shareholders of the Issuer to capitalize the company, as well as upon the materialization of the interests of certain strategic investors in regard to the Issuer. The failure of raising the necessary financial resources may determine ASF to order the withdrawal of the operating license of the Issuer and, if his insolvency is acknowledged, to initiate immediately the bankruptcy procedure.

If the Issuer commences the insolvency or bankruptcy procedure, the effects on the Issuer's business, financial condition and results of operations would be major and the investors would lose the entire value invested in the shares of the Issuer.

The financial auditor of the Company has expressed no opinion upon the individual Financial Statements of the Issuer for the financial year ending 31 December 2013 due to the significance of the multiple uncertainties in regard to the Issuer

In the report of the independent auditor related to the Financial Statements 2013, Deloitte Audit SRL hasn't expressed any opinion due to the importance of the multiple uncertainties in regard to the Issuer and the impact thereof upon the Financial Statements. Amongst the significant uncertainties mentioned in the audit report as underpinning the impossibility of the auditor to express an opinion are: (a) the fact that as at 31 December 2013 the net asset value of the Company is negative in the amount of RON 774,586,389, (b) the fact that one of the significant measures regarding the recovery of the financial condition of the Company in the foreseeable future is the identification of one or more strategic investors, a process that is undergoing the negotiation stage and it was not possible to obtain sufficient and adequate audit evidence in regard to the binding willingness of these potential investors to restate the financial stability the Company which makes the negotiation result uncertain, (c) one of the recovery measures provides the finalization of the transaction with a life insurance entity from Romania by 15 January 2015 and ASF has requested additional steps to be implemented in order for the successful completion of this transaction, and (d) the claim reserve includes a number of four litigations having a total value of RON 141,985,647 and at the date of the audit report, the



outcome, the timing and the amounts to be ultimately paid by the Company for these litigations are uncertain.

If any of the aforementioned uncertainties occur to the disadvantage of the Issuer, the effects on the business, the financial condition and the results of operations of the Issuer would be major ones and the investors could lose the entire value invested in the shares of the Issuer.

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

Besides the legal provisions generally applicable to any company (e.g. general provisions applicable to companies, the provisions applicable to labour relations, tax regulations, private data protection provisions), the Issuer has to comply with the legal requirements provided in the legislation governing insurance-reinsurance companies, as well as those provided in the legislation governing the capital market. The Romanian normative background is generally characterized by a trend of overregulation, by the amendment of legal norms at rather short time intervals, as well as by the existence of certain inconsistencies among the laws or other regulations, inconsistencies that are able to generate different interpretations on the content and applicability of the legal norms. The insurance field was and continues to be subject to a legal effervescence, comprising the enactment of new regulations and the amendment of current regulations (either on the level of primary legislation or on the level of the secondary legislation). The dynamics of this legal background is determined both by issues pertaining to the fact that Romania is a member of the European Union and implicitly the legal convergence process and the internal evolutions of economic, social and political nature.

The assurance of compliance with the applicable legal background imposes ever increasing resources, as the legal framework is rapidly changing and becomes ever more ample.

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

The occurrence of any of the above risks could have a material adverse effect on the business, the financial condition and the results of operations of the Issuer.

The failure to observe the requirements on the solvency margin or of the requirements accepted to cover the gross technical reserves may have a negative material impact upon the Issuer

Insurance companies are bound to permanently hold an available insolvency margin according to the activity carried out by them, at least equal to the minimum solvency margin computed in accordance with the applicable norms. Insurance companies are concurrently bound to cover gross technical reserves related to the non-life insurance activity and life insurance activity respectively, with asset



categories established in the norms issued by ASF by observing the provisions established in the concerned norms.

On the date of the Prospectus, the Issuer does not observe the legal requirements on the available solvency margin and the assets admitted to cover gross technical reserves. If this situation is not remedied in the future, further to the implementation of recovery measures, material adverse effect may occur upon the business, the financial condition and results of operations of the Issuer, among which could be also the withdrawal of the operating license, possibly followed by the triggering of the insolvency/bankruptcy procedure.

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

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

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

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

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

The application of Solvency II shall bring higher costs for compliance and probably increased capital requirements, issues which could have a material adverse effect on the Issuer's business, financial condition and results of operations. The Company shall proceed to an exercise of computing the capital demand according to the regulation of Solvency II by the end of the year 2014.

The Issuer is exposed to the concentration risk

The main activity of the Issuer comprises accepting the risk to pay damages in case any of the insured risks occurs under the insurance contracts sold by the Issuer. If the Company has a significant concentration of the exposure to risk for a certain insured person or a group of insured persons, for a certain category of insured risks, for a certain geographical area (for example in case of

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insurance against disasters) or for a certain activity sector, the occurrence of the associated risks would derive major effects able to generate significant losses for the Issuer. Thus, the Issuer is subject to the risk that cases of natural disaster occur able to generate to the Issuer large obligations to pay compensation within a short time interval in case of concentrating the risk within the affected areas.

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

It is almost impossible to quantify the risks assumed from the reinsurance portfolio written by the former state-owned company ADAS

In 1991, the Issuer was set up as a result of the split-up of the former State-owned company ADAS, a context in which it was mandated to manage and liquidate the reinsurance portfolio subscribed by ADAS, it respectively took over the assets related to the insurance and reinsurance operations in foreign relations, in the amount of ROL 3,500 million (old RON) and, within the limits thereof, the corresponding liabilities. The amount of ROL 3,500 million (old RON) related to the taken over liabilities was exhausted during the management/liquidity activity of the taken over portfolio. The Issuer encounters even now damage requests further to the reinsurance subscribed by ADAS related to the risks of the occurrence of diseases that generally manifest themselves after very long time periods (e.g. asbestosis). The Issuer can make no estimation regarding the aggregate value of the risks that are still non-materialized by virtue of the concerned reinsurance. The occurrence of a large volume of damages generated by the reinsurance portfolio taken over from ADAS, doubled by a possible failure of the actions in court in regard to such requests could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The accelerated increase of the level and volatility of the damages paid as moral prejudices for bodily injuries and death is able to negatively impair the financial condition of the Issuer

Law 136/1995 on insurance and reinsurance regulated the possibility of victims of traffic accidents to be indemnified under the MTPL policies for the incurred material damages and the right to moral damages may be exercised by a motion in court filed against the MTPL insurer. Starting as of 2005 was acknowledged inclusively the possibility of amicably solving claims for moral damages.

The liability limits for the MTPL insurance increased in time (on the date of the Prospectus, their level was of EURO 1 million for material damages of assets and EURO 5 million for bodily injuries or death).

In regard to the above, it is assessed that during the last years an accelerated increase of the indemnities granted by court decisions for moral damages, for bodily injury and death has been registered. On one side, this factor is able to encourage as many insured persons to resort to courts of law and on the other side, the case-law is not sufficiently unitary, so as to supply the benchmarks

that could be considered in order to anticipate with a reasonable error margin the court solutions, especially in the context in which it is many times difficult to find a correlation between the level of granted indemnity and the income level of the benefitting persons or the general level of economic increase or the increase of the living level from Romania.

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

The Issuer is exposed to the liquidity risk

The Issuer should fulfil the current payment obligations. The Issuer has difficulties in ensuring for a short-term the liquidities necessary to cover the current expenses and the generation thereof depends both upon the increase of the sales volume, the capitalization of held assets, the yields obtained further to the performed investments and the capacity of the Issuer to obtain funding sources from the shareholders/investors. Hence, as these elements are not under the full control of the Issuer, the risk of the Issuer's impossibility to generate sufficient liquidities for the payment of due obligations cannot be excluded and this situation could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer holds certain illiquid assets or such that are subject to the risk of significant fluctuations and hence, it is possible not to sell such assets in due time or sell them against a lower price than the market value thereof

The Issuer holds certain real estate assets the value of which or the possible capitalization of which is exposed to the risk of price fluctuations on the real estate market. Concurrently, the Issuer holds interests in unlisted companies that are difficult to sell and sometimes may be sold at prices lower than their market value.

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

The income of the Issuer is subject to fluctuations deriving from the seasonality of the income

A certain seasonality of the income (e.g. larger income from the insurance premiums related to the MTPL policies earned by the Issuer in June and December) exists which although not generated by objective factors, is explicable in the light of the habits of the individual insured persons, habits that are beyond the control of the Issuer. An acceleration of the seasonality of Issuer's income could have a material adverse effect on the Issuer's business, financial condition and results of operations.

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

The Issuer concluded a series of insurance policies in which the amount of the insured amount depends upon a foreign currency and the Issuer records both payments and collections in foreign

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currency generated either by the contracts with the reinsurers, or a series of insurance policies mainly for marine risks. Hence, an unfavourable evolution of the exchange rate between RON and the currencies in which the Issuer operates (EUR, USD, HUF) can negatively impair the results of the Issuer, especially in the context in which the Issuer uses no type of tools to protect himself against the unfavourable evolution of the foreign exchange rate.

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

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

The Issuer is exposed to the operational risk

The Issuer is exposed to the operational risk, i.e. the risk of recording losses further to certain inconsistencies of the systems and processes of the Issuer, of the erroneous operation of the systems or of human errors. Thus, the policies, procedures, systems of the Issuer, destined to identify, monitor and control these risks may prove not to be efficient and as such they might generate losses. Particularly, in the case of the Issuer, as of the moment of concluding the insurance policy and until the registration of the premiums collected in the system, a large number of persons perform cash operations, which increase the risk of registering errors in the cash management or in the accomplishment of the adequate registrations. Some of the risk management methods were developed in-house by the Issuer further to monitoring the conducts and standards from the insurance markets; these could prove inadequate and could prove that they cannot accurately assess the exposure to risk and implicitly that they cannot generate the most suitable solutions to reduce the risk. The occurrence of any of the above factors could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer is exposed to the reputational risk

The financial difficulties of the Issuer followed by the setting up of the recovery procedure by special administration by ASF impaired the image and reputation of the ASTRA brand. Concurrently, the legal issues encountered by the suspended President of the Supervisory Board of the Issuer are able to increase the reputational risk of the Issuer. In the context in which the activity of the Issuer decisively depends upon a high level of integrity and trust that clients grant to the insurer, an accelerated increase of the reputation risk of the Issuer could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer is exposed to the credit risk

The credit risk comprises the failure to fulfil the obligations assumed towards the Issuer by entities with which such has contractual relations. Thus, the Issuer is exposed to the credit risk *inter alia* by the sale of insurance policies to individuals or legal entities. A possible large-scale occurrence of the

credit risk of the counterparties of the Issuer is able to have a negative material impact upon the activity, the financial condition and upon the results of operations of the Issuer.

The Issuer is exposed to the risk of reconsidering the tax treatment applied to certain operations

The tax law from Romania is under continuous change, being currently susceptible of interpretations. Concurrently, the lack of clarity of certain legal provisions determines their different application by the various representatives of the tax authorities. On the date of the Prospectus, the Issuer is undergoing a detailed tax control in progress, from the tax authorities. If the Issuer fails to comply to all requirements of the tax legislation and/or the tax authorities have different interpretations versus such of the Issuer in regard to the tax treatment of certain operations, the tax authorities can reconsider the basis for computing the tax results of the Issuer and may apply fines or may impose the payment of additional amounts to the state budget. The occurrence of such risks could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The risk of non-compliance with the requirements of corporate governance

Given the extraordinary situation generated by the setting up at the beginning of the year 2014 of the recovery procedure by special administration and the appointment of the Special Administrator doubled by the suspension of the powers of the members of the Supervisory Board/Management Board, all efforts were focused on the accomplishment of the diagnosis analysis and the identification of the recovery measures destined to ensure the premises of the financial recovery of the Issuer. Furthermore, the appointment of a new financial auditor for auditing the financial statements related to the financial year 2013, although able to render an increased comfort upon the reflection of the financial condition of the Issuer, generated delays in finalizing the Financial Statements, as well as of the audit procedures. In this context, the financial statements related to the financial year 2013 were not subject to the approval of the shareholders within the 4-month term as of the end of the financial year, a term provided in the special norms included in the legislation on the capital market. It was concurrently assessed that the Issuer recorded certain non-compliant practices in regard to the reporting obligations implemented by the law on the capital market.

Moreover, the Financial Statements 2013 reveal the existence of a negative net asset value, a situation that is able to generate the legal obligation of the Special Administrator to convene the extraordinary meeting of the shareholders, having the agenda provided by the Company Law for such circumstances.

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

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

The Issuer disposes of a very vast external sales network, a context in which the Issuer relies on intermediaries to promote its products. The erroneous presentation of its products or improper



activities of the persons from the sales network may generate not only a negative impact upon the corporate activity, but they can generate inclusively various investigations carried out by the relevant authorities that can result in the application of penalties.

Persons distributing the products of the Issuer on non-exclusive basis, such as insurance intermediaries may determine by virtue of own assessments the products of which insurance company are offered to clients; these assessments are made based on a mix of elements, such as the characteristics and price of the product, as well as the commission obtained by the intermediary. O negative assessment of the Issuer's products by the intermediary is equivalent to the fact that the insurance policies offered by the Issuer are not actively promoted, an issue that could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The increase of the significance of the internet and of media platforms is able to have an impact upon the distribution of insurance policies and there are no warranties that the Issuer will be able to efficiently adapt the strategy to the changing business environment

The distribution of insurance products is generally performed in the presence of the insurer's and client's representative. However, market conducts are changing, in the context in which an insurance policy can be purchased also online, it can be offered as a promotion by various traders or there are price comparison software. These market trends could have an impact upon the types of distribution networks used by insurance companies and a possible incapacity of the Issuer to adapt quickly enough to the new trends could have a material adverse effect on the Issuer's business, financial condition and results of operations.

It is possible that the actual status of claims, the assumptions considered on subscription and the pricing policy would not accurately reflect the risk exposure of the Issuer and hence the reserves of claims set up by the Issuer could prove insufficient to cover the claims

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

Besides possible administrative penalties to which the Issuer exposes himself, the occurrence of this risk could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer carries out his activity in a very competitive environment

The insurance field is characterized by an acerb competition to which the Issuer is also exposed. One of the most significant factors in ensuring an as competitive as possible position is the price of offered products which in its turn determines a pressure upon the prices practiced by the insurers. Concurrently, the recognition of the brand is another factor that may determine the market position of an issuer. If the Issuer fails to keep up with the competition, then a material adverse effect on the Issuer's business, financial condition and results of operations.



The Issuer may be negatively impaired by the incapacity of reinsurers with whom it concluded reinsurance contracts to fulfil their contractual obligations or possible variations in the nature and coverage area by reinsurance or the increased costs with reinsurance

The premiums assigned in reinsurance do not eliminate the obligation of the Issuer to pay damages on the occurrence of the insured events. Hence, the Issuer is exposed to the credit risk of the reinsurer in regard to its possibility of recovering the amounts owed by the reinsurer. Furthermore, the availability of the reinsurers and the cost of the reinsurance depend upon the market conditions and such may significantly fluctuate.

The incapacity of reinsurers to fulfil their contractual obligations assumed toward the Issuer and/or the increase of the reinsurance costs could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer is exposed to risks derived from the activities it performs outside Romania

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

The Issuer uses on a normal basis IT systems the possible inadequacy or dysfunction of which is a risk source for the Issuer

The integrity, functionality, safety and operational safety of the IT systems used by the Issuer are critical for the proper conduct of the Issuer's business. Thus, during the normal activity of the Issuer, various IT systems are used for the management of damage files, the registration of issued insurance policies, the quality control in regard to the sales network, the registration of the sales volume, of the premiums and commissions. Furthermore, the extended sales network of the Issuer determines a high number of persons to contribute to the registration of primary data in the IT systems and this generates a high probability that human errors occur. The dysfunctions of IT systems, the inefficiency of the protection means of the IT systems or the absence of the adequacy thereof, are factors that could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The occurrence of fraud cases in the insurance activity might inflict damages upon the Issuer

The occurrence of fraud cases, such as the issuance of fictive insurance policies or the issuance of insurance policies after the date when the insured event occurs and the pre-dating thereof results in the generation of damages upon the Issuer. Besides various intentional activities of criminal nature, the Issuer is exposed to the risk that frauds occur further to the negligence, lack of knowledge of the persons involved on behalf or in the interest of the Issuer with respect to the applicable legal norms and there is no type of warranty that such conducts may be fully prevented. The occurrence of such



situations could have a material adverse effect on the Issuer's business, financial condition and results of operations.

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

The activity of the Issuer depends to a large extent *inter alia* upon its ability to recruit and keep highly skilled employees in key-management positions. The competition in regard to the solicitation of skilled employees is rather high in Romania. A possible incapacity of the Issuer to solicit and/or keep employees highly-skilled in the field might generate the loss of experience specific and knowledge and this could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer shall change the accounting reporting standards and this might result in significant modifications of the financial condition of the Issuer by reporting them to the new standards

Starting with the financial year 2015, the Issuer shall be bound to draft the Financial Statements in accordance with the international financial reporting standards (IFRS). Concurrently with the change of the accounting reporting standards it is possible that the results previously recorded by the Issuer would no longer represent a basis able to ensure the comparability of the financial information. Last but not least, the past performance of the Issuer is not even of indicative nature in regard to its future performance.

The change of the accounting reporting system might result in significant modifications in regard to the financial condition and results of operations of the Issuer.

There is also no defined methodology, available to insurance companies by which should be established the computation and reporting method of prudential indicators further to the changes forecast further to enacting IFRS.

It is concurrently to be expected that the obligation of drafting the financial statements in accordance with IFRS would impose the implementation of changes in the operational, reporting and accounting systems of the Company, generating additional implementation costs and investments.

Such amendments increasing the level of resources assigned for the compliance with the new requirements could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The amendment of the legal norms governing the activity of the Issuer could have a negative impact upon the Issuer

New legal provisions may appear or the current legal provisions might be amended to such an extent that the effort of the Issuer for compliance would be difficult and costly. For example, the recent legal draft (currently undergoing analysis) for the amendment of the applicable MTPL norms imposes that the insurers should have for the non-life insurance activity a solvency ratio determined as a ratio between the available solvency margin and the minimum solvency margin of at least 1.3 (versus level 1 applicable on the date of the Prospectus). Any legal amendments increasing the level of resources



assigned to the compliance with the new requirements could have a material adverse effect on the Issuer's business, financial condition and results of operations.

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

The US law enacted in 2010 and known as FATCA, as well as the norms issued in view of its application impose a withholding tax of 30% applied for certain payments by certain financial institutions that are not from the US and that do not conclude a contractual arrangement with the Treasury Department of the US in order to report on an annual basis information on the interests and accounts opened for certain institutions fully or partially held by entities/persons of American citizenship. The Issuer could be considered a financial institution that is not from the US and that does not conclude a contractual arrangement with the Treasury Department of the US under FATCA and the failure to comply with the FATCA requirements could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The Issuer might register a negative impact further to the disputes in which it is a party and it is exposed to an ever higher litigation risk

As at 31 December 2013, the Issuer was a party in 2,886 court files in which it had the capacity of a defendant, a third-party claimant, insurer or debtor; the cumulated value of the claims filed against the Issuer in these files is of RON 1,082,155,446 including claims related to moral damages in the amount of RON 817,389,501 and claims related to material damages in the amount of RON 264,180,895, as well as salary rights in the amount of RON 582,050. Hence, if courts will rule against the Issuer in a high number of such files the Issuer would become liable to pay very high amounts and it would implicitly have a negative material effect upon the financial condition of the Issuer.

Among the aforementioned aggregate disputes stands out a series of disputes of high values generated by the insurance policies for performance bonds (related to files in which the Issuer was sued by Compania Națională de Drumuri și Autostrăzi din România SA or by Banca de Export-Import a României Eximbank S.A., files the details of which are presented in section 15.8 Legal and arbitration procedures from the Prospectus); we mention the fact that the premiums related to such insurance policies are not ceded in reinsurance and as such, the risk of unfavourable resolution of these disputes fully pertains to the Issuer.

The management of a very high number of court files determines significant resources to be assigned to such legal representation activity.

The very high number of disputes in which the Issuer is involved, the resolution thereof to the disadvantage of the Issuer and the absence of means of hedging the risk of the unfavourable resolution in the court files could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Translator's explanatory note: please refer to the disclaimer on the first page of the document.

Potential conflicts of interests and related party transactions might have a negative impact upon the activity of the Issuer

Before setting up the financial recovery procedure by special administration, the Issuer concluded a rather significant number of transactions with related parties (among them being also: the sale of insurance policies, the granting of loans or the obtaining of loans, investment management, etc.). If further to a tax control, the tax authorities deem that such transactions concluded among related parties were not concluded under the prevalent market conditions, a situation might occur in which the tax authorities would reconsider the level of expenses, respectively of the income related to such transactions and implicitly determine the reconsideration of the manner in which the profit/loss of the Issuer was established.

Before setting up of the recovery procedure by special administration that determined the suspension of the powers of the members of the Supervisory Board/Management Board of the Issuer, certain members of the bodies holding similar positions also in other affiliated entities, a situation that is able to generate conflicts of interests in regard to the approval of transactions with affiliated persons.

The occurrence of any of the above-described could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Provided it is selected as a participant in the stress test carried out in 2014 for the insurance market, the Issuer might not record satisfactory or representative results for the insurance sector in aggregate and/or the results obtained could lead to significant costs in order to comply with the prudential recommendations

In 2014 the European Insurance and Occupational Pensions Authority (EIOPA) decided to carry out a stress test at the level of the insurance market from the Member States of the European Union, an exercise whose target is to test the resilience of insurers to the market risk in the context of a combination of historical and hypothetical scenarios with a potential impact upon the assets and liabilities of the insurers. This exercise shall enable national authorities and EIOPA to define the areas that need analyses and additional supervision measures.

In accordance with the information available on the webpage of ASF, the Board of ASF approved the launch of the project for the assessment of the quality of assets and liabilities at the main insurance companies from Romania. The AQR (Asset Quality Review) Project comprises the assessment of over 80% from the assets on the insurance market and it actually represents the audit of the national insurance market. The assessment shall include a stress test to measure the impact of market shocks (conditions of various scenarios) upon the financial stability of the insurance sector from Romania.

The estimated moment of commencing the AQR exercise is the end of the year 2014 – the beginning of the year 2015 and by 31 May 2015, the project should be finalized with a report on the exercise. It shall also include the results of the stress tests for each selected company.

By the date of the Prospectus, the Issuer has not been notified by ASF about being selected to be a participant within AQR. If it is nevertheless selected and taking into account the precarious financial



condition it goes through, the stress test applied to the Issuer might not have satisfactory or representative results for the insurance sector in aggregate. At the end of the assessment, ASF shall also communicate the aggregate results of the exercise together with the prudential recommendations that are necessary subsequent to the analysis of the results. In accordance with the prudential recommendations imposed by ASF, the Issuer might be compelled to incur significant costs for the compliance with such recommendations and this could have a material adverse effect on the Issuer's business, financial condition and results of operations.

3.2. COUNTRY RISKS

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

Persons investing in emergent or frontier markets, such as Romania, are informed of the fact that such markets pose higher risks than the developed markets with stable economy and mature legal and political systems. The country risk is generated by the probability that rapid and sometimes unpredictable political, legal, social and economic changes occur, including high inflation rates, fluctuations of the foreign exchange rate, major market imbalances and significant and frequent amendments of the legislation. Romania might be also concurrently impaired by the dissemination of the effects generated by the political, legal, social and economic changes that occur in the European Union or neighbouring countries.

Taking into account the fact that the development and activities of the Issuer depend to a large extent upon the social and economic environment from Romania, the occurrence of any events similar to the aforementioned ones could affect the investors' confidence in the economic and financial environment from Romania, a fact that could have a material adverse effect on the Issuer's business, financial condition and results of operations.

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

Romania adhered to the European Union in January 2007. Within the post-adhesion period, in order to facilitate the integration of Romania, the European Union decided to set up a "cooperation and verification mechanism" especially in order to help Romania to remedy certain deficiencies in the fields, as well as to reform the legal system and the fight against corruption², concurrently establishing four reference objectives based on which the European Commission verifies on a periodic basis the registered progress:

- Ensure a more transparent and efficient judicial process notably by enhancing the capacity and accountability of the Superior Council of Magistracy. Report and monitor the impact of the new civil and penal procedures codes;

² Source: Commission Decision 2006/928/EC from 13 December 2006 establishing a mechanism for cooperation and verification of progress in Romania to address specific benchmarks in the areas of judicial reform and the fight against corruption (JO L 354, 14.12.2006, p. 56);



- Establish, as foreseen, an integrity agency with responsibilities for verifying assets, incompatibilities and potential conflicts of interest, and for issuing mandatory decisions on the basis of which dissuasive sanctions can be taken;
- Build on progress already made, continue to conduct professional, non-partisan investigations into allegations of high-level corruption; and
- Take further measures to prevent and fight against corruption, in particular within the local government.

If Romania fails to adequately fulfil such objectives, the European Commission shall be entitled to apply safeguarding measures under the Treaty for the Accession of Romania to the EU, inclusively by suspending the obligation of Member States to acknowledge and execute, in the terms provided by the Community law, court decisions or any other judicial decisions issued in Romania, such as European arrest warrants.

Although Romania registered certain progress in fulfilling the objectives established by the European Commission, the risk of applying safeguarding measures cannot be excluded. The application of any safeguarding measures in accordance with the above could jeopardize the investors' trust in the economic and financial environment from Romania, a fact that could have a material adverse effect on the Issuer's business, financial condition and results of operations or on the market price of the Issuer's shares.

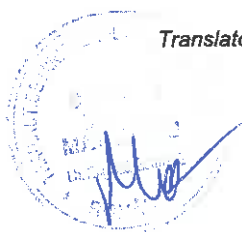
The macroeconomic environment could have a significant effect upon the operations and position of the Issuer

The results of Issuer's operations depend upon the macroeconomic environment from Romania, from the region, as well as from the European Union. The operations of the Issuer are impaired by current or potential factors, such as: the inflation rate, the foreign exchange rate, the unemployment rate, average salaries, the national tax and currency policy. The deterioration of any of the aforementioned factors could have a negative impact, especially upon the consumer conduct vis a vis insurance products, i.e. of reducing the expenses assigned to the insurance against various risks.

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

The tax regulations from Romania could incur significant amendments

The tax legal framework of Romania is instable, as the Tax Code of Romania suffered significant amendments by tens of amendment regulations during the last ten years. Furthermore, on the date of this Prospectus, a new tax code draft is subject to public debates. Hence, there is a particular uncertainty in regard to the taxes and duties that shall be owed in the future both by the Issuer and the investors in the shares issued by the Issuer for income/gains generated by the capacity of the shareholders of the Issuer.



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

A possible state of political instability in Romania could create an unfavourable environment for the development of business in Romania

The political conditions from Romania are volatile, a situation evidenced also by the frequent conflicts between the executive, legal and court authorities with a negative impact upon the business and investment environment from Romania. Although the political scene from Romania currently seems stable, taking into account the numerous changes from the recent years, as well as the future presidential elections from November 2014, it cannot be guaranteed that such stability would be also maintained in the future. Even in case of a continuation of the strategies and reforms in progress assumed by the Romanian authorities, mainly in regard to the funding agreements concluded with the International Monetary Fund and the European Commission, as it was also proven in the past, dissensions of political nature or various social pressures might occur, inclusively by street protests that would render the implementation of reforms engaged by the authorities more difficult.

A possible instability of the political environment in Romania would negatively affect the commenced reforms and policies, inclusively in the insurance field, and this could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The changes and ambiguities of the legal and judicial system from Romania could have an impact upon the activity of the Issuer

The Issuer's activity is carried out within a framework strictly regulated by laws and regulations from Romania governing a series of issues, inclusively in fields, such as insurance, data protection, labour relations, competition and taxation. In Romania, the primary legislation is often immediately effective, before the issuance of secondary regulations.

Fundamental changes have lately occurred in the civil law system from Romania by (i) the enactment of new codes, inclusively the Civil Code (effective as of 1 October 2011) and the Code of Civil Procedure (effective as of 15 February 2013) ("CPC"), (ii) the significant amendment of the Labour Code, (iii) the enactment of a new Insolvency Code by Law 85/2014 (effective as of 28 June 2014), one of the scopes of which is to unify and harmonize under a sole legal act the regulation regime applicable to the insolvency/bankruptcy of various entities, including insurance companies.

The legislation on the labour terms and social dialogue, companies, competition, capital market, consumer protection, taxation and other fields continues concurrently to be amended on a constant and frequent basis. Any failure to observe the applicable laws and regulations shall result in fines or other penalties applied by the relevant regulation/supervision authority and it might have negative consequences upon Issuer's reputation.

The legal and judicial systems from Romania are also not as developed as in other countries of the European Union. The current laws and regulations, inclusively the current legislation at the level of the

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

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

Corruption creates an unfavourable environment for the business development in Romania

The reports of international bodies signal the necessity of continuing the fight against corruption in Romania, including in the field of justice. Although in the most recent report³ of the European Commission on the progress of Romania within the Cooperation and Verification Mechanism (CVM), the European Commission considers that the results obtained by Romania in the field of fighting against high-level corruption represented one of the most important progress registered within CVM recommending nevertheless "[...] the use of intense efforts to eliminate corruption at all corporate levels. The surveys constantly indicate that the existence of large-scale corruption is a significant source of public concern. Although the prosecution of notable persons accused of corruption can positively influence the general perception, the fighting against corruption at all levels involves also the use of constant efforts in order to reduce the possibilities of committing corruption deeds and subsequently of showing that the discovered deeds do not remain without consequences. The enactment of such managerial and preventive measures continues to be delayed."

The failure to implement or the implementation with delay of certain adequate and efficient measures for the fight against corruption in Romania could have a material adverse effect on the Issuer's business, financial condition and results of operations.

Romania faced a high volatility of the exchange rate and inflation rate in the past

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

³ Source: "REPORT OF THE EUROPEAN COMMISSION TO THE EUROPEAN PARLIAMENT AND COUNCIL on the progresses recorded by Romania under the Cooperation and Verification System", Brussels, 22.01.2014 COM(2014) 37 final (http://ec.europa.eu/cvm/docs/com_2014_37_ro.pdf);



could have a material adverse effect on the Issuer's business, financial condition and results of operations.

The transparency level of the issuers and of public information is lower than in other European states

The practices from Romania in the field of reporting, accounting and book keeping may differ in certain views by comparison to such applicable to companies from other member states of the European Union, although Romania is undergoing a continuous process of application/implementation of European regulations in the national legislation. The level of available information on the actions and financial condition of companies admitted to trading in Romania is sometimes lower than in case of similar companies from other European States.

3.3. RISKS REGARDING SHARES

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

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

On the other side, it is important to mention the fact that BVB is entitled to suspend the trading of the listed shares, *inter alia* (i) if the Issuer fails to observe the disclosure requirements for the maintaining on trading or (ii) in view of maintaining an orderly market and ensuring the equal access to the information necessary for the decision to invest (investors' protection) or (iii) on the request of ASF, if ASF believes that the situation of the Issuer is such that the trading would be to the detriment of investors.

Another case of suspending the shares of the Issuer from trading provided by Law no. 85/2014 on the insolvency prevention and insolvency procedures occurs when the insolvency procedure against the Issuer is opened, starting on the date on which ASF notifies thereabout in writing and until the date of confirming the proposed recovery measures. This suspension case is however not applicable to the Issuer, considering that the insolvency procedure against it has not commenced.

Hence, it is not clear on what grounds the Issuer's shares were suspended from trading and whether such suspension lasts throughout the period in which the Issuer is undergoing financial recovery by special administration.

Also, if the implementation of the recovery measures fails and the Issuer goes bankrupt, the shares issued by the Issuer shall be withdrawn from trading at the date on which ASF receives the notification on commencing bankruptcy.

Any suspension from trading of the shares issued by the Issuer may negatively and significantly impair the investment in the respective shares and the investor could lose the entire investment,



especially if the Issuer commences the bankruptcy procedure and the shares are withdrawn from trading.

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

In accordance with the data published by Depozitarul Central on the BVB's webpage on 30 June 2014, the free float of the Issuer was of only 1.2757% of the share capital (72.6830% being held by The Nova Group Investments Romania and 26.0413% being held by Epsilon Estate Provider SRL). After closing the Offer, there is a risk that the free float would be even lower, if the shareholders jointly holding 1.2757% from the share capital at 30 June 2014 do not participate at the increase of the share capital by subscribing new shares. Investors could encounter significant difficulties if they decide to liquidate the investments in the shares issued by the Issuer due to the very low free float of Issuer's shares. Liquid markets theoretically generate a lower volatility of prices and a more efficient execution of purchase or sales orders for investors.

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

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

The shares of the Issuer are admitted to trading on the RASDAQ market, which status and regulation framework are unclear

The shares issued by the Issuer are admitted to trading on the RASDAQ market, Tier III, managed by BVB. The status of the RASDAQ is currently unclear, as it is neither a regulated market for the purpose of art. 125 from the Law on the Capital Market, nor authorised by ASF as an alternative trading system. Hence, there isn't a regulation framework that would establish clear organization and operating rules, whereas the disclosure requirements for the listed issuers on such a market are very limited. As a consequence, investors are informed that the shares issued by the Issuer are not traded on a regulated market or on an alternative trading system



4. INFORMATION ON THE ISSUER

4.1. Legal name and trade name of the Issuer:

The legal and trade name of the Company is: Societatea de Asigurare – Reasigurare ASTRA S.A..

4.2. Investments

4.2.1. A brief description of the main investments (including the value thereof) as of the end of the period covered by the last audited financial statements and published until the date of the registration document.

For the non-life insurance line of business, the Company has not made any investments at the end of the financial year ending 31 December 2013 until the date of the Prospectus. For the life insurance activity, the Company purchased during the year 2014 government bonds in amount of RON 1,098,899 within the ordinary course of business.

In December 2013, the Issuer received a license to carry out the activity of underwriting insurance policies for the branch opened in Germany; this branch was authorized to conclude general liability insurance, its current portfolio including policies for civil liability towards service supplier, holders of livestock, owners, liability deriving from floods and the liability towards the constructor.

4.2.2. A description of Issuer's main investments in progress, including notes on the geographical distribution of such investments (on the national territory and overseas) and the (domestic or external) funding sources thereof.

N/A.

4.2.3. Information on the main investments that the Issuer wants to accomplish in the future and for which its management bodies have already assumed firm undertakings.

N/A.

5. GENERAL OVERVIEW OF THE ISSUER'S ACTIVITIES

The Presentation of the Company

Societatea de Asigurare – Reasigurare ASTRA S.A. was set up on 1 January 1991 by virtue of Government Decision no. 1279/08.12.1990. The Company is registered as a Romanian legal entity, having the legal status of a joint-stock company and carries out its activity in accordance with the Romanian legislation and the Articles of Incorporation.

The subscribed and paid up share capital of the Company as at 31 December 2013 was of RON 192,712,534 representing 72,448,321 ordinary, nominative shares in the nominal value of RON 2.66 each, issued in dematerialized form. The shares issued by the Company are admitted to trading on the RASDAQ market, managed by BVB and are currently suspended from trading.

Translator's explanatory note: please refer to the disclaimer on the first page of the document.

In Romania, the Company was authorised by Comisia de Supraveghere a Asigurărilor (currently ASF) for carrying out insurance activity, starting in 2001, based on Decision no. 6/30.10.2001, the respective license being updated in 2004 and 2014. On the date of the Prospectus, the Company is authorized to carry out the activity for all insurance classes provided by the Insurance Law, except class XVII. "Legal support insurance", as follows.

Non-life insurance classes:

1. Accident and sickness insurance (including labour accidents and professional sickness);
2. Health insurance;
3. Insurance for land vehicles (other than railway rolling stock);
4. Insurance for railway rolling stock;
5. Aircraft insurance;
6. Insurance for ships (sea, lake, river and canal vessels);
7. Insurance of goods in transit;
8. Insurance against fire and other natural forces;
9. Other insurance against damage to property;
10. Motor liability insurance;
11. Aircraft liability insurance;
12. Liability insurance for ships (sea, lake, river and canal vessels);
13. General liability insurance;
14. Credit insurance;
15. Suretyship insurance;
16. Insurance against financial loss;
18. Touring and travel assistance insurance.

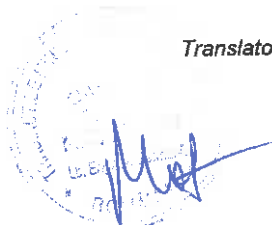
Life insurance classes: A I. Life assurance, annuities and supplemental life assurance, except those provided at A II and A III;

A II. Marriage insurance, birth insurance;

A III. Unit-linked life assurance and annuities;

A. IV. Permanent health insurance.

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



Non-life insurance classes:

- 2. Health insurance
- 3. Insurance for land vehicles (other than railway rolling stock);
- 5. Aircraft insurance;
- 7. Insurance of goods in transit;
- 8. Insurance against fire and other natural forces
- 9. Other insurance against damage to property
- 11. Aircraft liability insurance
- 13. General liability insurance;
- 18. Touring and travel assistance insurance.

Classes of life insurance:

- A I. Life assurance, annuities and supplemental life assurance
- A III. Unit-linked life assurance and annuities;

Issuer's branch in Hungary was authorized to underwrite insurance for land vehicles (other than railway rolling stock) (class 3), insurance against fire natural fire and natural forces (class 8) and motor liability insurance (class 10) starting with 2010. In 2011, ASTRA Hungary received a license to underwrite the following non-life insurance classes: accidents and health (classes 1 and 2), vehicles (classes 4 – 7), liability (classes 11 – 13), credit insurance (class 14), guarantees (class 15) and travel (class 18), as well as for classes I and III of life insurance.

Issuer's branch in Slovakia was authorized to underwrite the insurance for land vehicles (class 3), insurance against fire and natural disasters (class 8), other insurance against damage and property(class 9) and motor liability insurance (class 10) starting with 2012.

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

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

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

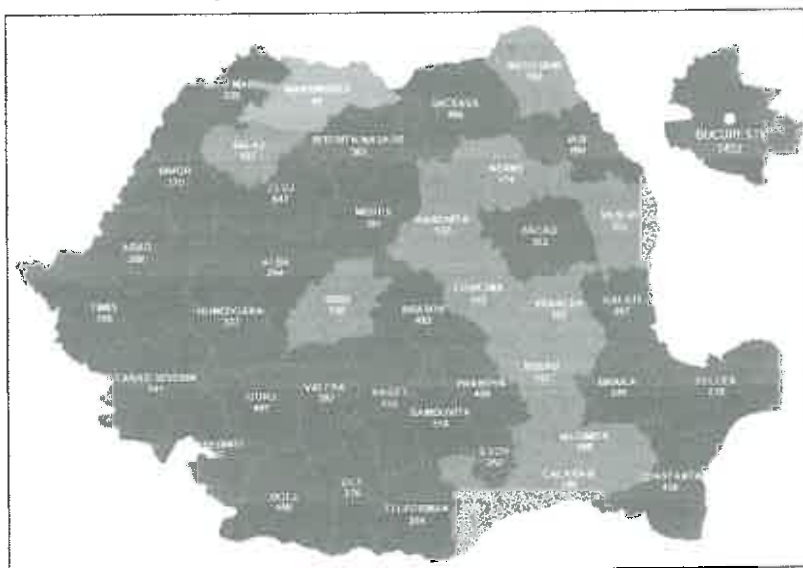
Characteristics of the labour force

The labour force of Astra is divided into two activity areas, first area mainly liable with the sales and management of non-life insurance policies and the reinsurance activity, whereas the second focuses on the sales and management of the life insurance and health insurance policy portfolio. At territorial level, the sales units are of a composite nature, carrying out sales activities both for life insurance and non-life insurance. The Company has also specialized teams dedicated to the sales and management of specific insurance lines (e.g. life insurance, marine, aviation). **The average number of the employees of the Company has been kept during the last two financial years at less than 1,500.**

Distribution Channels

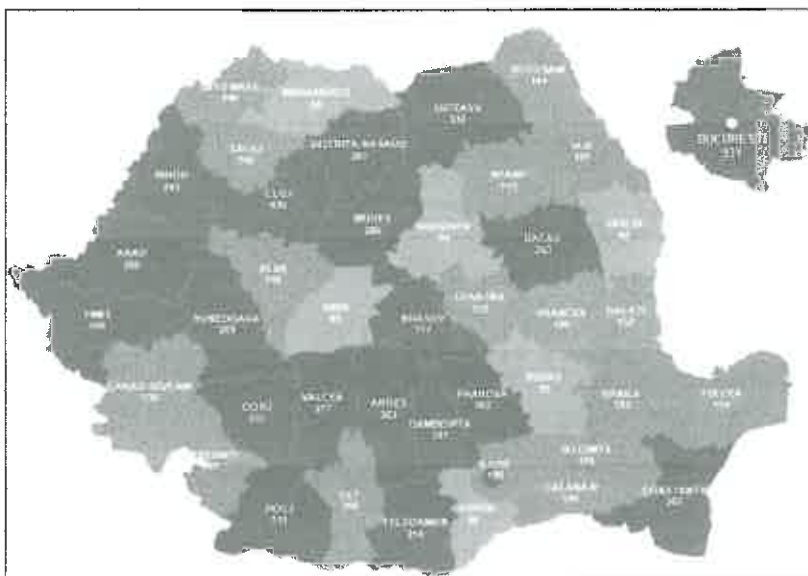
The Company ensured itself in time the proportionate diversification of the sales activity by a mixture of own forces, agents and intermediaries. It is expected that the number of active agents would fluctuate by the end of the year further to finalizing the licensing process (for agents that have not yet procured the necessary license) and due to the seasonal activity from the insurance market, expecting an intensification of the sales activity during the last term of the year. The sales infrastructure of the Company also illustrates the collaboration with more than 400 intermediating and direct sales companies. The Company carries out active campaigns for the distribution of the insurance products attached to the bank products through **bancassurance**.

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



Source: ASTRA

The distribution of the number of sales agents active countrywide on 30 June 2014 (illustrating the allocations of agents on counties as at 30 June 2014):



Source: ASTRA

5.1. Main activities

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

On 30 June 2014, the Company is carrying out its activity through its registered office located in Bucharest, the 50 branches, 147 agencies and 30 business units, the regional centre located in Bucharest, on the territory of Romania and through the three branches from Hungary, Slovakia and Germany.

5.1.1. The policy on the reinsurance program

One of the main competitive elements of ASTRA is the corporate policy on the reinsurance activity.

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

The Company developed and consolidated its external collaboration relation with worldwide reputable reinsurers *inter alia*:

- ✓ Schweizerische Rückversicherungs-Gesellschaft AG ("SWISS RE")
- ✓ PartnerRe Ltd. ("PARTNER RE")
- ✓ Hannover Rück SE ("HANNOVER RE")

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- ✓ XL Re Ltd. ("XL RE")
- ✓ Lloyd's of London ("LLOYD'S")
- ✓ Sirius International Insurance Company ("Sirius")
- ✓ HCC Insurance Holdings, Inc. ("HCC")
- ✓ SCOR SE ("SCOR")
- ✓ Deutsche Rückversicherung Aktiengesellschaft ("DEUTSCHE RUCK")
- ✓ American Agriculture Insurance Corporation ("AAIC").

The corporate policy on the reinsurance program pursues the assurance of the best possible coverage of risks and the Company acts on a permanent basis to improve the reinsurance placements, so that the reinsurance program in aggregate should reflect the changes registered in the structure of the insured risks.

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

Thus during the year 2014, the Company successfully implemented:

- **the extension of the reinsurance programme for the catastrophic risk**, inclusively the decrease of the Company's retention to the level of **EUR 3 million**, a measure that resulted in the decrease of the capital demand by the amount of RON 26.5 million (net of the additional costs in the amount of RON 4.2 million for the period spanning between 1 April 2014 and 31 December 2014).
- **the collaboration with reinsurers having an official rating S&P/AM BEST Class A-** (minimum) **only** for reinsurance contracts concluded as of the second quarter of the financial year 2014.
- **The extension of territoriality**, so as to cover the risks written by the insurance policies concluded in the branches of Astra from **Romania, Hungary, Slovakia and Germany**.

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

For the placement of risks to reinsurers, both those covered under the treaties and those that are of individual nature (the facultative reinsurance), the Company collaborates with some of the most important **reinsurance intermediaries worldwide**, among which we mention **Willis Limited UK, Guy Carpenter, Robert Fleming Insurance Brokers**, as well as with locally represented international intermediaries: **Stellar RE Europa Broker de Asigurare-Reasigurare SRL ("Stellar Re")** and **Olsa RE Intermediary de Asigurare-Reasigurare SRL ("Olsa Re")**. Each of these intermediaries developed internal market security departments by which the evolution and stability of the financial



security ratings of reinsurers are monitored and ASTRA is continuously informed on the financial condition of its reinsurers through periodic notifications.

The main business lines covered under the treaties concluded with reinsurers with the minimum official rating A- granted by a reputable rating agency are:

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

Source: Management reports

Facultative reinsurance / special acceptance / fronting type

Besides the above-presented reinsurance treaties ASTRA also holds:

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

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

For general aviation particularly, the Company concluded a quota share reinsurance treaty with Allianz Global Corporate and Specialty AG through which the latter assumes 100% of the insurance policies concluded for these accounts.

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5.1.2. The certification of the integrated management system – quality, environment, health and labour security

In the current economic context, characterized by globalization, interdependencies of the environments, security and development, it has been observed a continuous increase of corporate requirements in regard to the quality of products and services supplied, environment protection and labour health and security, requirements materialized in ever stricter regulations.

The management team of the Company acknowledges that preserving the Integrated Quality Management System – Environment – Health and Vocational Security is a priority and an important factor for the development of the Company. The corporate management has considered the necessity of establishing policies, strategies, programs and practices for the management of processes and activities in a manner showing respect towards quality, the environment, health and security.

The concern of ASTRA for the implementation and certification of the compliance with the ISO standards was shown as early as 2000. Initially the requirements of the standard SR EN ISO 9001:2001 were implemented and applied, which led to obtaining Quality Management System certification (in November of the year 2004) by the certification body SIMTEX-OC.

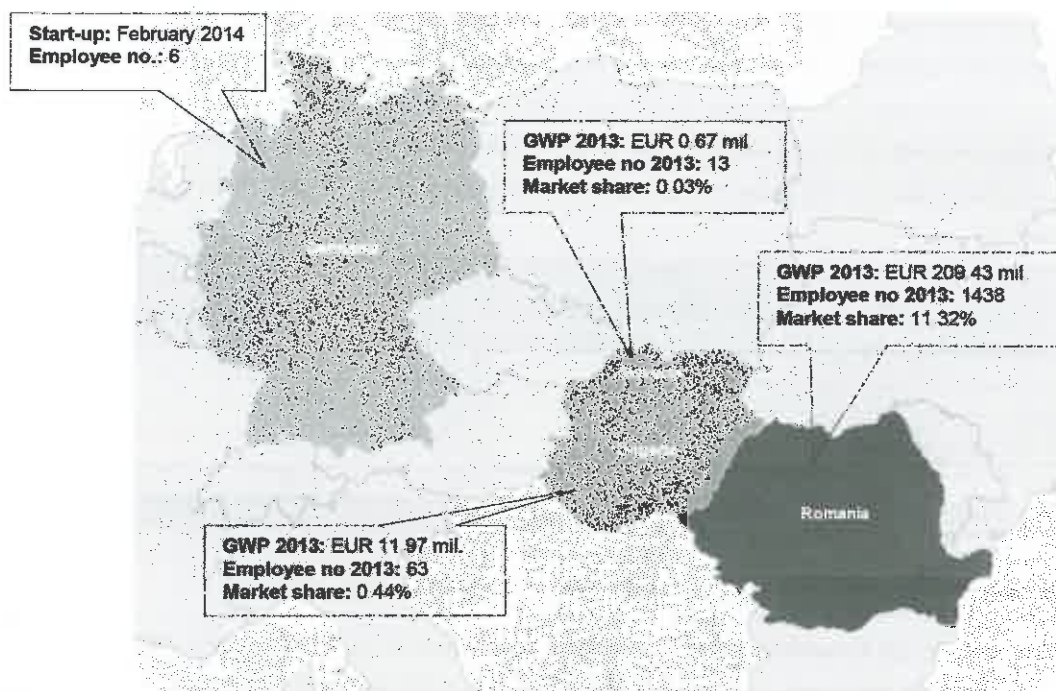
During the year 2007 it has been re-certified that the quality management system is operating according to the requirements of the standard SR EN ISO 9001:2008.

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

5.2. Main markets

Besides the top position among the largest insurers from Romania (ranking based on the value of the gross written premiums, according to the information annually published by ASF), the Company also carries out insurance activities overseas through its three branches set up in: Hungary (opened in the year 2010), Slovakia (opened in the year 2012) and Germany (authorized to carry out underwriting activity as of December 2013).





Source: Association of Hungarian Insurance Companies (MABISZ) - Insurance Market 2013 1st- 4th Quarter
 National Bank of Slovakia (<http://www.nbs.sk/en/financial-market-supervision/insurance-supervision/data>); Slovak Insurance Association (SLASPO) (<http://www.slaspo.sk/en/13075>)
 Annual ASF Report for the year 2013
 Financial Statements 2013

5.2.1. Market in Romania

According to the Annual ASF Report for 2013, Romania has one of the lowest values on the **density of insurance**⁴ among the countries in the European Union. As the case of the **insurance penetration degree**, Romania registered a negative evolution of this indicator within the period 2008-2012, similar to the evolution of insurance markets from the majority of member states. Romania is the only country in the European Union that during the year 2012, the **gross written premiums were modified in average by less than Euro 100 /capita**⁵. In the year 2013 the value of this indicator dropped to **Euro 91.83 /capita**⁶. The cost of living below the EU average, the effects of the economic crisis upon the consumption behaviour and upon the strategies of economic agents, as well as the insufficient financial culture are factors contributing to a **current reduced level of the expenses allocated in the corporate and household budgets for insurance against risks**, except those that are mandatory by law.

Within the period 2011 – 2013, the value of gross written premiums cumulated for non-life and life insurance related to the insurance market in Romania registered both positive fluctuations (in 2012 the gross written premiums increased by RON 434,604,998 versus the year 2011) and negative

⁴ Computed as a ratio between the value in EUR of the gross written premiums and the size of the total population;

⁵ Source: Insurance Europe, Eurostat;

⁶ The value of gross written premiums was of RON 405.82 per capita, at an average exchange rate of EUR/RON of RON 4.4190 computed by the National Bank of Romania for the year 2013;

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(in 2013 they decreased by RON 134,468,059 versus the year 2012). In the year 2013, the gross written premiums, cumulated for the two insurance categories amounted to RON 8,122,446,891, a decrease by 1.60% compared to the year 2012, in nominal terms, and by 5.37%, in real terms.⁷

During the year 2013, the value of the gross written premiums on the insurance market in Romania, in comparison to the value of the premiums registered by the Issuer, is presented in the table below:

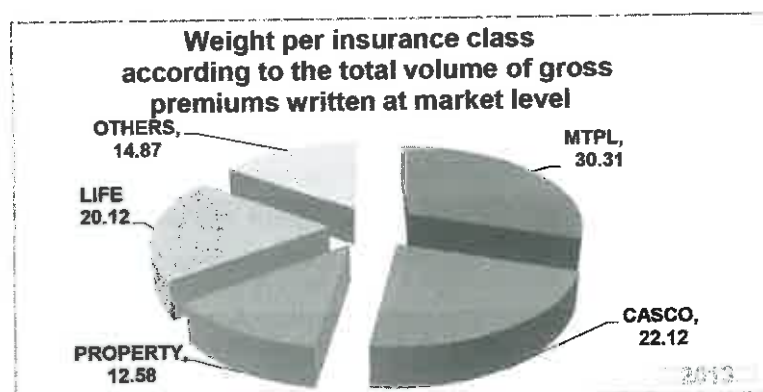
Insurance Type	Gross written premiums:		LOB weighting in the portfolio		Market share of ASTRA (%)
	Market	Astra (*)	Market (%)	Astra (%)	
MTPL	2,461,674,872	403,086,440	30.31	43.85	16.37
CASCO	1,796,497,371	136,491,750	22.12	14.85	7.60
PROPERTY	1,021,906,898	129,426,291	12.58	14.08	12.67
LIFE	1,634,296,439	14,282,368	20.12	1.55	0.87
OTHERS	1,208,071,311	235,999,085	14.87	25.67	19.54
Total	8,122,446,891	919,285,934	100	100	11.32

Source: Annual ASF Report for the year 2013/ (*) value according to Financial Statements 2013 (the financial statements subject to audit were amended versus the version remitted by ASF as at 27 May 2014)

The weight per insurance class (computed according to the total volume of the gross written premiums) at the level of Issuer and of the insurance market from Romania, in 2013

In regard to the structure of the portfolio of policies underwritten by the Issuer versus the structure at the market level from Romania, a higher focus of the Issuer upon the motor sector (58.88% from the total portfolio) versus the concentration of the Romanian insurance market recorded on the same sector (52.43% of the total gross written premiums).⁸

Furthermore, according to the data from the table above, it can be noticed that the weight of the gross written premiums of the Issuer in the total ASTRA's portfolio is lower on the life insurance segment, although recording significantly larger weights for specialized insurance classes (especially **aviation and marine**), on which ASTRA was a market leader in the year 2013.



Source: Annual ASF Report for the year 2013

⁷ Annual ASF Report for the year 2013

⁸ ASTRA

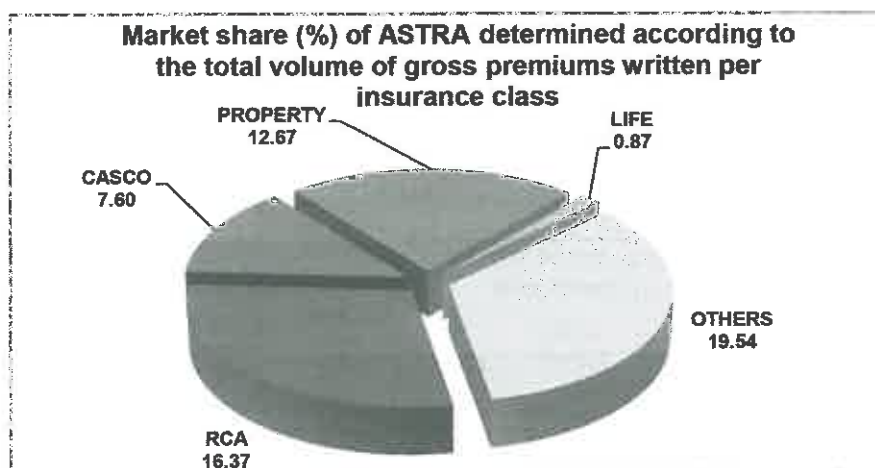
The weight of each insurance class in the corporate portfolio was the result of the corporate business strategy, directly correlated to its capacity of ensuring a placement in reinsurance that is as efficient and as secure as possible for the insured persons.

The corporate insurance portfolio ensures a diversified presence of the main insurance classes on the Romanian market.



Source: ASTRA

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



Source: ASTRA

According to the ranking published by ASF in the Annual Report for the year 2013, ASTRA also maintained in 2013, for the fourth year in a row, the leading position on the insurance

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market from Romania, a classification made according to the volume of the gross written premiums with a level of GWP of approximately RON 919.3 million. The market share of the main insurers from Romania, according to the total volume of gross written premiums during the end of the year 2013 is presented in the table below:

Position	Company name	Total gross written premiums in 2013 (RON)	The market share (%)
1	ASTRA*	919,285,934	11.32
2	ALLIANZ - TIRIAC	918,775,736	11.31
3	OMNIASIG	881,103,941	10.85
4	GROUPAMA	717,601,525	8.83
5	UNIQA	570,149,623	7.02
6	ING LIFE INSURANCE	559,593,663	6.89
7	ASIROM	544,098,985	6.70
8	EUROINS	504,776,744	6.21
9	CARPATICA	483,069,445	5.95
10	GENERALI	438,707,010	5.40
11	OTHER COMPANIES	1,585,284,285	19.53
Total		8,122,446,891	100.00

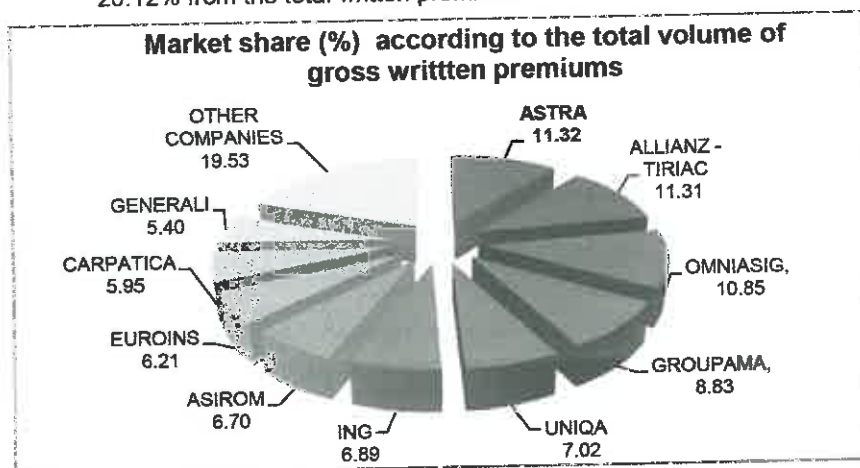
Source: ASF - Annual ASF Report for the year 2013/(*)

* value according to Financial Statements 2013

The gross written premiums in 2013 represented 11.32% of the market share and the Company was in close competition with other significant competitors (such as ALLIANZ - TIRIAC, OMNIASIG, GROUPAMA), the first 4 insurance companies cumulating a market share of 42.31%.

THE NON-LIFE ACTIVITY In 2013 The structure on insurance categories of the total volume of gross written premiums at market level as at 31 December 2013, was the following:

- RON 6,488,150,452, gross written premiums for the non-life insurance category, representing 79.88% from the total written premiums;
- RON 1,634,296,439 gross written premiums for the life insurance category, representing 20.12% from the total written premiums.



Source: Annual ASF Report for the year 2013; Financial Statements 2013

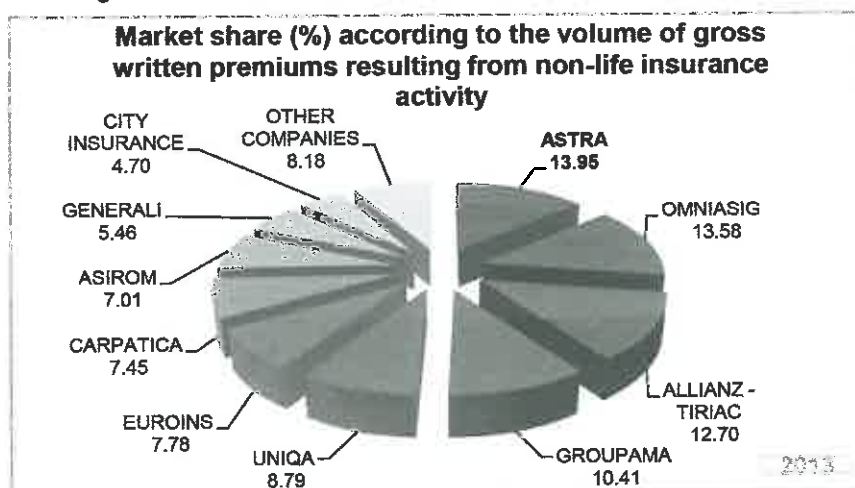
We can therefore notice that the insurance market from Romania further shows a **significant concentration of the non-life insurance activity**, with a **significant development potential for life insurance**.

In regard to the position of the Issuer based on the market share recorded in 2013 related to the **non-life insurance**, it kept its **leading position**, that can be noted from the classification on the main insurers according to the total volume of gross written premiums for non-life insurance at the end of the year 2013 presented below:

Position	Company name	Total gross written premiums in 2013 (RON) Non-life insurance	The market share (%)
1	ASTRA (*)	905,003,566	13.95
2	OMNIASIG	881,103,941	13.58
3	ALLIANZ - TIRIAC	824,062,484	12.70
4	GROUPAMA	675,478,631	10.41
5	UNIQA	570,149,623	8.79
6	EUROINS	504,776,744	7.78
7	CARPATICA	483,069,445	7.45
8	ASIROM	455,086,301	7.01
9	GENERALI	354,319,719	5.46
10	CITY INSURANCE	304,722,582	4.70
11	OTHER COMPANIES	530,377,416	8.18
Total		6,488,150,452	100.00

Source: Annual ASF Report for the year 2013/ (*) value according to Financial Statements 2013

The differentiation on the non-life insurance segment is determined by the weight of the non-life insurance in the total activity volume of the Issuer for the financial year 2013. As in the case of the cumulated insurance activity, the non-life insurance activity concentrates **over 45% of the market share of the largest 4 insurers**.



Source: Annual ASF Report for the year 2013; Financial Statements 2013

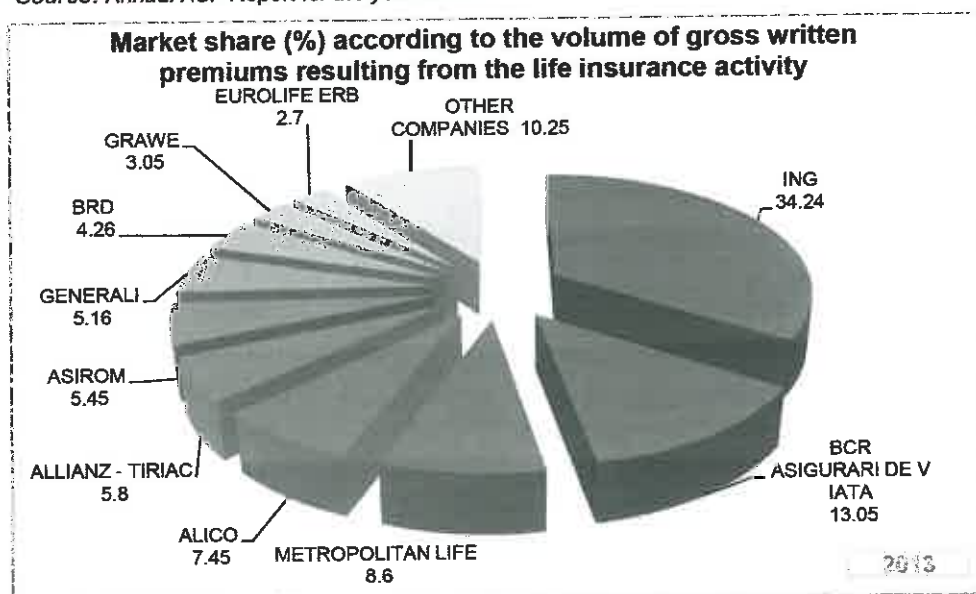
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LIFE INSURANCE ACTIVITY IN 2013

In comparison to the activity registered for non-life insurance lines, the market share of the main insurers according to the total volume of gross written premiums related to the life insurance at the end of 2013 places the Issuer on the 15th position 15 out of the total 18 insurance companies that conclude such policies.

Position	Company name	Total gross written premiums in 2013 (RON)	The market share (%)
		Life insurance	
1	ING LIFE INSURANCE	559,593,663	34.24
2	BCR LIFE INSURANCE	213,350,111	13.05
3	METROPOLITAN LIFE	140,546,162	8.60
4	ALICO	121,761,688	7.45
5	ALLIANZ - TIRIAC	94,713,252	5.80
6	ASIROM	89,012,684	5.45
7	GENERALI	84,387,291	5.16
8	BRD LIFE INSURANCE	69,569,678	4.26
9	GRAWE	49,814,467	3.05
10	EUROLIFE ERB LIFE INSURANCE	44,109,750	2.70
11	GROUPAMA	42,122,894	2.58
12	AXA LIFE INSURANCE	33,756,929	2.07
13	ERGO LIFE INSURANCE	30,576,536	1.87
14	EUREKO	20,641,873	1.26
15	ASTRA	14,282,368	0.87
16	SIGNAL IDUNA LIFE INSURANCE	13,180,465	0.81
17	GARANTA	6,997,235	0.43
18	UNIQA LIFE INSURANCE	5,879,393	0.36
Total		1,634,296,439	100.00

Source: Annual ASF Report for the year 2013



Source: Annual ASF Report for the year 2013

Translator's explanatory note: please refer to the disclaimer on the first page of the document.

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NON-LIFE INSURANCE ACTIVITY IN 2013: MOTOR SEGMENT

The insurance market in Romania depends upon the motor insurance class, which represents **over 65% of the total gross written premiums related to non-life insurance in 2013 on the insurance market in Romania.**⁹ In this Segment are included motor insurance class 3 – Insurance of land vehicles, other than railway rolling stock and class 10 - Motor third party liability insurance .

Within this sector, the Issuer occupied **the second position on the market, 1.06 percentage points down the first insurer**, based on the information published in the Annual ASF Report for the year 2013 and the information presented in the 2013 Financial Statements.

On this segment, considering:

- ✓ the mandatory nature of the policies for the motor third party liability insurance,
- ✓ the weight of the CASCO-type insurance that is significantly higher than the MTPL weight of: 22% CASCO versus 30% MTPL (however registering a main segment in the structure per insurance class for policies concluded on the market in 2013),
- ✓ the high variability of the insurers' portfolio at corporate level versus the prices charged for MTPL insurance policies;

it can be noticed a lower concentration of the market share at the insurer level and implicitly a higher competition between the main insurance companies (**the first 7 companies recorded individual rates of over 10%, being separated by less than 1 percentage point in the top underwriters—exception ALLIANZ - TIRIAC**).

In 2013, the Company followed a strategy of diversification of the motor insurance portfolio, keeping also a significant position both on mandatory insurance line and Casco insurance.

The volume of written premiums and the market share of the main insurers on Romania at the end of the year 2013 on the motor insurance sector:

Position	Company name	Total Gross written premiums motor (RON)	The market share (%)
1	ALLIANZ - TIRIAC	584,660,475	13.73
2	ASTRA (*)	539,578,190	12.67
3	OMNIASIG	501,127,161	11.77
4	UNIQA	484,435,517	11.38
5	EUROINS	480,598,477	11.29
6	GROUPAMA	461,525,056	10.84
7	CARPATICA	441,900,620	10.38
8	ASIROM	334,876,146	7.86
9	GENERALI	185,622,842	4.36
10	CITY INSURANCE	181,429,125	4.26
11	OTHER COMPANIES	62,418,468	1.47
Total		4,258,172,242	100.00

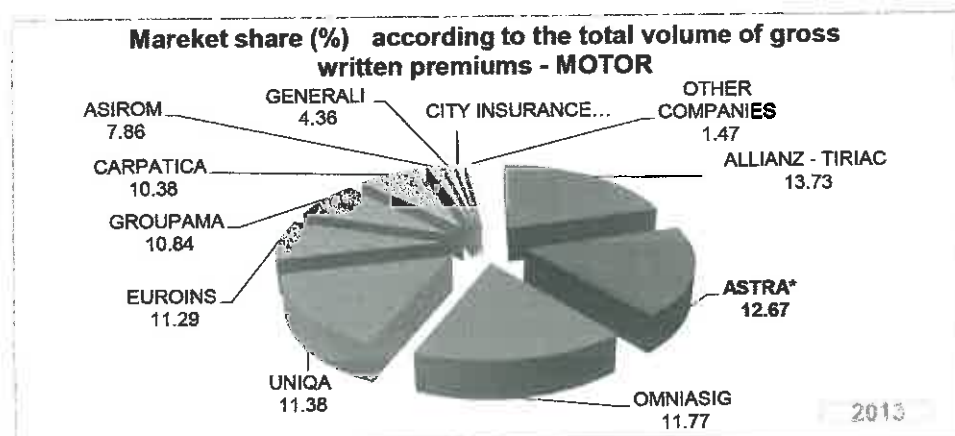
Source: Annual ASF Report for the year 2013/ (*) value according to the Financial Statements 2013

⁹ ASF - Annual ASF Report for the year 2013

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As it can be noticed from the following images, the Company acted in the direction of diversifying the motor insurance portfolio, maintaining a significant position both on the mandatory insurance line and on the Casco insurance.

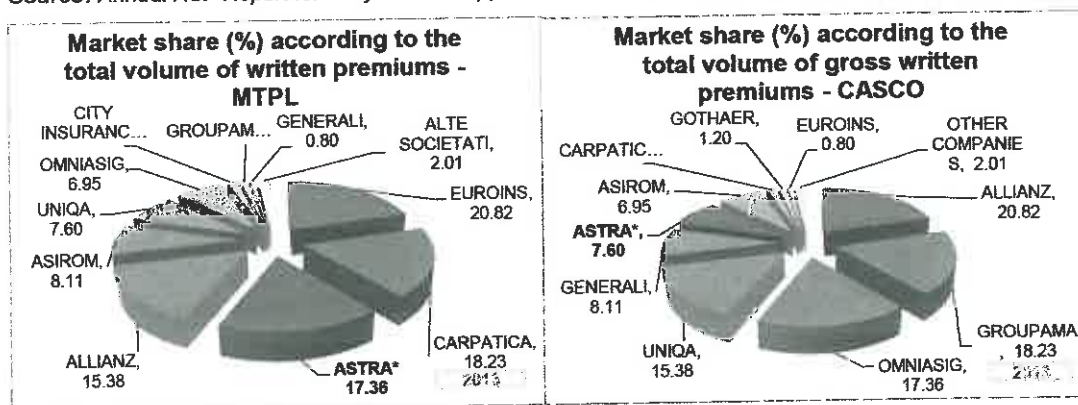


Source: Annual ASF Report for the year 2013; Financial Statements 2013

The volume of written premiums and the market share of the main insurers at the end of 2013 on MTPL insurance:

Position	Company name	Total Gross written premiums MTPL (RON)	The market share (%)
1	EUROINS	466,314,975	18.94
2	CARPATICA	413,808,421	16.81
3	ASTRA (*)	403,086,440	16.37
4	ALLIANZ - TIRIAC	210,653,442	8.56
5	ASIROM	210,078,016	8.53
6	UNIQA	208,174,836	8.46
7	OMNIASIG	189,305,924	7.69
8	CITY INSURANCE	177,318,672	7.20
9	GROUPAMA	134,003,609	5.44
10	GENERALI	39,961,866	1.62
11	OTHER COMPANIES	8,969,628	0.36
Total			100.00

Source: Annual ASF Report for the year 2013/ (*) value according to the Financial Statements 2013



Source: Annual ASF Report for the year 2013/ (*) value according to the Financial Statements 2013

Volume of written premiums and the market share of the main insurers at the end of 2013 for CASCO insurance:

Position	Company name	Total Gross written premiums CASCO (Lei)	The market share (%)
1	ALLIANZ - TIRIAC	374,007,033	20.82
2	GROUPAMA	327,521,447	18.23
3	OMNIASIG	311,821,237	17.36
4	UNIQA	276,260,681	15.38
5	GENERALI	145,660,976	8.11
6	ASTRA (*)	136,491,750	7.60
7	ASIROM	124,798,130	6.95
8	CARPATICA	28,092,199	1.56
9	GOTHAER	21,490,201	1.20
10	EUROINS	14,283,502	0.80
11	OTHER COMPANIES	36,069,092	2.01
Total		1,796,496	100.00

Source: Annual ASF Report for the year 2013/ (*) value according to the Financial Statements 2013

NON-LIFE ACTIVITY IN 2013: MARINE INSURANCE SEGMENT

The Company finished 2013 on the **leading position for marine insurance**, recording a **market share of 44.55%**, as presented in the table below.

The volume of the written premiums and the market share of the main insurers at the end of 2013 on the marine insurance segment, considering the writings related to class 6 "Insurance for ships (sea, lake, river and canal vessels);" and class 12 "Liability insurance for ships (sea, lake, river and canal vessels);":

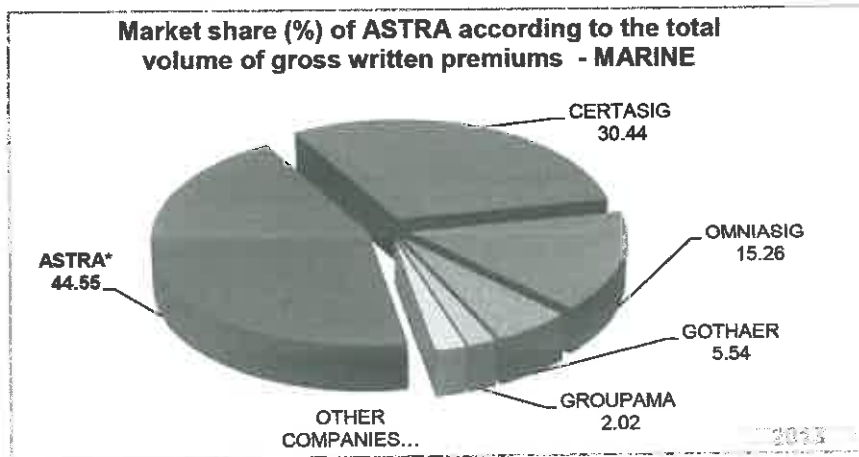
Position	Company name	Gross written premiums (RON) MARINE	Market share (%)
1	ASTRA (*)	32,448,000	44.55
2	CERTASIG	22,169,617	30.44
3	OMNIASIG	11,113,905	15.26
4	GOTHAER	4,032,927	5.54
5	GROUPAMA	1,470,706	2.02
6	OTHER COMPANIES	1,598,422	2.19
Total		72,833,577	100.00

Source: Annual ASF Report for the year 2013/ (*) value according to the Financial Statements 2013

With a worldwide coverage (through premiums written worldwide), ASTRA consolidated its leader position on the marine insurance market by developing a diversified product portfolio including insurance of the H&M ("Hull & Machinery"), P&I ("Protection & Indemnity") type, marine liabilities, but also additional projects through which it should diversify the risks, such as the insurance of ships older than 20 years (product newly-launched in June 2014, in a dedicated project, jointly developed with its international partners: JLJ Marine S.A. and Qatar Reinsurance Company LLC ("Qatar-Re")).

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Source: Annual ASF Report for the year 2013; Financial Statements 2013.

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

The specialized marine insurance department of ASTRA is managed by a team with more than 30 year experience in this field, offering logistic support to clients in seeking the desired insurance product throughout the insurance period and also in claims management.

NON-LIFE INSURANCE ACTIVITY IN 2013: AVIATION INSURANCE SEGMENT

The market of aviation insurance from Romania totalizes in 2013 approximately RON 31 million, representing 0.5% from the total of the gross written premiums on non-life insurance. ASTRA had in 2013 a market share of approximately 70% in regard to the value of the gross written premiums, consolidating its position as leader held during the last 7 years, as it results from the Annual ASF Report for the year 2013.

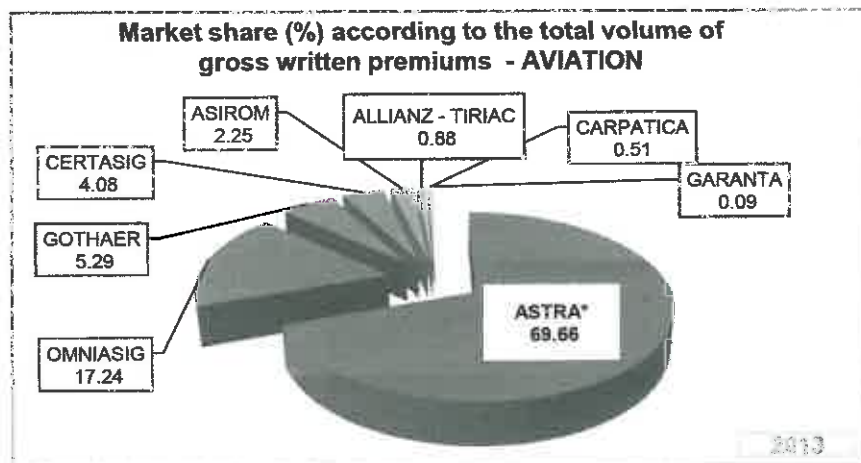
ASTRA entered the aviation insurance market starting with 2000, currently having a specialized aviation department with skilled staff having more than 10 year experience in the negotiation and development of insurance contracts.

The volume of written premiums and the market share of the main insurers at the end of the year 2013 on the aviation insurance segment, considering the gross written premiums related to class 5 "Aircraft insurance" and class 11 "Aircraft liability insurance":

Position	Company name	Gross written aviation premiums (RON)	Market share (%)
1	ASTRA (*)	21,585,451	69.66
2	OMNIASIG	5,343,481	17.24
3	GOTHAER	1,639,021	5.29
4	CERTASIG	1,264,498	4.08
5	ASIROM	696,299	2.25
6	ALLIANZ - TIRIAC	272,967	0.88
7	CARPATICA	158,942	0.51
8	GARANTA	28,238	0.09
Total		30,988,897	100.00

Source: Annual ASF Report for 2013/ (*) value according to the Financial Statements 2013

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



Source: Annual ASF Report for 2013; Financial Statements 2013

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

Translator's explanatory note: please refer to the disclaimer on the first page of the document.

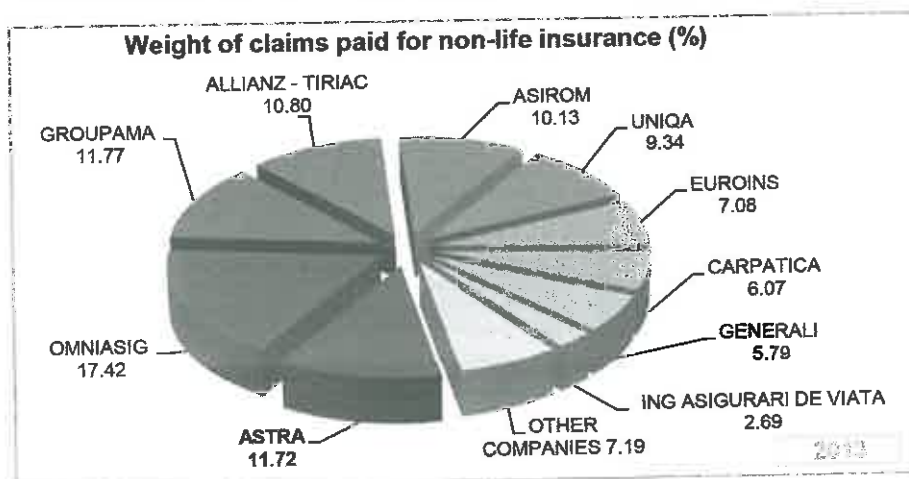
CLAIMS PAID

The total volume of claims paid and rank of the main insurers at the end of the year 2013

Position	Company name	Total gross claims (RON)	Weight (%) total claims
1	OMNIASIG	793,552,126	17.42
2	GROUPAMA	536,149,099	11.77
3	ASTRA	533,877,538	11.72
4	ALLIANZ - TIRIAC	491,766,686	10.80
5	ASIROM	461,272,555	10.13
6	UNIQA	425,610,410	9.34
7	EUROINS	322,579,155	7.08
8	CARPATICA	276,510,062	6.07
9	GENERALI	263,546,112	5.79
10	ING LIFE INSURANCE	122,540,471	2.69
11	OTHER COMPANIES	327,383,747	7.19
Total		4,554,787,961	100.00

Source: Annual ASF Report for 2013

According to the annual ASF report for the financial year 2013, the value of claims paid by insurance companies in Romania for non-life insurance recorded a nominal decrease of 5.31% as compared with the claims paid in 2012. In regard to the claims paid by ASTRA, these dropped by 13.46% in nominal terms versus the previous financial period.



Source: Annual ASF Report for the year 2013

The Company maintained its position at the top of claims payments on the insurance market in Romania, related to non-life insurance activity as it results from the Annual ASF Report for 2013.

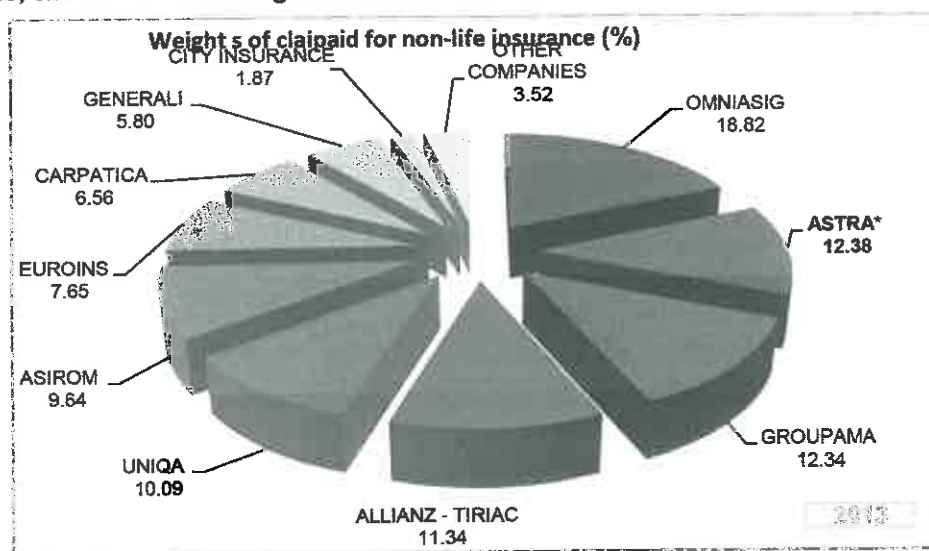
Translator's explanatory note: please refer to the disclaimer on the first page of the document.

The total volume of claims paid related to non-life insurance segment and the weight of the main insurers at the end of the year 2013:

Position	Company name	Total claims paid - non-life (RON)	Weight (%) total claims paid
1	OMNIASIG	793.552.126	18,82
2	ASTRA (*)	522.107.612	12,38
3	GROUPAMA	520.305.597	12,34
4	ALLIANZ - TIRIAC	478.331.005	11,34
5	UNIQA	425.610.410	10,09
6	ASIROM	406.581.177	9,64
7	EUROINS	322.579.155	7,65
8	CARPATICA	276.510.062	6,56
9	GENERALI	244.423.986	5,80
10	CITY INSURANCE	78.800.551	1,87
11	OTHER COMPANIES	148.368.845	3,52
Total		4.217.170.526	100,00

Source: Annual ASF Report for 2013/ (*) value according to the Financial Statements 2013

Significant proportions of the claims paid by insurance companies were recorded on the following insurance classes: class 10 - Motor liability insurance, class 3 - Insurance for land vehicles, class 8 - Insurance against fire and other natural disasters.



Source: Annual ASF Report for 2013; Financial Statements 2013

Translator's explanatory note: please refer to the disclaimer on the first page of the document.

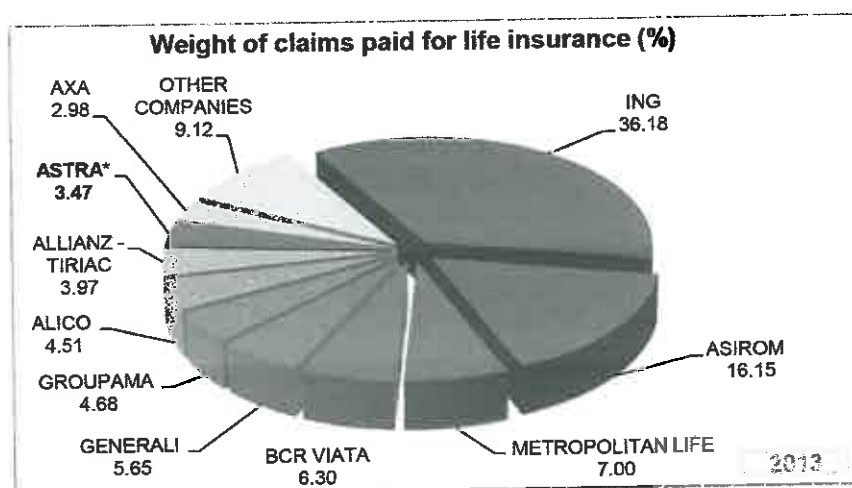
The total volume of claims paid related to life insurance and the weight of the main insurers at the end of the year 2013:

Position	Company name	Claims paid- Life (RON)	Weight (%) claims paid
1	ING LIFE INSURANCE	122,540,471	36.18
2	ASIROM	54,691,378	16.15
3	METROPOLITAN LIFE	23,719,336	7.00
4	BCR LIFE INSURANCE	21,336,603	6.30
5	GENERALI	19,122,126	5.65
6	GROUPAMA	15,843,502	4.68
7	ALICO	15,286,004	4.51
8	ALLIANZ - TIRIAC	13,435,681	3.97
9	ASTRA *	11,769,926	3.47
10	AXA LIFE INSURANCE	10,092,767	2.98
11	OTHER COMPANIES	30,885,843	9.12
Total		327,952,915	100.00

Source: Annual ASF Report for 2013/ (*) value according to The Financial Statements 2013

According to the annual ASF report for 2013, the Company was not among the top of the first 10 companies, in the ranking of claims paid for the life insurance segment in 2013, thus recording a weight of 0.84% in the total claims paid related to this insurance Segment.¹⁰

According to the same report, the highest value claims paid at the level of the insurance market were recorded for the following insurance classes: **AI - Life assurance, annuities and supplemental life assurance** and **AIII - Unit-linked life assurance and annuities**.



Source: Annual ASF Report for 2013/ (*) value according to the Financial Statements 2013

¹⁰ Annual ASF Report for the year 2013

5.2.2. The insurance market from Hungary

The insurer market in Hungary is represented by a number of 32 insurance companies. The main insurer on Hungarian market, determined according to the volume of gross written premiums are: Allianz, Generali Providencia, Groupama, Aegon and ING.¹¹

The value of the gross written premiums at industry level as at 31 December 2013 (cumulated for non-life and life insurance) was of EUR 2,727¹¹ million, an increase by 5.51%¹¹ compared with the same indicator recorded in 2012, 2013 being the first of the last 5 years, when the cumulated value of claims paid recorded an increase.

The Company's penetration on the insurance market from Hungary occurred at the end of 2010, through opening a branch in Budapest that commenced the insurance activity by underwriting MTPL policies, insurance against fire and other natural disasters insurance for land vehicles. The main products offered by the branch of the Company in Hungary are: **CASCO, corporate insurance, home insurance, life insurance, insurance for land vehicles.**

In 2013, ASTRA branch in Hungary occupied the 25th place in the top 32 insurance companies activating on the insurance market in Hungary, the classification based on the total value of the gross written premiums recorded in one year (according to the data reported by MABISZ), gross written premiums in total value of EUR 11.97 million¹² and a market share of 0.44%¹¹.

Without a significant presence on the life insurance segment, the Astra Branch from Hungary occupies the 17th place on the non-life insurance segment with gross written premiums of EUR 11.73 million and a market share of 0.92%.¹¹

In regard to the motor third party liability insurance (MTPL), Astra Branch occupies the 10th place on the specialized market, with gross written premiums of EUR 9.31 million and a market share of 3.37%.¹¹

5.2.3. The insurance market in Slovakia

The insurance market in Slovakia recorded an increase in 2013, the volume of the gross written premiums being by 2.24% higher than the premiums recorded in the financial year 2012, reaching **EUR 2,082 million** in gross written premiums, out of which EUR 912 million represent gross written premiums related to non-life insurance. The largest companies activating on the Slovakian

¹¹ Association of Hungarian Insurance Companies (MABISZ) – "Insurance Market 2013 1st- 4th Quarter" report, "Insurance Market 2012 1st- 4th Quarter" report (<http://www.mabisz.hu/en/market-reports.html>)

The values in EUR were computed at the exchange rate EUR/HUF of the Central European Bank as of 31 December 2013 and as of 31 December 2012 respectively

¹² ASTRA/ The values in EUR were computed at the exchange rate EUR/HUF of the Central European Bank as of 31 December 2013 and as of 31 December 2012 respectively



market are: Allianz Slovenska Poistovna, Kooperativa Poistovna VIG, Generali Poistovna and KOMUNÁLNA Poistovna.¹³

ASTRA penetrated the Slovakian insurance market in December 2012, by setting up a branch in Bratislava. The corporate strategy in regard to the activity of the branch in Slovakia is based on partnerships with insurance intermediaries, the main products offered being: **motor third party liability, CASCO, home insurance and corporate insurance.**

In 2013, the branch in Slovakia recorded gross written premiums in amount of **EUR 0.67¹⁴** million.

5.2.3. The market in Germany:

In December 2013, ASTRA obtained the endorsement of the Financial Supervisory Authority approval for underwriting general liability insurance in Germany. The products offered by the Company in Germany comprise **civil liability insurance against the constructor, service suppliers, owners, against damages inflicted by floods, against holders of livestock.** The Company has also written policies under the **convention on the freedom of services.**

In regard to the information presented on the main markets on which the Company activates (the insurance market in Romania, Hungary, Slovakia and Germany) for 2013 as regards the market insights, no public information was identified, for which significant changes could impact the above-described markets. Also, in regard to the activity of the Company on the markets presented above, up to the date of the Prospectus, the Company has not published any interim financial information that could determine significant modifications of the market share.

5.3. *If the information supplied in accordance with items 5.1 and 5.2 was influenced by the extraordinary factors occurring at the end of the period covered by the latest audited and published financial statements, this shall be specified*

N/A.

5.4. *Insofar as these have a significant influence upon the activity or yield of the Issuer, the synthetic information regarding the extent to which the Issuer depends upon patents and licences, industrial, commercial or financial contracts or new manufacturing procedures*

The Company is regulated, authorized or supervised by ASF. ASF exerts authorization, regulation, supervision and control upon insurance, insurance-reinsurance and reinsurance companies, as well as upon insurance intermediaries, the supervision of insurers and reinsurers carrying out their activity in or from Romania, the supervision of intermediaries in insurance and

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

¹⁴ ASTRA



reinsurance, as well as of other activities related thereto, according to the applicable legal provisions, from which we mention the following: **Law no. 136/1995 on insurance and reinsurance in Romania, with subsequent amendments and supplements, Law no. 32/2000 on the insurance activity and insurance supervision, with subsequent amendments and supplements, Law no. 260/2008 on the mandatory home insurance against earthquakes, landslides and floods, republished, Law no. 503/2004 on the financial recovery and the bankruptcy of insurance companies, with subsequent amendments.**

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

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

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

In Romania, ASTRA is authorized by ASF to insure catastrophe risks. In 2009 it was set up the **Pool of Insurance against Natural disaster (PAID)** by the joint effort of **12 insurance companies**, shareholders of PAID. The main role of the Pool of Insurance against Natural disaster is a social role, protecting the population against natural catastrophes specific to Romania. The insurance policies against natural disaster (PAD) are issued through companies that are shareholders of PAID and of companies authorized to practice risks of natural disaster that concluded collaboration

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protocols with PAID. ASTRA is a shareholder of PAID, with a holding of 15% of the share capital of PAID and issues PAD policies on its behalf.

The motor third party liability

ASTRA is authorized to practice the mandatory motor third part liability insurance ("MTPL"), in accordance with the norms on MTPL for damages inflicted by vehicle accidents approved by the Order of the President of the Insurance Supervisory Commission no. 14/2012. One of the specific conditions necessary to authorize a company to underwrite motor third party liability is to **maintain the status of a member in the Board of the Romanian Motor Insurers Bureau (BAAR)**, as well as the status of a member in the Association "**Fondul de protecție a victimelor străzii**" (Street Victims Protection Fund), an active role throughout the validity period of the license. BAAR members have the following main obligations:

- to fully observe the guarantee assumed under concluded "Green Card" insurance contracts;
- to conclude and permanently maintain an excess of loss reinsurance treaty on "Green Card" insurance" in force;
- to contribute to the setting up and functioning of the Joint Green Card Fund;

The very serious infringement by a member of the obligations he has towards BAAR or of the obligations he has as a MTPL insurer might result in the enactment by the General Meeting of BAAR of the decision to propose to the Insurance Supervisory Commission, currently ASF, to withdraw the right of that respective member to underwrite MTPL insurance in Romania.

ASTRA is authorized to practice non-life insurance against fire and natural disaster (class 8) and motor third party liability (class 10), as follows:

- in Romania starting with 2001;
- in Hungary starting with 2010;
- in Slovakia starting with 2012;

In Germany, the Company received the license to practice only general liability insurance (class 13) in December 2013.



6. ORGANISATION CHART

The organisation chart of the Issuer as of 31 December 2013 is presented in Appendix IV.

In accordance with art. 3 in ASF Decision no. 42/18.02.2014, as of the date of communicating this decision the following rights and attributes within the Company: were suspended:

- c) legal prerogatives of significant shareholders and of significant persons inside the Company. These authorities were transferred to the Special Administrator throughout the special administration procedure;
- d) the voting rights in regard to the appointment and revocation of the members in the Supervisory Board of the Company, the right to dividends to the shareholders, the activity, as well as the right to remuneration of the members in the Supervisory Board.

The aforementioned suspension is effective throughout the period of the financial recovery of the Company through special administration.

The Special Administrator fully took over the attributions of the significant persons in the Company, as they are defined in the law and the Company's Articles of Incorporation, including the attributions of the members in the Supervisory Board and of the members in the Management Board. The modifications in corporate governance generated by the implementation of the ASF Decision no. 42/18.02.2014 were not illustrated in the organisation chart of the Company, as presented in Appendix IV.

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

Societatea de Asigurare-Reasigurare ASTRA S.A. is part of the group of companies held by The Nova Group Investments Romania S.A., with the registered office in Bucharest, sector 3, P-ta Unirii, Magazin Unirea, no. 1, Et. 5 si 6, number with the Trade Register J40/6208/1994, that is 100% owned by The Nova Group Investments BV, with the registered office in the Netherlands, Delft, Martinus Nijhofflaan 2, 2624ES.

The Nova Group is a financial holding which field of activity is managing equity held in various companies. The Nova Group is active in the field of financial, media, real estate development, construction, hotel and trade field.

Based on Letter no. 250/ 25.04.2014, and APPENDIX NO. 6 – 2013 to the this Letter, remitted to Societatea de Asigurare-Reasigurare ASTRA S.A. by the Nova Group Investments Romania SA, and represented by Bogdan Alexander Adamescu, , the structure of the Group as at 31 December 2013 where the Issuer is a party, is presented below::

Crt. No.	Company name	Parent-company - Group	Interest (%)
1	NOVA GROUP INVESTMENTS BV	STICHTING ADMINISTRATIEKANTOOR TNG	100%
2	ADASPED INTERNATIONAL SA	ADASPED-PRESTARI-COMERT SRL The Nova Group Investments Romania SA	0,07% 0,07%
3	ADASPED-PRESTARI-COMERT SRL	Nova Group Investments BV The Nova Group Investments Romania SA	98,99% 1%

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Crt. No.	Company name	Parent-company - Group	Interest (%)
4	ALPHA SPV SRL	Nova Group Investments BV The Nova Group Investments Romania SA	99% 1%
5	ASTRA CARD SRL	The Nova Group Investments Romania SA TNG REAL ESTATE MANAGEMENT SRL	98.4% 1.60%
6	ASTRA NOVA SECURITY SA	Nova Group Investments BV	99.09%
7	BETA SPV SRL	Nova Group Investments BV The Nova Group Investments Romania SA	99% 1%
8	BURSA ROMANA DE MARFURI	The Nova Group Investments Romania SA	5.69%
9	COMPANIA HOTELIERA INTERCONTINENTAL ROMANIA SA	The Nova Group Investments Romania SA	15.71%
10	DELTA VENTUR SPV SRL	Nova Group Investments BV The Nova Group Investments Romania SA	99% 1%
11	EAST BUCHAREST COMERCIAL PARK SRL	Nova Group Investments BV The Nova Group Investments Romania SA	99.96% 0.04%
12	EPSILON ESTATE PROVIDER SRL	Nova Group Investments BV The Nova Group Investments Romania SA	99% 1%
13	ETA ESTATE SOLUTION SPV	Nova Group Investments BV The Nova Group Investments Romania SA	99% 1%
14	FOTBAL CLUB OTELUL	TNG REAL STATE MANAGEMENT SRL THETA PROFICIENCY SRL	99.78% 0.22%
15	GAMA TRADE SPV SRL	Nova Group Investments BV The Nova Group Investments Romania SA	99% 1%
16	INTERNATIONAL BUSINESS CENTER MODERN SRL	Nova Group Investments BV	94.00%
17	LIDO SA	The Nova Group Investments Romania SA	6.62%
18	MEDIEN-HOLDING SRL	Nova Group Investments BV	50%
19	MEGACONSTRUCT SA	Nova Group Investments BV The Nova Group Investments Romania SA	99.43% 0.57%
20	OMEGA CITY BUSINESS CENTER SRL	Delta Venture SPV SRL The Nova Group Investments Romania SA	99% 1%
21	RODACHIM SA	TNG REAL STATE MANAGEMENT SRL	49.98%
22	ROMANIAN - AUSTRIAN CASINO CORPORATION SRL	TNG REAL STATE MANAGEMENT SRL	99%
23	SIGUR INDUSTRIAL CONSTRUCT SRL (fosta BAUMEISTER S.A)	Nova Group Investments BV	99.93%
24	SOCIETATEA DE ASIGURARE - REASIGURARE ASTRA S.A.	Nova Group Investments Romania SA EPSILON ESTATE PROVIDER SRL	72.68% 27.02%
25	STEAUA ELECTRICA SA FIENI	The Nova Group Investments Romania SA	1.47%
26	The Nova Group Investments Romania SA (fosta NOVA TRADE S.A)	Nova Group Investments BV	99.19%
27	THETA PROFICIENCY SRL	Nova Group Investments BV The Nova Group Investments Romania SA	99% 1%
28	TNG REAL STATE MANAGEMENT SRL	Nova Group Investments Romania SA Nova Group Investments BV	99% 1%
29	UNIREA SHOPPING CENTER PITESTI SRL	Nova Group Investments BV	99%
30	UNIREA SHOPPING CENTER SA	The Nova Group Investments Romania SA	71.82%
31	ZETA SPV DEVELOPMENT SRL	TNG REAL STATE MANAGEMENT SRL The Nova Group Investments Romania SA	99% 1%

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

The above information on the Issuer's group was supplied by the majority shareholder of the Issuer, i.e. The Nova Group Investments Romania SA (former NOVA TRADE S.A). It is



impossible for the Issuer to perform exhaustive verifications in order to determine to what extent the above information is complete and accurate.

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

The Issuer owns four subsidiaries: Astra Activ Imob SRL, Astra Safe Imob SRL, Astra Training SRL and Novacuart SRL. Based on ASTRA's evidence, the interests held by the Issuer in subsidiaries, as well as interests held by its subsidiaries, are the following:

Crt. no.	Company name	Parent company – Group	Interest (%)
1	ASTRA ACTIV IMOB SRL	SOCIETATEA DE ASIGURARE-REASIGURARE ASTRA S.A. SC Novacuart SRL	95% 5%
2	ASTRA SAFE IMOB SRL	SOCIETATEA DE ASIGURARE-REASIGURARE ASTRA S.A. SC Novacuart SRL	95% 5%
3	ASTRA TRAINING SRL	SOCIETATEA DE ASIGURARE-REASIGURARE ASTRA S.A. SC Novacuart SRL	95% 5%
4	NOVACUART	SOCIETATEA DE ASIGURARE-REASIGURARE ASTRA S.A.	100.00%

Source: ASTRA

7. INFORMATION ON TRENDS

7.1. *The main trends affecting the production, sales and inventories, the costs and sales prices from the end of the last financial year until the date of drafting the document*

MACROECONOMIC TRENDS

Among the main macroeconomic trends affecting the volume and dynamics of the insurance market from Romania in the year 2013 were:

- ✓ In 2013, Romania has recorded the highest economic growth rate since the beginning of the international economic crisis, namely since the beginning of 2008 until the end of 2013 (an economic growth of 3.5% in 2013, according to the estimations of INS);¹⁵
- ✓ The increase of the country rating for long-term loans in foreign currency and local Romanian currency from "BB+" to "BBB-", by S&P;¹⁶
- ✓ The increase of the cumulated value of direct foreign and portfolio investments of non-residents attracted by Romania by 17.5% in 2013 versus the previous period up to a value of Euro 7.2 billion.

According to the data published by Institutul National de Statistica ("INS" – National Statistics Institute) (National Account methodology), in 2013, the active population of Romania recorded a

¹⁵ Annual ASF Report for the year 2013

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

Translator's explanatory note: please refer to the disclaimer on the first page of the document.

number of **9,432.2 thousand persons**, out of whom a number of **6,473.3 thousand** are officially **employees**. By reporting the number of persons hired under an employment agreement for unlimited term to the total employees in Romania, as declared by insurance companies in 2013, it results that the insurance industry holds a weight of 0.19%¹⁷.

The macroeconomic environment has generally remained difficult 2013, although by 17.5% there were certain improvements made as compared to the previous years. **The annual real increase of the Gross Domestic Product (GDP) rose to 3.5% from 0.6% in 2012**, supported by the strong increase of exports and a consistent agricultural production, according to the data supplied by Eurostat. **This is the highest economic growth rhythm reached by Romania since the commencement of the international economic crisis, i.e. end of 2008.**¹⁸

In 2013, the Romanian economy was the second in the European Union (after Latvia)¹⁸ **at the economic growth**, whereas the Euro area level recorded in aggregate an annual economic decrease of 0.4% and the average of the national economic growth at the level of the European Union was kept at a level close to such from the previous year (of 0.1%).

The favourable forecasts regarding the prosperity and economic growth place Romania as **one of the attractive markets for investing**. In May 2014, after a 6-year period, the agency Standard&Poor's **positively revised the rating for long-term loans in foreign currency and local currency from "BB+" to "BBB-"**.¹⁹

According to the Eurostat data, reaching an annual compound growth rate (CAGR²⁰) of 10.7%, computed for the period 2004 until 2013, Romania has **the most important historic growth of GDP per capita among the EU Member States**, but at absolute level this remains slightly low at **EUR 7,133 per capita**, overtaking only Bulgaria with EUR 5,512 among the EU member states.. This shows a large growth potential together with attractive investment opportunities.

¹⁷ Annual ASF Report for the year 2013

¹⁸ <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&plugin=1&language=en&pcode=tec00115>

¹⁹ <http://www.bloomberg.com/news/2014-05-16/s-p-upgrades-romania-to-investment-grade-after-six-years.html>

²⁰ The Compound Annual Growth Rate measures the annual yield of an investment computed based on the previous balances that include both the principal and the capitalized interests;
Source: www.nasdaq.com

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In the table below it is shown the evolution of the GDP per capita in the European Union within the period 2004-2013, together with the compound annual growth rate (CAGR) recorded in this period:

GDP evolution per capita (EUR)							
Country	2004	2013	CAGR (%)	Country	2004	2013	CAGR (%)
Luxemburg	59,503	82,736	3.7%	Slovenia	13,630	17,115	2.6%
Denmark	36,418	44,245	2.2%	Malta	11,597	16,975	4.3%
Sweden	32,363	43,635	3.4%	Greece	16,730	16,562	-0.1%
Austria	28,618	36,798	2.8%	Portugal	14,227	15,890	1.2%
The Netherlands	30,124	35,810	1.9%	Czech Republic	9,006	14,220	5.2%
Ireland	36,487	35,632	-0.3%	Estonia	7,128	14,010	7.8%
Finland	29,077	35,486	2.2%	Slovakia	6,327	13,319	8.6%
Belgium	27,885	34,157	2.3%	Lithuania	5,436	11,765	9.0%
Germany	26,614	33,890	2.7%	Latvia	4,958	11,677	10.0%
France	26,374	31,278	1.9%	Croatia	7,656	10,156	3.2%
UK	29,698	29,531	-0.1%	Poland	5,350	10,123	7.3%
Italy	24,151	25,666	0.7%	Hungary	8,132	9,915	2.2%
Spain	19,431	21,996	1.4%	Romania	2,556	7,133	10.7%
Cyprus	17,183	19,235	1.3%	Bulgaria	2,627	5,512	8.6%
EU-28					21,541	25,757	2.0%

Source: Eurostat

In contrast to the significant acceleration of the GDP growth, the economic activity at local level experienced fluctuating evolutions marked by a persistence of the internal demand deficit. Practically, the economic growth focused on the exporters where a small number of companies have a strong domination, with a rather low triggering effect upon the local economy. This export-based economic growth model also altered the tax income (by higher VAT disbursements to exporting companies) which compelled the Government to operate two budget rectifications for 2013, both rectifications being made to reduce the forecast budget.

Direct foreign and portfolio investments made by non-residents attracted by Romania in 2013 amounted to Euro 7.2 billion – raising by 17.5% as compared to the previous period, indicating an improvement of the external partners' confidence in the Romanian economy. Nevertheless, external inflows in 2013 had a smaller contribution in stimulating the real economy (through investments) and especially in ensuring the macroeconomic stability. Collections from the EU of the public administration (current transfers and capital transfers) doubled compared to 2011, reaching Euro 5.7 billion in 2013, out of which Euro 2 billion were included in the income of the general consolidated budget.²¹

²¹ Annual ASF Report for the year 2013



THE INSURANCE MARKET OF ROMANIA

The insurance market, the capital market and the private pension market **still have** both individually and cumulatively **a reduced span compared with the size of the national economy**, being significantly less developed by comparison to the banking market. As regards the social impact, the most important among the three markets supervised by ASF is currently the market of the private pension funds, which at the end of 2013 recorded **approximately 6.04 million participants in pillar II and approximately 0.31 million participants in pillar III**. The total assets of the collective investment bodies regulated on the capital market exceeded the total **assets** of insurance companies during the last years.

During 2013, 38 companies²² carried out insurance/reinsurance activities in Romania out of which:

- ✓ 20 companies carried out non-life insurance activity;
- ✓ 10 companies carried out life insurance activity;
- ✓ 8 companies underwritten both insurance categories.

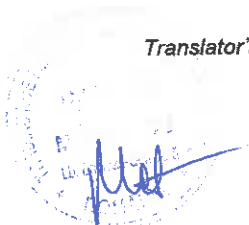
A number of **9 branches authorized in other members states of the EU** - France, Belgium, UK, Poland, Austria and Sweden carried out activity on the territory of Romania based on the settlement right and reported a volume of the gross written premiums in Romania of approximately RON 259 million, **a nominal increase by 19.50% compared with 2012** and 14.93% in real terms.²²

As provided in the Annual ASF Report for the financial year 2013, according to the information included in the annual audited Financial Statements remitted to ASF by insurance companies, and the Financial Statements as at 31 December 2013 respectively remitted by ASTRA (Financial Statements 2013), without having the opinion of the external auditor, as at 31 December 2013 **the aggregate value of the subscribed social capital of insurance companies was of RON 3,466,278,606** and the value of the subscribed and paid up social capitals was of **RON 3,461,691,166**. In comparison with the aggregate value of the subscribed social capital of insurance companies recorded at the end of the year **2012 of RON 2,985,886**, the aggregate value of the social capital of insurance companies, recorded as of 31 December 2013 **increased by RON 480,392,492** recording thus **a nominal growth of 16.09%**.²²

As at 31 December 2013, according to the same report, the participation rate of foreign investors in the subscribed and paid share capital of insurance companies was of 83.21% and the one related to the Romanian capital was of 16.79%²² from the total.

In regard to the country of origin of the capital, foreign investors were holding the following proportions the total value of the subscribed and paid up capital recorded by insurance companies as at 31 December 2013: Austria – 30.10%, France – 14.97%, the Netherlands – 12.89%, Ireland – 9.71%, Bulgaria – 3.64%, Italy – 3.31%, Germany – 2.84%, Greece – 2.22%, Cyprus – 1.21 %, UK – 1.05%, Luxemburg – 0.95%, Moldova – 0.32%, USA – 0.0002% and Turkey – 0.0001%.²²

²² Annual ASF Report for the year 2013



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

In 2013, the insurance penetration degree was around **1.29%**, whereas for the year 2012 this was 1.41%. This is largely due to the fact that the GDP recorded an advance of 3.5% compared to the year 2012, whereas the insurance market (non-life insurance and life insurance) has stagnated. The gross written premiums during the year 2013 were of approximately RON 8,125 million (non-life insurance segment - RON 6,490 million and life insurance segment - RON 1,635 million) reported to an estimated level of the GDP in the amount of RON 628,581 million.²³

The total volume of the gross written premiums on the insurance market in Romania in 2013 contributed also the underwritings of the 8 insurance companies in Romania and other member states of the European Union (Belgium, Bulgaria, Estonia, Finland, France, Italy, Latvia, Lithuania, Poland, Slovakia, Spain and Hungary). The total volume of these premiums was of approximately RON 298 million, representing 3.67% out gross premiums written on the insurance market.²³ The insurers market in Romania showed a more accelerated extension beyond the borders of the country than in the previous years, recording **an increase of the gross written premiums in the Member States of the European Union of over RON 20 million**, predominantly on MTPL policies (a significant concentration was recorded in Italy and Hungary).²⁴

The insurance market in Romania depends upon the motor insurance segment that represents **65.12% from the total gross written premiums related to non-life insurance in 2013** and ASTRA held insurance in over 15% from the insurance market from class 10 – Civil liability insurance for vehicles (information according to the Annual ASF Report, for the year 2013).

The increase of premiums for MTPL in 2013 was influenced by the legal amendments on the method of setting the tariff for MTPL enacted during January 2013 by the provisions of Order no. 3/2013, for the amendment and supplementation of the Norms on the mandatory motor third party liability damages by vehicle accidents applied by the Order of the President of the Insurance Supervisory Commission no. 14/2011, i.e. the fact that **the tariffs for the MTPL should be computed on homogenous risk categories**. Furthermore, for each risk category, **the risk premium shall comprise the estimation of the claim frequency and of the average claim** and premium tariffs should be established so that with a probability of 99.5% the premiums estimated for the following 12 months should cover all related expenses.²³

²³ Annual ASF Report for the year 2013

²⁴ ASF Report "Evolution of main indicators of insurers and insurance intermediaries in the first quarter of 2014— provisory data —"



EXTENDED INFORMATION ON THE TRENDS RECORDED DURING THE FIRST 3 MONTHS OF THE YEAR 2014

According to the ASF Report on the Evolution of the main indicators of the insurers and insurance brokers in the first quarter of 2014 – provisory data –, the insurance market from Romania recorded during the first quarter of 2014 versus the same period of the previous year, **a decrease of gross written premiums by 3.43%** mainly generated by the reduction of the aggregate amount of the gross insurance premiums related to insurance for accidents (class 1), of insurance against fire and other natural disaster (class 8), of suretyship insurance (class 15) and a reduction of the life insurance value. **The only class for which was recorded an increase was class 10 – Motor third part Liability** that increased in the value of the gross written premiums by **10% versus the same period of the year 2013.**

According to the same report, in regard to the **concentration degree of insurers** at the end of March 2014, **the first 10 insurance companies** (among which ASTRA occupied the 2nd place with gross written premiums in the amount of **over RON 217 million** and a **market share of 10.57%**) recorded an aggregate market share of **79.07%** (gross written premiums on non-life insurance and life insurance segments). Versus the similar period from 2013, the market share held cumulatively by the same insurers records a slight decrease by 3.44 %.²⁵

The ASF Report for the aforementioned first quarter of 2014 shows that the volume of claims paid recorded at the level of the insurance market from Romania for the first quarter of 2014, for motor third part liability insurance class recorded **an increase rate of 4.38% versus the first quarter in 2013**, whereas the cumulated value of claims paid for “class 3 Insurance for land vehicles, other than railway”, recorded a reduction of more than 20%.²⁵

Analyzing in aggregate the rate of the gross claims paid and the increase rate of the collected premiums, class 3 – Insurance for land vehicles, other than railway recorded **the best evolution of profitability, deriving both from the favourable evolution of the charged premiums and from a better management of claims.**²⁵

In parallel with the reduction of the gross written premiums related to life insurance policies, the insurance market in Romania recorded at general level **a rather significant decrease of buybacks, down to 20%, for the first quarter of 2014 versus the same indicator recorded in the first quarter of the year 2013.**²⁵

Although the cumulated value of the gross written premiums in the first quarter of 2014 recorded a decrease, the insurance market **recorded significant changes regarding the structure of sales channels** in aggregate and the intermediation degree of insurance policies increased by 16.1% versus the same period of the year 2013. The largest increase of the intermediation percentage was recorded among insurance brokers, i.e. **9.2% versus the intermediation degree recorded in the first quarter of the year 2013.** As a consequence, this dynamics can be translated

²⁵ The ASF Report “Evolution of the main indicators of insurers and insurance intermediaries in the first quarter of 2014- provisory data –“



by the increase of the direct purchase costs that might also care impair the profitability degree of insurance companies.²⁶

According to the same report, in the first quarter of the year 2014, the average price of the annual insurance premium related to the policies for MTPL **increased from RON 462 to RON 468**, compared to the similar period of the year 2013, recording an increase by 1.3% of the practiced price (an evolution determined prevalently by the increase to the same extent of the gross claims paid for damages related to civil liability insurance). At the same time it was recorded an increase by 4% of the number of MTPL policies concluded during the first 3 months of the year 2014, reaching **1,951,380 active insurance contracts**. Thus, although representing the insurance class with the largest number of written policies, the market of MTPL-type insurance shows an insignificant evolution, expecting future successive increases of MTPL policy prices.²⁶

In regard to **claims paid by insurance companies in Romania**, in spite of the decrease (during the first 3 months of the year 2014) of the number of certified claims files and the number of paid claims files, the average value of reported and paid claim reserve has significantly increased. The average paid claim, computed at the level of the insurance market, was **RON 6,604, rising by 19% versus the first quarter of the year 2013** and the reported claims reserve in the balance as of 31 March 2014 recorded an increase by 20% versus the recorded claims reserve recorded on 31 March 2013. Similar increases were consequently recorded also in the value of the IBNR (23%).²⁶

The main factor determining this evolution in the first quarter of 2014 is **the value of claims for bodily injuries and death**, as the value of paid claims of this type **rose by 71% versus the same period of the year 2013** and the claims reserve for bodily injuries and death recorded an **increase by 17% versus the first quarter of 2013**. In the total claims paid at the level of the insurance market, these claims represented a weighting of 25% during the first three months of 2014.²⁶

In regard to the structure of reported but not settled claim reserves in the first quarter of 2014, the value of reserves set up for bodily injuries and death represents 39% from the total value of the claims reserve (as the period from reporting to the payment of such claims is longer than the period related to material claims, as the largest part of files with such claims go to court).²⁶

²⁶ The ASF Report "Evolution of the main indicators of insurers and insurance intermediaries in the first quarter of 2014- provisory data -"



According to the report published by ASF - "Evolution of the main indicators of insurers and insurance intermediaries in the first quarter of 2014 - provisory data -", the value of the gross written premiums recorded by the insurance market in Romania in the first quarter of 2014 was of **RON 2,054 million**, with a nominal decrease of 3.43% versus Q1 2013 (RON 2,127 million)²⁷, out of which:

- gross written premiums related to non-life insurance (NLI) are in the amount of RON 1,672 (decreasing by 2.09% versus Q1 2013 (RON 1,707 million));²⁷
- gross written premiums related to life insurance (LI) are in the amount of RON 382 (recording a nominal decrease of 8.90% versus Q1 2013 (RON 420 million)).²⁷

According to the same report, the evolution of the gross written premiums on insurance classes and in aggregate, at market level, can be illustrated as follows:

Category	Class*	Gross written premiums		
		Q1 2012	Q1 2013	Q1 2014
NLI	I	17,598,444	47,916,906	12,351,594
	II	16,653,951	20,310,848	11,142,916
	III	453,490,765	422,824,877	418,553,126
	IV	434,819	610,781	267,493
	V	1,909,677	2,998,097	1,595,751
	VI	4,558,213	8,158,378	8,422,732
	VII	13,980,833	10,950,591	10,390,229
	VIII	260,211,348	270,104,694	245,877,604
	IX	25,533,510	24,399,973	25,935,098
	X	618,068,014	676,508,834	744,340,832
	XI	2,687,389	2,624,215	3,277,724
	XII	3,511,232	4,477,237	3,624,103
	XIII	216,814,889	131,332,757	124,818,485
	XIV	25,494,747	10,228,243	6,991,847
	XV	55,802,277	54,779,055	30,981,072
	XVI	4,255,019	5,352,773	6,964,619
	XVII	61,887	5,317	4,425
	XVIII	12,660,422	13,504,184	15,848,066
	Total AG	1,733,727,436	1,707,087,760	1,671,387,716
LI	AI	257,057,991	271,624,314	254,835,232
	AII	412,568	363,620	310,210
	AIII	156,342,701	134,459,348	112,103,245
	AIV	711,699	681,820	918,253
	B1	7,585,761	8,019,100	8,461,688
	B2	9,760,447	4,513,945	5,655,201
	Total AV	431,871,167	419,662,147	382,283,829
Total AG + AV		2,165,598,603	2,126,749,907	2,053,671,545

*the detailed presentation of insurance classes is found in chapter 5

Source: ASF Report: "Evolution of the main indicators of insurers and insurance intermediaries in Q1 2014 - provisory data -"

²⁷ The ASF Report "Evolution of the main indicators of insurers and insurance intermediaries in the first quarter of 2014- provisory data -"



Out of the total gross written premiums for general insurance, the largest weightings are held by classes: 3 -"Insurance for land vehicles, other than railway", 8 -"Insurance against fire and allied perils" and 10 -"Motor third party liability insurance". At cumulated level, the gross written premiums on these classes sum up **81.29 % of the total of the gross written premiums for the general insurance activity**.

The rank of the first 10 insurance companies according to the gross written premiums in the first quarter of 2014 (according to the ASF Report):

Insurance company	Total written premiums (NLI and LI) (RON)	Total market share (%)
ALLIANZ - TIRIAC	257,398,861	12.53
ASTRA	217,095,310	10.57
OMNIASIG	192,068,410	9.35
CARPATICA	164,336,566	8.00
GROUPAMA	150,794,812	7.34
ASIROM	148,837,746	7.25
ING LIFE INSURANCE	146,255,805	7.12
EUROINS	118,519,264	5.77
UNIQA	116,712,423	5.68
GENERALI	111,829,213	5.45

Source: ASF Report: "Evolution of the main indicators of insurers and insurance intermediaries in Q I 2014 - provisory data -"

Out of the total value of the gross written premiums ("PBS") for the two insurance categories in the first quarter of 2014, in the amount of RON 2,054 million, the premiums subscribed in Romania are in the amount of RON 1,942 million (94.54%) and the premiums subscribed in other Member State of the European Union are in the amount of RON 112 million (5.46%). 99.60% from the total value of subscriptions in the Member States of the European Union, except Romania, are related to the non-life insurance category.²⁸

The Member States of the European Union in which Romanian insurance companies recorded gross written premiums are: **Italy (PBS: RON 72.8 million, 65.04% from the total premiums in other states EU)**, **Hungary (PBS: RON 33.7 million, 30.13% from the total premiums in other states EU/100% ASTRA)**, Slovakia (PBS: RON 1.9 million, 1.70% from the total premiums in other states EU/100% ASTRA), Spain (PBS: RON 1.2 million), Belgium (PBS: RON 0.8 million), The Netherlands (PBS: RON 0.47 million), Poland: (PBS: RON 0.44 million), Latvia and other states.²⁸

In the first quarter of 2014, ASTRA recorded gross written premiums in other Member states of the European Union, in the amount of RON 35.6 million (16.42% from the total of RON 217 million), related to the premiums in Hungary and Slovakia.

²⁸ The ASF Report "Evolution of the main indicators of insurers and insurance intermediaries in the first quarter of 2014- provisory data -"



The regional distribution of the gross written premiums in the first quarter of 2014 both at the level of the insurance market in Romania and at the level of ASTRA is shown below:



Source: ASTRA

Evolution of claims paid in the first quarter of 2014

In the first quarter of 2014, insurance companies reported gross claims paid, cumulated for the two insurance categories, in the amount of **RON 1,317 million** recording a **nominal increase of 0.93 % versus Q1 2013** (RON 1,305 million).²⁹

We present below the main indicators at market level in regard to the claims paid, taken over from the ASF Report - "Evolution of the main indicators of insurers and insurance intermediaries in The first quarter of 2014- provisory data -" :

- RON 1,134 million are related to non-life insurance contracts, recording an increase of 2.25% versus 31 March 2013 (RON 1,109 million);²⁹

- RON 183 million represents amounts paid for gross claims, maturities and buybacks paid by insurers in regard to life insurance, recording a decrease by 6.53% versus 31 March 2013 (RON 196 million).²⁹

In the first quarter of the year 2014, the analysis by classes of the gross claims paid by insurers shows that the largest amounts were paid for class 10 "Motor Third part liability insurance", class 3 "Insurance for land vehicles, other than railway", class 8 "Insurance

²⁹ The ASF Report "Evolution of the main indicators of insurers and insurance intermediaries in the first quarter of 2014- provisory data -"

against fire and allied perils insurance" and class 13 "General liability insurance" that represented cumulated (RON 1,076 million) 94.92% from the total gross claims paid for non-life insurance.³⁰

Out of the total value of the gross claims paid for the non-life insurance category, the payments related to **vehicle insurance represented 80.72%** (RON 915 million).³⁰

For class 10 "Motor third part liability" there were reported payments in the amount of **RON 535 million**, representing 47.15% from the total claims paid for non-life insurance and these claims recording an increase by 4.39% versus the first quarter of 2013. For class 3 "Road transport mean, other than railway" there were performed payments in the amount of RON 380 million, representing 33.57 % from the aggregate and these claims recorded a nominal decrease of 21% versus the first quarter of 2013.³⁰

For class 8 "Fire and allied perils" there were reported payments in the amount of RON 55 million, representing 4.87% from the aggregate claims paid for non-life insurance and these claims recorded an increase by 8.50% versus the first quarter of the year 2013.³⁰

For class 13 "General civil liability insurance" there were recorded payments in the amount of RON 105 million, representing 9.33% from the aggregate claims paid for non-life insurance. These claims record an increase by 1301.82 % versus the date of the first quarter of 2013.³⁰

The aggregate volume of gross claims, maturities and of buybacks paid by insurers for life insurance contracts in the first quarter of 2014 was of RON 183 million, decreasing by 6.53% versus the first quarter of the year 2013.³⁰

Evolution of buybacks

In the first quarter of 2014, the volume of amounts paid as (full or partial) buybacks, at the request of the insured persons, recorded a nominal decrease by 20.61% versus the first quarter of the year 2013, such reaching the value de **RON 92 million** in the first 3 months of the year 2014.³⁰

The largest weighting (63.80%) of the total and partial buybacks paid in the first quarter of the year 2014 has Class AIII "Life insurance".³⁰

Activity carried out by insurance intermediaries in the first quarter of 2014

The analysis of the data centralized by ASF from reports remitted by insurance intermediaries shows that on 31 March 2014, the value of premiums written for general insurance and life insurance was in the amount of **RON 1,121 million**, a nominal increase of **16.10 percent** versus the same period of the year 2013 (RON 965 million).³⁰

³⁰ The ASF Report "Evolution of the main indicators of insurers and insurance intermediaries in the first quarter of 2014- provisory data —"



The premiums written by insurance intermediaries in reference to the gross premiums written by insurers, show that in the first quarter of 2014, **intermediaries concluded 54.57% of the total volume of the gross premiums underwritten by insurers** and this represents an increase by 9.18 percentages versus the intermediation degree recorded within the similar period of 2013.³¹

Date	Gross written premiums by insurers		Premiums intermediated by insurance intermediaries		Intermediation degree		
	Non-life insurance (RON)	Life insurance (RON)	Non-life insurance (RON)	Life insurance (RON)	Intermediate premiums / PBS (%)		
					NLI	LI	Total
Q1 2012	1,733,727,436	431,871,167	802,588,157	26,559,422	46.29	6.15	38.29
Q1 2013	1,707,087,760	419,662,147	934,164,565	31,107,101	54.72	7.41	45.39
Q1 2014	1,671,387,716	382,283,829	1,092,454,834	28,235,440	65.36	7.39	54.57

Source: ASF Report "Evolution of the main indicators of insurers and insurance intermediaries in the first quarter of 2014- provisory data -"

The structure of the income obtained from the intermediation activity, as it results from the reports remitted by the insurance intermediaries for 31 March 2014 (data centralized as at 10 June 2014)³¹, is the following:

- income from the negotiations of insurance and reinsurance contracts was RON 197 million, which represents 97.5% from the total income procured from intermediation activity (in the amount of RON 202 million), the increase versus the similar period of the year 2013 being of 5.9% (RON 191 million);
- income from risk inspections in amount of RON 0.4 million, which represent 0.2% from the total income procured from the intermediation activity, decreasing by 27.4% versus the previous period of the year 2013 (RON 0.6 million);
- income from claims settlements, claims inspection and other activities related to the object of activity, cumulated amount of RON 4.83 million (representing 2.3% from the total income from such activities), increasing by 7.3% versus the similar period from the year 2013 (RON 4.5 million);

Gross written premiums for MTPL

The total amounts of insurance premiums for MTPL at the end of the first quarter of 2014 reached the value of RON 701 million. Compared to the first quarter of 2013, when the written premiums for Motor third part liability were RON 646 million. It was recorded an increase by **8% per aggregate market**.³¹

³¹ The ASF Report "Evolution of the main indicators of insurers and insurance intermediaries in the first quarter of 2014- provisory data -"



Claims paid and claims reserves related to MTPL policies

At the level of the entire MTPL market, in the first quarter of the year 2014, the number of reported claims files was of **70,344 files**, decreasing by 9% versus the same period of the year 2013, when 77,221 files were reported.³²

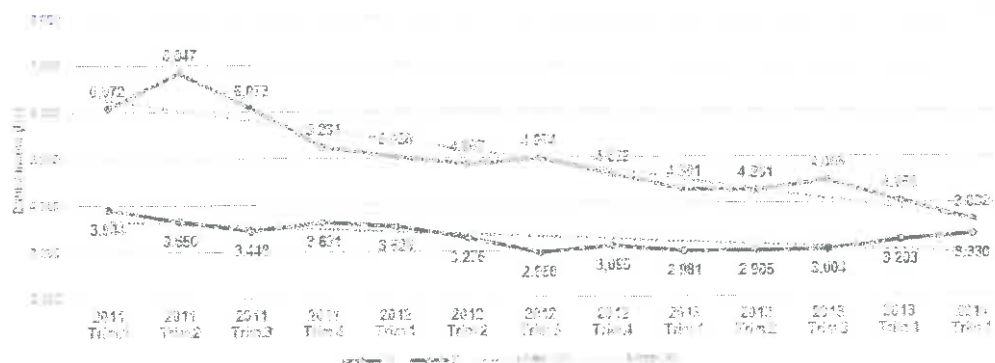
The number of claims files paid in the first quarter of 2014 recorded a decrease by 12%, from 89,606 files on 31 March 2013 to 78,633 files on 31 March 2014.³²

The value of paid claims increased by 4%, from RON 497 million on 31 March 2013 to RON 519 million on 31 March 2014.³²

The average claim paid per aggregate market was in the amount of RON 6,604 increasing by 19% versus the first quarter of the year 2013, when the paid indemnity recorded the value of RON 5,546.³²

According to the preliminary financial information on the first quarter of 2014, at the corporate level, both the amount of the average claim per MTPL segment (class 10) and the average claim recorded for CASCO-type policies (class 3) confirmed a downward trend in regard to the average value paid per file within the analysed period (Q I 2011 – Q I 2014). This is shown in the graphic below:

Evolutia daunei medii in perioada 2011 Trim.1 - 2014 Trim.2, pentru clase III si X



Source: ASTRA, preliminary financial information (Q1 2014) and audited historical financial information (2011-2013)

In regard to both the reported but not settled claims reserve and incurred but not reported claim reserve, it is assessed that in the first quarter of 2014, at the level of the entire MTPL market, the claims reserves recorded an increase of 21% versus the first quarter of the year 2013. The RBNS

³² The ASF Report "Evolution of the main indicators of insurers and insurance intermediaries in the first quarter of 2014- provisory data -"



set up on 31 March 2014, in the amount of 1,497 million, recorded an increase by 20%. The (IBNR) recorded an increase of 23%, reaching the value RON 855 million 31 March 2014 in.³³

In the first quarter of the year 2014, according to the available market information, the value of claims paid for bodily injuries and death, in the amount of RON 134 million recorded an increase by 71% versus the first quarter of the year 2013.³³

The claims reserve for bodily injuries and death was on 31 March 2014 in the amount of RON 585 million, increasing by 17% versus the first quarter of the year 2013.³³

Claims paid for bodily injuries and death represent 25% from the aggregate value of paid claims and the value of the claims reserve set up for bodily injuries and death represent 39% from the total value of the claims reserve.³³

DRAFT OF THE NORM FOR THE AMENDMENT AND SUPPLEMENTATION OF THE NORMS ON MANDATORY MTPL INSURANCE

According to a Draft of the Norm for the amendment and supplementation of the Norms on the mandatory civil liability insurance for prejudices inflicted by vehicle accidents, applied by the Order of the President of the Insurance Supervisory Commission no. 14/2011 published on the webpage of ASF, the following significant amendments are expected that could influence the insurance activity on the entire specialized market in Romania:

- imposing a criteria for the approval as a MTPL insurer of a solvency degree determined by the ratio between the available solvency margin and the minimum solvency margin of at least 1.3.
- providing (transparently) the intermediation fee per MTPL insurance policy, both in absolute amount and as a percentage of the insurance premium provided on the policy, being included as an amount in the total insurance premium.
- the maximum level of the commission granted by insurer for contracting MTPL insurance shall not exceed 10% of the value of collected insurance premiums.
- MTPL insurers are bound to provide under any intermediation contract the Intermediary's obligation to fully collect the insurance premium related to the MTPL policies integral in the insurer's account or, in case of cash payments, of paying the insurance premium fully collected in the insurer's account, at the latest on the day following the collection date.³⁴

³³ The ASF Report "Evolution of the main indicators of insurers and insurance intermediaries in The first quarter of 2014- provisory data -"

³⁴ ASF: <http://www.asfromania.ro/index.php/legislatie/consultare-publica>



The proposal of applying the new legal provisions is 1 January 2015. The main effects of applying such provisions could be:

- the significant reduction of the purchase costs related to MTPL insurance policies up to maximum 10% from the value of collected premiums.
- the fluidization of cash flows in insurance companies, considering the very short term for the submittal of insurance premiums by insurance intermediaries.
- the increase of the interest for the promotion and sale of facultative insurance products.

The Draft Norm is subject to public consultation and possible proposals and remarks may be remitted to ASF by 29 August 2014.

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

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

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

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

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

Translator's explanatory note: please refer to the disclaimer on the first page of the document.



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

8. PROFIT FORECASTS OR ESTIMATES

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

9. ADMINISTRATION, MANAGEMENT AND SUPERVISION BODIES AND TOP MANAGEMENT

9.1. The names, address of the working place and position within the issuing company of the following persons and the main activities carried out by them outside the issuing company, whether the concerned activities are significant for the issuing company:

a) members of administration, management or supervisions bodies

In accordance with the Articles of Incorporation of the Company, the Issuer is managed in two-tier system by the Management Board and Supervisory Board.

The Management Board of the Company is executively responsible (in liaison with the heads of organizational structures) and responsible for the management of the Company.

The Management Board is made up of 3 (three) members, their number being always uneven, appointed by the Supervisory Board, which grants to one of them the position of president of the Management Board and to the other one the position of vice-president.

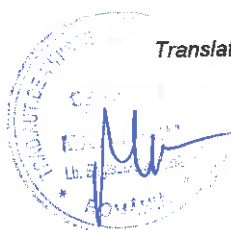
The number of members of the Management Board may be diminished or increased by the decision of the Supervisory Board.

Decisions in regard to the appointment or revocation of the president and vice-president of the Management Board shall be taken with the majority of members in the Supervisory Board.

The Management Board exerts its authorities under the control of the Supervisory Board, made up of 3 members elected by the general ordinary meeting of the shareholders of the Company. The Supervisory Board appoints from among its members one president of the Board.

In accordance with art. 3 of ASF Decision no. 42/18.02.2014, the legal attributions of the significant shareholders and of the significant persons of the Company (inclusively the attributions of the members in the Management Board and members in the Supervisory Board) were suspended.

The Special Administrator took over the attributions of the significant persons of the Company in full, as stipulated by the law and the Articles of Incorporation of the Company.



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

Taking into account the fact that the powers of the members in Supervisory Board and of the members in the Management Board were suspended throughout the period of the financial recovery procedure by special administration, the activities carried out by such persons cannot significantly influence the Company within such period, until the Company is released from the special administration. The Special Administrator does not foresee the release from the financial recovery procedure by special administration until finalizing the subscription procedure related to the capital increase presented in this Prospectus.

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

- **Grigore-Dan Adamescu**, President of the Supervisory Board, has more than 15 year professional experience in business management;
- **Bogdan Alexander Adamescu**, Vice-president of the Supervisory Board, has more than 8 year professional experience in business management;
- **Ion Nitu**, Vice-president of the Supervisory Board, with over 27 year professional experience and business management;
- **Iulius-Alin Bucsa**, President al Management Board, with more than 15 year professional experience and 5 years of professional experience in business management;
- **Marius-Catalin Chiriac**, Vice-president of the Management Board, has more than 5 year professional experience in management positions and over 2 year professional experience in business management;
- **Nicoleta Dinu**, member of the Management Board, with more than 10 year professional experience in management positions, over 1 year of professional experience in business management (in the position of a member in the Management Board) and 8 year professional experience in business management.

By Decision no. 3/21.02.2014 of the Special Administrator, the members in the Management Board, whose authorities were suspended by ASF Decision no. 42/18.02.2014 exert only verification, coordination and certification authorities on own liability of the deeds and specific processes within the organizational structures subordinated to them before suspending the authorities and exclusively play a consultative role, without having the right to represent or engage ASTRA towards third parties or any decision right in regard to the deeds proposed by them, such rights exclusively pertaining to the Special Administrator.

For all aforementioned persons, the professional headquarters for the activity carried out as a Special Administrator/member of the Management Board/member of the Supervisory Board of the Company is at the registered office of ASTRA from Bucharest, str. Nerva Traian, no. 3, bl. M101, etaj 10, sector 3.

Translator's explanatory note: please refer to the disclaimer on the first page of the document.



The Issuer has no information on the existence of any activities carried out outside the Issuer by the aforementioned suspended persons, activities that should be relevant for the Issuer.

KPMG Advisory SRL has not carried out activities outside the Issuer, having the capacity of a Special Administrator appointed by ASF for other companies on the insurance/insurance field, activities that would be relevant for the Issuer.

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

According to the information made available by the Special Administrator:

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

9.2. *Conflicts of interests within the administration, management and supervision bodies and the top management.*

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

9.3. *Information on any convention, agreement with the main shareholders, clients, suppliers or other persons under which any of the persons provided at item 9.1 was elected as a member of an administration, management and supervision body or as a member of the top management:*

Bogdan Alexander Adamescu (Vice-president of the Supervisory Board – currently suspended) also holds the capacity of legal representative of the majority shareholder of the Company, i.e. The Nova Group Investments Romania SA (holding 72.6830% of the Issuer's shares). Concurrently,

having regard to the fact that The Nova Group Investments România SA is a director – legal entity of Epsilon Estate Provider SRL (a company holding 26.0413% of the Issuer's shares), then Epsilon Estate Provider SRL is also represented by Bogdan Alexander Adamescu, as legal representative of the director-legal entity.

Except those already mentioned, the Issuer is not aware of any convention, agreement with the main shareholders, clients, suppliers or other persons under which the suspended members of the Supervisory Board or the suspended members of the Management Board were elected in the concerned positions.

The Issuer is not aware of any convention, agreement with the main shareholders, clients, suppliers or other persons under which was appointed the Special Administrator of the Company.

9.4. *Details on any restriction accepted by the persons provided at item 9.1 on assigning within a certain time period of their interest in the share capital of the Issuer:*

N/A.

10. REMUNERATIONS AND BENEFITS

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

In accordance with the decisions of ASF on the monthly remuneration to the Special Administrator, the cumulated value of the remuneration related to the activity of the Special Administrator for the Company as at 30 June 2014 was of RON 1,339,742 (the amount is net of VAT), out of which the value of unpaid remunerations (at 30 June 2014) was RON 584,684 (the amount is net of VAT).

10.2. *The total amount of the amounts assigned or accrued by the Issuer or his subsidiaries for the payment of pensions or of other benefits*

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

11. THE ADMINISTRATION AND MANAGEMENT BODIES

11.1. *The expiration date of the current mandate of the persons provided at item 9.1 letter a, as the case may be, and the period in which they occupied the position.*

Information on the members of the suspended management of the Company, as they were presented in section 9.1. (the suspension regime occurred on the date of issuing the ASF Decision no. 42/2014 and it is maintained until the date at which ASF issues a new decision on the release from the special administration of the Company):



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

In accordance with ASF Decision no. 42/ 2014, the mandate of the Special Administrator of the Company started on 18 February 2014 and shall end on the date of issuing a new ASF decision in regard to the special administration of the Company.

By such date, ASF has not issued any type of decision on the release of the Company from the special administration and no such decisions have been issued.

11.2. Information on the contracts concluded among the members of the administration, management and supervision bodies and the Issuer or any of his subsidiaries under which is provided the granting of benefits on the due date of the contract

Decision no. 42/18.02.2014 of the Financial Supervisory Authority does not provide the benefit remuneration of the Special at the expiration the contract.

In regard to the benefits related to the members of the suspended management, one of the mandate contracts provided at item 11.1 stipulates remuneration. Thus, if the revocation of the mandate is performed before the due date of the term for which it was concluded, the attorney-in-fact shall be entitled to the payment of the due remuneration for 6 months.

The other mandate or management contracts related to members of the suspended management do not provide the granting of benefits on the expiry of the contracts.

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

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

According to the Internal Regulation of the Company, the Audit Committee exerts the attributions provided thereof, as well as any other attributions provided by law as incumbent on it.

According to the Internal Regulation of the Company, there is no Remuneration Committee within the Company. The remuneration due for the year in progress for the (currently suspended) members of the Supervisory Board is done by the Shareholders' General Meeting and the determination of the remunerations for the (currently suspended) members of the Management Board shall be done by Supervisory Board, within the general limits established by the Shareholders' General Meeting.

11.4. Issuer's declaration in regard to the observance/failure to observe the corporate governance regime

The Issuer records certain deficiencies in regard to the compliance with the corporate governance requirements. For example, the extraordinary situation triggered by the commencement of the financial recovery procedure by the Special Administrator and the change of the financial auditor of the Issuer during 2014 generated delays in the finalization of the audit for the Financial Statements as at 31 December 2013 and implicitly the failure to observe the 4-month term for the approval of the Financial Statements by the shareholders.

12. EMPLOYEES

12.1. The most recent information possible on the interests held in the share capital of the Issuer by each of the persons provided at item 9.1, first paragraph, letters (a) and (d) and any option on such held shares.

At 14.07.2014, except for Mr. Grigore Dan Adamescu, the suspended President of the Supervisory Board, who was holding 3,320 shares, none of the members of the Management Board or of the Supervisory Board of the Issuer was holding shares issued by ASTRA.

The Special Administrator of the Issuer is not holding shares in the share capital of ASTRA.

12.2. A description of any of the agreements providing the participation of the employees in the capital of the Issuer.

N/A.

13. MAIN SHAREHOLDERS

13.1. Insofar as these pieces of information are known to the Issuer, the name of any person, who is not a member of any administration, management and supervision body of the Issuer and who is directly or indirectly holding a percentage from the share capital or from the voting rights of

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the Issuer, who has to be notified by the internal law applicable to the Issuer, as well as the value of the concerned interest or, in the absence of such persons, a proper negative declaration.

The shareholding of the Issuer as at 14.07.2014 is presented in the table below:

Shareholder	No. of shares	Percent (%)
The Nova Group Investments Romania SA	52,657,615	72.6830
Epsilon Estate Provider SRL	18,866,507	26.0413
Corporate shareholders	742,427	1.0248
Individual shareholders	181,772	0.2509
TOTAL	72,448,321	100

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

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

Nevertheless, Decision ASF no. 42/18.02.2014 provides that starting with the date of the decision the following were suspended:

- a) the legal prerogatives of the significant shareholders;
- b) the voting rights in regard to the appointment and revocation of the members in the Supervisory Board of the Company, the right to dividends of the shareholders.

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

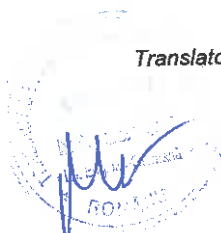
13.3. Insofar as these pieces of information are known to the Issuer, it shall be specified whether the Issuer is directly or indirectly held or controlled and by whom; a description of the nature of the control and of the measures enacted so that this control should not be abusively exerted

The direct majority shareholders of the Issuer are The Nova Group Investments România S.A., with a holding of 72.683% from the shares of the Issuer and Epsilon Estate Provider S.R.L., with a holding of 26.0413% from the shares of the Issuer.

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

In accordance with the most recent information held by the Issuer, as it is made available by The Nova Group Investments România S.A., The Nova Group Investments BV is fully owned by STICHTING ADMINISTRATIEKANTOOR TNG. The Issuer has no information on the shareholding of STICHTING ADMINISTRATIEKANTOOR TNG, according to the information made available to the Issuer by the management of the group it is a part of.

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



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

13.4. A description of the agreements known to the Issuer, the application of which might generate a change of the control upon the Issuer at a subsequent date

N/A.

14. RELATED PARTY TRANSACTIONS

The Company provides services to related parties under usual commercial terms and benefits of services from such companies in similar terms.

There is a number of 90 affiliated companies within the group as at 31 December 2013. The most significant transactions were carried out with the following affiliated companies: ASTRA NOVA SECURITY, BAUMEISTER, MEDIEN HOLDING, MEGA CONSTRUCT, OMEGA CITY BUSINESS, PAID SA, FOTBAL CLUB OTELUL, REX MAMAIA.

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

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

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

Gross written premiums (RON)	2013	Period until 30 June 2014
Total	57,981,572	6,031,999
Out of which:		
	2013	Period until 30 June 2014
FOTBAL CLUB OTELUL	5,310,207	21,005
ALPHA SPV SRL	3,902,952	4,245
GRUPUL DE PRESA ROMAN	3,900,618	800
UNITED PRINT SRL	3,893,868	-
ADASPED-PRESTARI-COMERT SRL	3,896,422	1,823
ADASPED INTERNATIONAL SA	3,898,002	1,415
ASTRA NOVA SECURITY SA	3,937,822	1,113
ICSIM SA	3,896,624	356
INTERNATIONAL BUSINESS CENTER		
MODER SRL	3,928,880	32,518
MEDIEN-HOLDING SRL	3,893,868	-
TNG REAL STATE MANAGEMENT SRL	1,196,277	40,745
BAUMEISTER SA	36,209	395,840
Other related parties	16,289,823	728,034
Total	57,981,572	1,231,158



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

Paid claims (RON)	2013	Period until 30 June 2014
	15,967,170	362,014
Total	15,967,170	362,014

The claims paid as at 31 December 2013 include the amount paid to a Romanian financial institution, amounting RON 14,904,082, for the assignment of receivables held by the bank against REX Mamaia, amount which was compensated subsequently with the claims owed by the Company to REX Mamaia. The value of the claims paid related to 2013, without taking into consideration the assignment of receivables amounts to RON 1,063,088.

- c) Other related party expenses:

RON	2013	Period until 30 June 2014
Rent expenses	918,325	408,292
Management services	122,210	-
Utilities and other administrative expenses	2,396,559	901,072
Total	3,437,094	1,309,364

- d) Income from related party transactions

RON	2013	Period until 30 June 2014
Income from related party transactions (rents)	64,562	37,925

- e) Compensation with affiliated parties:

RON	2013	Period until 30 June 2014
Compensations with related parties	717,916	-
Total	717,916	-

During the year 2013, 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 toward the following related parties: Medien Holding, Omega City Business Center, Unirea Shopping Center.

f) loans granted to/received from related parties:

RON	31 December 2013	30 June 2014
Balance of granted loans (*)	105,999,859	99,425,600
Balance of received loans/ investments (*)	10,656,060	2,948,370
	31 December 2013	30 June 2014
Balance of interest on granted loans	15,673,896	15,347,034
Balance of interest on received loans/ investments	244,774	105,139

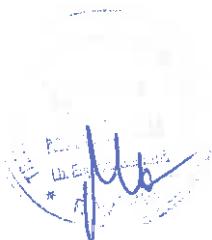
(*) Balances before value adjustments, presented in detail below.

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The loans granted to related parties are presented below:

	31 December 2013			30 June 2014		
	Gross book value	Depreciation adjustments	Net book value	Gross book value	Depreciation adjustments	Net book value
Medien Holding SRL (i)	22,601,224	22,601,224		23,055,740	22,601,224	454,516
Medien Holding SRL (i)	5,024,553	5,024,553		5,066,448	5,024,553	41,895
Medien Holding SRL (i)	80,334,326	80,334,326		81,004,656	80,334,326	670,330
Baumeister (I)	1,820,907	1,820,907		1,820,907	1,820,907	
Medien Holding SRL (i)	1,907,764	1,907,764		1,907,764	1,907,764	
Novacuart (i)	175,100	175,100		179,082	175,100	660
MegaConstruct (ii)	4,917,288		4,917,288	114,522		114,522
ASTRA CARD SRL (i)	310,000	310,000		310,000	310,000	
ASTRA SAFE IMOB SRL (I)	324,179	324,179		332,704	324,179	1,398
ASTRA TRAINING SRL (i)	25,958	25,958		26,665	25,958	115
ETA ESTATE SOLUTION SPV (ii)	978,005		978,005			
TNG REAL ESTATE MANAGEMENT (i)	928,990	928,990		954,146	928,990	25,156
THETA PROFICIENCY SRL (ii)	2,325,461		2,325,461			
Total	121,673,755	113,453,001	8,220,754	114,722,634	113,453,001	1,308,592



As at 31 December 2013, the amounts to be collected from related parties include interest to be collected in amount of RON 15,673,896. As at 30 June 2014 this interest amounts to RON 15,347,035.

- (i) As at 31 December 2013, the Company recognized a depreciation adjustment to an extent of 100% from the value of loans granted to related parties, considering the lack of relevant financial information / the shortfall of income that ensure the loan reimbursement sources. Additionally, the loans granted to Medien Holding SRL, Baumeister and ASTRA CARD SRL were due before 31 December 2013;

During the year 2014, the Company commenced the loan recovery procedures by operations of *datio in solutum* of assets belonging to Medien Holding or other related parties. Taking into account the current uncertain legal standing and the absence of an evaluation report prepared by a trustworthy independent evaluator on the assets proposed for compensation, the Company considered it is prudent to adjust the value of the respective loans by 100%

The adjustment was maintained at 30 June 2014.

- (ii) During the year 2014, the Company concluded compensation agreements for the amounts to be collected from MegaConstruct, ETA ESTATE SOLUTION SPV and THETA PROFICIENCY SRL, in the total amount of RON 8,220,754, with debts owed by the Company to Compania Hotelieră Intercontinental and International Business Center Modern. Thus, the receivables and related debts were eliminated.

Loans received from related parties are presented below:

RON	31 December 2013	30 June 2014
INTERNATIONAL BUSINESS CENTER MODERN SRL	703,692	-
COMPANIA HOTELIERA INTERCONTINENTAL	7,248,772	-
PALL D'OR	2,948,370	3,053,509
Total	10,900,834	3,053,509

During 2013, the Company concluded investment management contracts with the affiliated companies, for a 1-year term, under which the Company undertakes to manage the individual investment portfolios in order to obtain profit for the investors, an activity for which the Company is remunerated with a management fee (between 0% and 1%) applied on the average value of the total assets managed in the month it is computed for.

Debts to International Business Center Modern and Compania Hoteliera Intercontinental were eliminated further to the aforementioned compensation agreements.

g) Transactions with PAID

RON	2013	Period until 30 June 2014
Net premiums income	1,691,021	1,127,662
Balance of premiums owed to PAID	10,063,536	4,625,927

h) Liabilities to related parties

As at 30 June 2014 and 31 December 2013 respectively, the final balance of liabilities toward related parties for services rendered and other related expenses comprises:

	31 December 2013	30 June 2014
OMEGA CITY BUSINESS CENTER SRL	784,151	860,921
ASTRA NOVA SECURITY SA	366,586	476,580
INTERNATIONAL BUSINESS CENTER MODER SRL	216,415	216,415
UNIREA SHOPPING CENTER SA	183,426	176,601
MEDIA ALPHA PUBLISHER SRL	69,334	69,334
COMPANIA HOTELIERA INTERCONT	50,884	66,930
Other affiliates	30,051	182,936
Total	1,700,847	2,049,717

i) Receivables from related parties

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

As at 30 June 2014 the receivables against GRUPUL DE PRESA ROMAN are in the amount of RON 274,688.

j) Reserves balance in relation to related parties:

RON	31 December 2013	30 June 2014
Unearned premium reserve (a)	13,307,302	2,795,656
Claims reserve (b)	260,758	893,204
Bonuses and rebates reserve	36,778	59,064
Mathematical reserve	2,118,040	2,272,839

k) Unearned premium reserve

RON	31 December 2013	30 June 2014
INTERNATIONAL BUSINESS CENTER MODER SRL	915,418	26,085
ASTRA NOVA SECURITY SA	926,392	-
TNG REAL STATE MANAGEMENT SRL	902,827	24,008
ADASPED-PRESTARI-COMERT SRL	894,036	2,098
ADASPED INTERNATIONAL SA	895,496	1,822
ALPHA SPV SRL	898,925	172
ICSIM SA	894,243	1,921
MEDIEN-HOLDING SRL	892,762	-
GRUPUL DE PRESA ROMAN	893,448	57
BAUMEISTER SA	566,658	552,080
FOTBAL CLUB OTELUL	213,872	1,087,101
Other related parties	4,413,224	1,100,312
Total	13,307,302	2,795,656

l) The claims reserve as at 30 June 2014 in amount of RON 893,204 includes a claims reserve in amount of RON 441,191 related to the policies concluded with Fotbal Club Otelul.

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

15.1. Historical financial information

The tables below comprise the balance sheet, the profit and loss account, the statement on the global profit/loss and cash-flow statement that were extracted from the 2013 Financial Statements. 2013 Financial Statements together with the related audit report can be consulted in APPENDIX III.

The Financial Statements 2013 were prepared in accordance with:

- 1) Order no. 3129/2005 of the President of the Insurance Supervisory Commission approving the accounting regulations in line with the European Directives specific to insurance business, as subsequently amended and supplemented, which transposes:
 - European Economic Community Directive 91/674/EEC of 19 December 1991 on the annual and consolidated financial statements for insurance companies published in the Official Journal of the European Union no. L 374, of 31 December 1991, as subsequently amended and supplemented;

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- The Fourth European Economic Community Directive 78/660/EEC of 25 July 1978 on the annual accounts of certain types of companies published in the Official Journal of the European Union no. L 222 of 14 August 1978, as subsequently amended and supplemented;
- 2) Accounting Law no. 82/1991, as republished and amended;
- 3) Norms issues by the Financial Supervisory Authority no. 1/2014 for the implementation of the Norms on the closing of the 2013 financial year for insurance companies.

The main elements of the balance sheet for 2013 and comparative information for 2012, as such were extracted from the Financial Statements, 2013 are presented below:

Item description	01.01.2013 RON	31.12.2013 RON
Intangible assets	6,047,874	3,638,325
Investments in tangible assets and in progress	91,923,352	80,424,484
Investments in related parties, equity investments and other investments in financial assets	22,297,181	25,449,117
Other financial investments	169,380,158	86,535,033
Reinsurer's share of technical reserves, out of which:	420,488,233	101,042,596
share of technical reserves for non-life insurance	409,570,334	98,660,110
share of technical reserves for life insurance	10,917,899	2,382,486
Amounts receivable from related parties	110,414,606	8,220,754
Receivables from direct insurance operations	527,751,678	184,415,571
Receivables arising from reinsurance operations	201,957,284	26,036,243
Other receivables	121,275,212	55,240,359
Tangible assets and inventories	11,365,790	8,742,377
Cash at bank and in hand	19,845,427	6,250,901
Accrued interest and prepaid rent	201,656	63,060
Deferred acquisition costs	155,440,297	109,756,023
Other prepayments	8,786,925	7,292,315
TOTAL ASSETS	1,867,175,673	703,107,158
Share capital	192,712,534	192,712,534
Revaluation reserves	55,281,367	55,281,367
Legal and other reserves	29,952,086	29,952,086
Retained earnings representing the undistributed profit or loss brought forward	(11,185,935)	(4,514,877)
Retained earnings originating from the implementation for the first time of IAS, less IAS 29	7,382,386	7,382,386
Retained earnings from correction of accounting errors	(72,630,571)	(138,071,143)

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Result of the year	6,671,058	(917,328,742)
Total capitals and reserves	208,182,925	(774,586,389)
Technical reserves related to non-life insurance	1,166,577,709	1,226,479,797
Technical reserves related to life insurance	40,111,604	32,271,408
Provisions	-	6,497,729
Liabilities from direct insurance operations	730,488	423,924
Amounts payable to affiliated companies	-	10,900,834
Liabilities from reinsurance operations	302,291,299	57,761,055
Other liabilities including tax and other social security charges	130,283,940	130,245,213
Accruals and deferred income	18,997,708	13,113,586
TOTAL LIABILITIES	1,867,175,673	703,107,158

Source: Financial Statements 2013

The main elements of the Technical Non-life insurance Account for the years 2012 and 2013 are presented below:

Item description	2012 RON	2013 RON
Earned premiums, net of reinsurance, out of which:	752,760,787	511,981,838
gross written premiums (+)	1,107,387,211	905,003,566
premiums ceded to reinsurers (-)	312,216,145	333,500,295
change in unearned premium reserve (+/-)	90,424,053	(92,167,082)
Change in unearned premium reserve ceded in reinsurance (+/-)	48,013,774	(151,688,515)
Share of net investment return (difference between investments income and expenses) transferred from non-technical account (+)	16,756,707	0
Other technical income, net of reinsurance	60,444,546	103,834,106
Claims expenses, net of reinsurance	283,129,398	559,074,334
Change in other technical reserves, net of reinsurance	51,220,147	5,553,912
Net operating expenses out of which:	325,954,530	505,773,963
acquisition costs (+)	212,847,465	347,523,378
change in deferred acquisition costs (+/-)	8,781,382	44,030,593
administrative expenses (+)	119,271,355	128,961,052
commissions from reinsurers and profit participation (-)	14,945,672	14,741,060
other technical expenses, net of reinsurance	174,044,737	235,793,382
Technical result for non-life insurance Profit/(Loss)	(4,386,772)	(690,379,647)

Source: Financial Statements 2013

The main elements of the Non-Technical Life Insurance Account for the year 2012 and 2013 are presented below:

Item description	2012 RON	2013 RON
Earned premiums, net of reinsurance out of which:	26,095,358	14,908,687
gross written premiums (+)	24,157,572	14,282,368
premiums ceded to reinsurers (-)	116,137	306,405
change in unearned premiums reserve (+/-)	(2,053,923)	(932,724)
Investment income	1,199,961	1,972,545
Other technical income, net of reinsurance	0	110,962
Claims expenses, net of reinsurance	3,220,625	20,491,187
Change in life insurance technical reserves	9,599,247	(7,091,745)
Net operating expenses, out of which:	5,599,574	4,577,030
Acquisition costs	4,316,074	3,408,702
Change in deferred acquisition costs	0	0
Administrative expenses	1,283,500	1,168,328
Expenses with investments	281,903	1,586
Other technical expenses, net of reinsurance	0	128,569
Technical result for life insurance Profit/(Loss)	8,593,970	(1,114,433)

Source: Financial Statements 2013

The main elements of the Non-technical Account for the years 2012 and 2013 are presented below:

Item description	2012 RON	2013 RON
Technical result for non-life insurance Profit/(Loss)	(4,386,772)	(690,379,647)
Technical result for life insurance Profit/(Loss)	8,593,970	(1,114,433)
Investment income	18,803,350	12,301,534
Unrealized gains from investments	0	111,556
Expenses with investments	2,046,643	31,388,546
Unrealized losses from investments	0	0
Share of the net gains from investments transferred into the technical account of non-life insurance	16,756,707	0
Other non-technical income	10,057,727	4,192,249
Other non-technical income, including provisions and allowances	7,269,836	210,905,643
Current result Profit/(Loss)	6,995,089	(917,182,930)
Total income	1,461,908,608	1,186,505,009
Total expenses	1,454,913,519	2,103,687,939
Gross result Profit/(Loss)	6,995,089	(917,182,930)
Income tax	0	145,812
Other taxes (not included in the above items)	324,031	0
Net result Profit/(Loss)	6,671,058	(917,328,742)

Source: Financial Statements 2013

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STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
as at 31 December 2013

Item description	Balance at the beginning of the year (RON)	Increases		Decreases		Balance at the end of the year (RON)
		Total, out of which (RON)	by transfer (RON)	Total, out of which (RON)	by transfer (RON)	
Share capital	192,712,534	-	-	-	-	192,712,534
Revaluation reserve	55,281,367	-	-	-	-	55,281,367
Legal reserves	6,133,118	-	-	-	-	6,133,118
Other reserves	23,818,968	-	-	-	-	23,818,968
Retained earnings arising from undistributed profit or retained loss	-	-	-	-	-	-
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
Retained earnings arising from correction of errors	-	-	-	-	-	-
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
Profit distribution	-	-	-	-	-	-
Total equity	208,182,925	(982,769,314)	-	-	-	(774,586,389)

Source: Financial Statements 2013



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

Item description	2012 (RON)	2013 (RON)
Cash flow from operating activity		
Net Profit /(Loss)	(1,922,912)	(916,214,308)
Adjustments for non-cash items and other elements included in investment or in financing activity	(140,271,460)	964,486,862
Depreciation expense	8,975,258	9,282,925
Provisions	-	6,497,729
Net value adjustments	(9,887,760)	430,857,118
Non-cash adjustments for investment income and charges and value adjustments	-	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 deferred acquisition costs	(33,058,152)	45,684,274
Other non-cash adjustments	(31,278,787)	(105,231,938)
Changes in working capital during the period	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)	(4,654,890)
Cash receipts from the sale of tangible and intangible assets	562,905	-
Loans granted	(5,710,000)	-
Cash receipts from dividend, interest and others	15,441,830	3,441,396
Cash payments for dividends, interest and others	(1,957,454)	-
2. Net cash flow from investing activities	12,008,433	14,257,802
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	203,578,347	82,940,567
Cash and cash equivalents at the year-end	82,940,567	37,468,800



Source: Financial Statements 2013

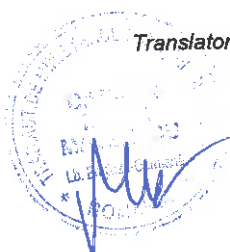
Cash-flow statement – Life insurance for the years 2012 and 2013 is presented below:

Item description	2012 (RON)	2013 (RON)
Cash flow from operating activity		
Net Profit /(Loss)	8,593,970	(1,114,434)
Adjustments for non-cash items and other elements included in investing or in financing activity	2,612,010	780,109
Depreciation expense	584,718	611,350
Interest income	(1,166,606)	(989,019)
Change in technical reserves net of reinsurance	9,529,837	695,216
Change in deferred acquisition costs	(13,250)	-
Other non-cash adjustments	(6,322,690)	462,562
Changes in working capital during the period	(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. 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 dividend, interest and other	1,166,375	1,056,753
Cash payments for dividends, interest and other	231	-
2. Net cash flow from investing activities	(5,037,714)	2,667,245
Cash flows from financing activities:		
Payments by transfers to the non-life insurance activity	-	(8,118,610)
3. Net cash from financing activities	-	(8,118,610)
Net 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	7,727,316	6,320,367
Cash and cash equivalents at the year-end	6,320,367	650,548

Source: Financial Statements 2013

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

As at 31 December 2013, the solvency margin of the Company available for non-life insurance was RON minus (-) 810,151,361 (negative value), whereas according to the legal requirements applicable on the same date, the Company should have had a minimum solvency margin for the non-life insurance activity in the amount of RON 144,770,548. Thus, the solvency margin level for non-life



insurance activities is not in line with the legal requirements provided in art. 2, par. (1) under Order no. 3/2008 of the Order of the President of the Insurance Supervisory Commission no. 3/2008 for the implementation of the Norms on the computation of the solvency margin available of which the insurer disposes, who carries out non-life insurance, of the minimum solvency margin and the security fund with subsequent amendments and supplements ("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 liabilities of insurer against insured, whereas according to the requirements of article 8, para. (6) from Order 9/2011, insurers are bound to maintain the liquidity ratio for non-life insurance activity of at least 1. Thus, the liquidity ratio for the non-life insurance activity is not in line with the provisions from the Order of the President of the Insurance Supervisory Commission no. 9/2011 for the application of the Norms on the technical reserves for non-life insurance, the assets admitted to cover them and the dispersion of assets admitted to cover the gross technical reserves with amendments, as well as the liquidity ratio and subsequent amendments ("Order 9/2011").

As at 31 December 2013, the Company registered a 0.94 liquidity ratio for the life insurance activity, determined as the ratio between liquid assets and short-term liabilities of the insurer against insured, infringing the provisions from the Order of the President of the Insurance Supervisory Commission no. 8/2011 for the application of the Norms on the technical reserves for life insurance, the assets admitted to cover them and the dispersion of assets admitted to cover the gross technical reserves with amendments, as well as the liquidity ratio and subsequent amendments ("Order 8/2011"). In accordance with article 16, para. (6) from Order 8/2011, insurers are bound to have the liquidity ratio for the life insurance activity of at least 1.

As at 31 December 2013, the Company registers a deficit of minus RON 752,801,050 (negative value), between the technical reserves and the assets admitted to cover them for the non-life insurance activity, failing to observe the provisions of Order 9/2011, according to which insurance companies should cover their gross technical reserves with congruent assets according to article (2).

15.2. Financial pro forma information

N/A.

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

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

The corporate management analysed the requirements for preparing consolidated financial statements in accordance with the Order of the President of the Insurance Supervisory Commission no. 3129/2005 (currently the Financial Supervisory Authority) (Order 3129/2005). Further to the



analysis, according to the provisions from art. 17 and art. 18 from part 2 "Accounting regulations in line with the European Directives on the consolidated financial statements of companies from the insurance field" from Order 3129/2005, specifying that the materiality principle in regard to the inclusion in the consolidated statements of the balance sheet and profit and loss account elements of subsidiaries, it resulted an insignificant impact at the level of each position (lower than 1% from the balance sheet line, respectively than the profit and loss account at consolidated level). Thus, such stand-alone financial statements represent the fair image of assets, liability, financial standing and losses also in respect of the consolidated financial statements. Taking into account these facts, the Company shall not prepare another set of consolidated financial statements in accordance with Order 3129/2005, as these participations are presented at line 11 "Interests held in affiliated companies" on the balance sheet presented in the individual financial statements.

15.4. The auditing of annual historical information

The Financial Statements 2013 were subjected to the audit performed by DELOITTE AUDIT SRL. The audit report has not been prepared for the purpose of this proportionate Prospectus. The Financial Statements 2013 were prepared by the Issuer under the going concern principle, in line with the recovery plan approved by the Financial Supervisory Authority, and the balance sheet as at 31 December 2013 obtained further to the entire preparation process presents the financial condition of the Company compliant with the requirements of the accounting regulations applicable to insurance companies from Romania in the going concern terms. Without including reserves regarding the values presented in the balance sheet of the Issuer on 31 December 2013, the audit report expresses no opinion upon the Financial Statements 2013 due to the significance of the multiple uncertainties in regard to the going concern of the Issuer. These financial statements together with the related audit report are included in Appendix III.

Independent Auditors' Report
(free translation¹)

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

Report on the Individual Financial Statements

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

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

Management's Responsibility for the Financial Statements

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

Auditors' responsibility

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

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



Basis for Disclaimer of Opinion

- 4 We were appointed auditors of the Company, by its shareholders on May 12, 2014, which is after the balance sheet date of the individual financial statements. During the course of our audit procedures we noted that significant adjustments have been made to the financial statements of 2013 some of which should have been applied to prior periods. Consequently, we were unable to satisfy ourselves concerning opening balances as at January 1, 2013. Since the opening balances enter into the determination of the financial performance and cash flows, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the income statements, net cash flows reported in the statement of cash flows and statement of changes in equity for the year end December 31, 2013.
- 5 As at December 31, 2013 the Company's net assets reported in the individual financial statements as total assets minus total liabilities, is negative in amount of RON 774,586,380. The Special Administrator recognizes its obligations under Law no. 31/1990, modified by Law no. 441/2006, art. 153.24 arising from this situation. The steps planned to be taken by the Company in this regard have been included in the Special Administrators' Report approved by the Financial Supervisory Authority (hereinafter "FSA") on April 7, 2014 and described in Note 2.c) to the financial statements and below in this report.
- 6 As disclosed in note 2 (e) to these individual financial statement, based on the Law 503/2004 regarding financial recovery, bankruptcy, liquidation or dissolution in insurance business, with the subsequent amendments, the FSA has issued Decision no 42/2014, in which it has requested the opening of the financial recovery process. This was due to the noncompliance with the liquidity coefficient and minimum solvency margin by the Company, based on the quarterly regulatory reporting submitted for the fourth quarter of 2013. As reported in the monthly prudential reports submitted by the Company to FSA, at the date of the audit report the Company continues to be non-compliant with these indicators, in accordance with the approved financial recovery plan that foresees non-compliance until finalization of the financial recovery plan, respectively January 15, 2015.
- 7 KPMG Advisory SRL has been appointed as a Special Administrator starting February 19, 2014. The Special Administrator has prepared a financial recovery plan which has been approved by the FSA on April 7, 2014. The plan serves also for the restructuring of the Company through financial and operational measures in order to re-establish the liquidity and solvency margins to comply with statutory requirements as at the end of January 2015. The implementation of certain measures in the plan has been delayed and a new timeline is currently under the process of approval of the FSA. This plan includes certain steps to be implemented in order to resolve the financial situation of the Company, and protect the company from the insolvency proceedings as stipulated in Law 503/2004, with the subsequent amendments. As of the date of this report we have not been able to obtain sufficient appropriate audit evidence regarding the status of formal approval and the certainty about the implementation of the updated, financial recovery plan. Furthermore, as indicated in the initial financial recovery plan prepared by the Special Administrator, a critical step for restating the financial stability of the Company in the foreseeable future is the identification of a strategic investor or investors. These steps are at the non-binding stages of discussions and therefore, as of the date of our audit report, we were not been able to obtain sufficient appropriate audit evidence regarding the binding willingness of these potential investors to restate the financial stability of the Company. The outcome of the on-going negotiations with potential investors is therefore uncertain.



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

Disclaimer of Opinion

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

Other Matters

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



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

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

In accordance with the Order of the Insurance Supervision Committee no. 3129/2005, article no. 342 we have read the Administrators' Report attached to the individual financial statements. The Administrators' Report is not a part of the individual financial statements. In the Administrators' Report we have not identified any historic financial information which is not in accordance, in all material respects, with the information presented in the accompanying individual financial statements as at December 31, 2013. However and as stated above, we would like to draw the attention to the fact that we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion and we did not express an opinion on these individual financial statements.

Ahmed Hassan, Audit Partner

Free translation from the original
Romanian binding version

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

On the behalf of:

DELOITTE AUDIT SRL

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

Bucharest, Romania
August 7, 2014



15.5. The date of the most recent financial information

The date of the most recent financial information subject to audit is 31 December 2013. The Financial Statements 2013 were drafted by the Special Administrator. Given the special situation generated by ASF Decision no. 42 din 18.02.2014 and the changing of the financial auditor, as at the date of the Prospectus, the aforementioned financial statements have not yet been subject to the approval of the shareholder; as a consequence the provisions on the Company Law and the Capital Market Law that stipulate that the financial statements should be subject to the approval of the shareholder within maximum 4 months from end of the financial year, were breached

15.6. Interim financial information and other information

The main elements of the balance sheet as at 30 June 2014 and the comparative information as at 31 December 2013, as such were taken over from the Financial Statements 2013, are presented below:

Item description	31.12.2013 RON	30.06.2014(**) RON
Intangible assets	3,638,325	2,445,471
Investments in tangible assets and in progress	80,424,484	79,072,892
Investments in related parties, equity investments and other investments in financial assets	25,449,117	22,713,604
Other financial investments	86,535,033	26,983,643
Reinsurer's share of technical reserves related to contracts assigned in reinsurance, out of which:	101,042,596	132,831,936
share of the technical reserve from non-life insurance	98,660,110	130,679,091
share of the technical reserve from life insurance	2,382,486	2,152,845
Amounts receivable from related parties	8,220,754	9,511,178
Receivables from direct insurance operations	184,415,571	196,009,614
Receivables from reinsurance operations	26,036,243	28,119,717
Other receivables	55,240,359	66,037,685
Tangible assets and inventories	8,742,376	6,851,730
Cash at bank and in hand	6,250,901	6,891,289
Interests and rents registered in advance	63,060	35,650
Forward carried acquisition expenses	109,756,023	73,718,390
Expenses in advance	7,292,316	6,487,030
TOTAL ASSETS	703,107,158	657,709,829
Share capital	192,712,534	192,712,534
Revaluation reserves	55,281,367	55,281,367
Legal and other reserves	29,952,086	29,952,086
Retained earnings representing the undistributed profit or loss brought forward	(4,514,877)	(918,305,171)
Retained earnings arising from the implementation for the first time of IAS, less IAS 29	7,382,386	7,382,386
Retained earnings from correction of accounting errors	(138,071,143)	(139,782,498)
Result of the year	(917,328,742)	15,818,628
Total capitals and reserves	(774,586,389)	(756,940,667)
Technical reserves related to non-life insurance	1,226,479,797	1,197,629,394



Item description	31.12.2013 RON	30.06.2014(**) RON
Technical reserves related to life insurance	32,271,408	32,171,479
Provisions	6,497,729	6,497,729
Liabilities from direct insurance operations	423,924	426,655
Amounts payable to related parties	10,900,834	3,053,509
Liabilities from reinsurance operations	57,761,055	53,063,654
Other debts, including tax debts and social security charges	130,245,213	116,385,423
Accruals and deferred income	13,113,586	5,422,653
TOTAL LIABILITIES	703,107,158	657,709,829

Source: Financial Statements 2013

ASTRA – Unaudited and unrevised half-yearly reports as at 30 June 2014

The main elements of the Technical Non-life Insurance Account as at 30 June 2014 together with the information comparative la 30 June 2013 are presented below:

Item description	30.06.2013(*) RON	30.06.2014(**) RON
Earned premiums, net of reinsurance, out of which:	378,694,514	345,667,518
gross written premiums (+)	595,969,438	397,617,494
premiums ceded to reinsurers (-)	152,296,775	108,177,487
change in premium reserve (+/-)	64,396,014	(64,035,054)
Change in premium reserve – ceded in reinsurance (+/-)	(582,135)	(7,807,543)
Share of the net investment return (difference between the income and expenses from investments), transferred from the non-technical account	7,502,630	
Other technical income, net of reinsurance	17,487,079	11,786,955
Claims expenses, net of reinsurance	146,030,671	150,118,155
Change in other technical reserves, net of reinsurance	2,518,669	(24,817,210)
Net operating expenses	154,913,997	183,206,479
Other technical expenses, net of reinsurance	77,702,719	38,682,950
Technical result of non-life insurance – Profit	22,518,167	10,264,099

Source: ASTRA - Unaudited and unrevised half-yearly reports as at 30 June 2013;
ASTRA – Unaudited and unrevised half-yearly reports as at 30 June 2014

The main elements ale Technical Life Insurance Account as at 30 June 2014 together with the comparative information as at 30 June 2013 are presented below:

Item description	30.06.2013(*) RON	30.06.2014(**) RON
Earned premiums, net of reinsurance, out of which:	7,215,153	6,681,419
gross written premiums (+)	5,972,497	5,503,901
premiums ceded to reinsurers (-)	306,405	158,325
change in premium reserve (+/-)	(1,549,061)	(1,335,843)
Investment income	635,868	676,782
Other technical income, net of reinsurance	-	(26,583)
Claims expenses, net of reinsurance	5,851,429	1,606,605
Change in technical reserves relating to life insurance	(3,456,830)	823,637
Net operating expenses	2,205,601	2,028,519
Expenses with investments	91,544	394,709
Other technical expenses, net of reinsurance	-	16,521
Technical result for life insurance – Profit	3,159,277	2,461,627

Source: ASTRA - Unaudited and unrevised half-yearly reports as at 30 June 2013;
 ASTRA – Unaudited and unrevised half-yearly reports as at 30 June 2014

The main elements of the Non-technical Account as at 30 June 2014 together with the comparative information as at 30 June 2013 are presented below:

Item description	30.06.2013(*) RON	30.06.2014(**) RON
Technical result for non-life insurance - Profit	22,518,167	10,264,099
Technical result for life insurance – Profit	3,159,277	2,461,627
Investment income	8,483,199	1,303,340
Unrealized gains from investments	-	1,436,605
Expenses with investments	981,388	1,793,101
Unrealized loss from investments	-	-
Share of the net gains from investments transferred into the technical account of non-life insurance	7,501,811	-
Other non-technical income	4,608,015	2,402,038
Other non-technical income, including provisions and value adjustments	3,607,847	1,165
Current result – Profit	26,677,612	16,073,442
Total income	793,081,383	448,969,953
Total expenses	766,403,771	432,896,511
Gross - Profit/(Loss)	26,677,612	16,073,442
Income tax	34,098	255,255
Other taxes (not included in the above items)	87,732	-
Net earnings Profit/(Loss)	26,555,782	15,818,187

Source: ASTRA - Unaudited and unrevised half-yearly reports as at 30 June 2013;
 ASTRA – Unaudited and unrevised half-yearly reports as at 30 June 2014



(*) The financial data as at 30 June 2013 presented in the tables above have not been audited or reviewed. Furthermore, taking into account the fact that the changes in accounting policies and the corrections of errors as presented in Note 2(v) to the Financial Statements 2013, following the annual inventory of the assets and liabilities and the reassessment of the accounting policies in force which generated significant corrections on the retained earnings and the result of the financial year ended 31 December 2013 which are not reflected through correction in the financial performance of the 6-month period ending 30 June 2013, as well as in the context of significant uncertainties presented in the audit report on Financial Statements 2013 as underpinning the impossibility of the auditor to express an opinion, there is a high probability that the financial data as at 30 June 2013 would not be accurate and/or compliant with reality. These data were included in the Prospectus to formally fulfil the comparability requirement in presenting the interim financial information and investors are warned not to substantiate their decision to invest in ASTRA's shares considering these data. The Issuer assumes no responsibility in regard to the accuracy, correctness or completeness in regard to the financial data included in the table above as at 30 June 2013.

(**) The financial data presented in the tables above as at 30 June 2014 have not been audited or reviewed and they are prepared in accordance with the requirements of Norm 18/2014 of the Financial Supervisory Authority for the application of the accounting reporting system as at 30 June 2014 for companies in the insurance field. We recommend to potential investors that in substantiating the decision to invest in shares issued by the Issuer, they should consider both the provisions from the above Norm and the fact that such half-yearly financial information have not been subject to audit or review or to any other independent form of assurance with respect to compliance or fair image offered.

15.7. Policy on the distribution of dividends

The Company has not distributed any dividends during the last three years. The Company has no policy in place on the distribution of dividends.



15.8. Legal and arbitration procedures

a) The status of the Company in lawsuits

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

- Defendant: The Company was sued by a person that has the capacity of a plaintiff and such person may be another insurer of assets (administrative regress), an insured, an injured third party, a beneficiary, an assignee of insurance rights. If the action against the Company is admitted, it is bound to pay certain amounts of money representing claims, penalties or interests, court expenses.
- Third-party claim: The court has been requested to rule on a complaint between two parties (plaintiff and defendant), other than ASTRA. One of these parties summons the Company as guarantor, if further to unsuccessful pleas (loss of the trial), it can turn against ASTRA for the recovery thereof.
- Insurer: The Company is liable besides the accused facing criminal charges. If within the criminal proceeding the civil liability is also solved upon the request of persons having claims under insurance policies (usually MTPL, malpractice, other civil liabilities), then the Company is also summoned in order to take over within the limit of the insurance contract the amounts to which the accused/insurer would be bound.
- Debtor: This status in the lawsuit is gained by ASTRA in disputes subject to a special procedure, when the filed claims raised against the Company are intended to be capitalized by the procedure of payment order or insolvency procedure.
- Plaintiff: This status in the lawsuit is gained by ASTRA in disputes in which the Company sues other persons and they can be motor third party liability insurance (MTPL), a guilty third party, an intermediary for the capitalization of his claims and the recovery of the amounts of money owed by the concerned persons.
- Creditor: This status in the lawsuit is gained by ASTRA in disputes subject to a special procedure, when the filed claims raised against the Company are intended to be performed by the procedure of payment order or insolvency procedure.
- Civil party: The Company has this status in criminal lawsuits in which it capitalizes its claims on civil side.

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



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

As at 30 June 2014, the Company is a party in 3,692 files pending at courts of law, as a defendant, guarantor, insurer or debtor, with a total value of the claims of RON 1,225,889,774, including claims related to moral damages in the amount of RON 895,350,166 and claims related to moral damages in the amount of RON 330,235,197 and salary rights in the amount of RON 304,411.

As at 30 June 2014, the Company is a party in 2,040 files pending at courts of law, as a plaintiff, creditor or civil party, for whom the total value of the amounts to be recovered in court is of RON 562,737,685.

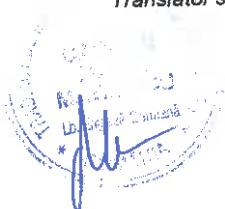
b) Description of the most significant disputes in which the Company is involved

File no. 11570/3/2013 Tribunal of Bucharest

By the application registered on 21 March 2013, the plaintiff Compania Nationala de Drumuri si Autostrazi din Romania SA (the National Company for Roads and Highways from Romania - hereinafter called CNADNR) requested versus Societatea de Asigurare Reasigurare ASTRA SA the ruling of a decision by which ASTRA should be compelled to pay the amount of RON 93,930,037.02 on four insurance policies on guarantees for good execution. Astra filed a statement of defence against the application of CNADNR and essentially requested the rejection of the application as ungrounded. As at 6 December 2013, by civil sentence no. 7039 ruled by the Bucharest Tribunal in file no. 11570/3/2013, the first court admitted the request of the plaintiff, bounding ASTRA to pay to the plaintiff the amount of RON 93,930,037.02 as a guarantee. As at 20 December 2013, it was served civil sentence no. 7039/2013 (File 11570/3/2013) to ASTRA Asigurari. Astra Asigurari filed an appeal within the legal term against civil sentence no. 7039/2013 of the Bucharest Tribunal, an appeal that in accordance with the provisions of the Code of Civil Procedure suspends the execution. The case is currently pending at the Court of Appeal Bucharest, with a hearing on 26 September 2014.

File no. 16039/3/2013 Bucharest Tribunal

By the application registered with the Bucharest Tribunal, 6th Civil Section, on 19 April 2013 the plaintiff Eximbank SA sued Societatea de Asigurare-Reasigurare ASTRA SA requesting from the court to rule a decision by which it should be compelled to pay the amount of RON 34,400,000 for an insurance policy on bail issued by ASTRA to the benefit of the insured SC Romstrade SRL. ASTRA filed a statement of defence in the case and requested the rejection of the request as ungrounded.



As at 28 March 2014, in File no. 16039/3/2013, the Bucharest Tribunal partially admitted the action of Eximbank SA versus Astra and compelled Astra to pay the amount of RON 15,628,278.87 by civil sentence no. 1582/2014. Against the decision of the Bucharest Tribunal an appeal was filed both by ASTRA and Eximbank SA and the appeal is currently pending at the Court of Appeal Bucharest in the stage of settling the appeal applications filed by the two parties.

File no. 321/122/2013 Giurgiu Tribunal

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

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

By the Decision from 22 April 2014, the Giurgiu Tribunal admitted the action filed by the official receiver Phoenix LAR IPURL and ordered *"the correction of the material errors and omission that slipped in the text of Commercial Sentence no. 51/5 February 2014 ruled by the Giurgiu Tribunal, i.e. at para. 5 from the text shall be inserted: "It orders the return to the patrimony of the debtor SC Omega City Business Center SRL of the receivables assigned under contract no. 345/2012, namely the amounts of RON 345,626.06 and Euro 334,995.04, as well as of the amount of RON 7,225,627.94 compensated under the agreement from 31 December 2010"*.

ASTRA filed an appeal against both decisions, which is pending for resolution at the Court of Appeal Bucharest with the first hearing on 15 September 2014.

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



The measure of distributing the enforced amounts by BEJ Raportoru in enforcement File no. 226/2014 was also challenged and the challenge of the enforcement was registered with the Court of Law of District 3 under no. 42120/301/2014. Concurrently, Omega CBC SRL challenged through the liquidator, the measure of the executor to not distribute a part of the amounts designated by ASTRA, as 2 files were pending, i.e. 41313/301/2014 and 42092/301/2014.

c) The impact of the disputes upon the financial statements

Starting with 2013, in accordance with the provisions of CSA Order no. 19/2012 for the amendment and supplementation of the Norms on the methodology for the computation and evidence of minimal technical reserves for the non-life insurance activity, the Company revised its policies of recognizing the claims reserves for claims that are the subject matter of an action filed in court. Thus, in case of claims for moral damages on bodily injuries or death, the claims reserve is established at the level of the estimated amounts considering the case-law, including court expenses.

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

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

Thus as at 31 December 2013, the Company recorded reserves for claim files related to litigations at the value of claims for material damages requested in court, out of which a reserve in amount of RON 141,985,647 refers to a number of 3 files pending in court, related to insurance policies in which the insured client is Romstrade, as follows:

- RON 93,930,037 - reserve related to court file no. 11570/3/2013 (insurance policies issued to the benefit of CNADNR);
- RON 34,400,000 - reserve related to court file no. 16039/3/2013 (insurance policy issued to the benefit of Eximbank SA);
- RON 13,655,610 - reserve related to court file no. 22310/3/2013 (insurance policy issued to the benefit of the Mayoralty of the Bucharest Municipality).

The value of the claims reserve in regard to these claims files was determined by applying the effective accounting regulations, considering the entire value of the claims for material damages requested in court by beneficiaries of the insurance policies. These reserves can be reduced if an



irrevocable decision of the relevant courts of law establishes or admits another value for the material damages that are the subject matter of such disputes. On the date of the Financial Statements for the financial year 2013, the concerned court files are still pending, in various trial stages.

15.9. The significant changes of the financial or commercial standing

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

16. ADDITIONAL INFORMATION

16.1.1. The share capital of the Company is RON 192,712,533.86 divided into 72,448,321 ordinary, nominative and dematerialized shares, each having a nominal value of RON 2.66. The share capital was fully subscribed and paid up by the shareholders. The shares issued by the Company are ordinary, dematerialized and indivisible against the Company, which recognizes only one holder for each share. There are no shares issued and not fully paid up.

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

N/A.

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

N/A.

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

N/A.

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

N/A.



17. SIGNIFICANT CONTRACTS – other than those concluded within the normal course of business

During 2013, the Issuer has not concluded any important contract outside its usual business schedule, except for those presented further in detail.

1. The loan contract registered under no. 054/AA01/26.06.2013 and concluded between Societatea de Asigurare-Reasigurare ASTRA SA, as the creditor, and SC TNG Real Estate Management SRL, as the borrower. Under the contract, Societatea de Asigurare Reasigurare ASTRA SA set a credit line in the maximum amount of RON 1,000,000 for an 11-month period starting on the date of concluding the contract at the borrower's disposal. The value of the loan balance as at 30 June 2014 is of RON 900,000 and the related interest in amount of RON 54,146.

2. The loan agreement registered under no. 001/2013/01.08.2013 and concluded between Societatea de Asigurare-Reasigurare ASTRA SA, as the creditor, and SC Theta Proficiency SRL, as the borrower. Under the contract, Societatea de Asigurare Reasigurare ASTRA SA set at the borrower's disposal a credit line in the amount of maximum RON 2,500,000 for an 11-month period starting on the date of concluding the contract. The value of the loan balance and related interest as at 31 May 2014 was of RON 2,369,388 and it was assigned to Compania Hoteliera Intercontinental Romania SA for consideration under the receivable assignment contract concluded on 30.06.2014 and registered under no. 144/AA01/30.06.2014. The price of the assignment was established at the par value of the receivable, i.e. principal and interest on the assignment date.

3. Loan agreement registered under no. 039/AA01/13.05.2013 and concluded between Societatea de Asigurare-Reasigurare ASTRA SA, as the creditor, and SC Eta Estate Solution SPV SRL as the borrower. Under the contract, Societatea de Asigurare Reasigurare ASTRA SA set at the borrower's disposal a credit line in the maximum amount of RON 950,000 for an 11-month period starting on the date of concluding the contract. The value of the loan balance and related interests as at 31 May 2014 was of RON 987,894.42 and they were assigned to International Business Center Modern SRL for consideration under the receivable assignment contract concluded on 30.06.2014 and registered under no. 145/AA01/30.06.2014. The price of the assignment was established at the par value of the receivable.

4. The transaction concluded on 10 December 2013 between Societatea de Asigurare Reasigurare Astra SA and Rex Mamaia SA by which it was settled the dispute between the two companies in regard to the claims file opened for the fire occurring on 19.02.2011 at the insured estate – Complex Hotelier Rex Mamaia. By this transaction, Astra was compelled to pay to Rex Mamaia the amount of Euro 2,171,313 and related interests by 01.02.2014. We mention that this amount has not been paid yet.



Before 31 December 2013, the Company concluded contracts that are not related to its current activity and the value of such contracts is recorded adequately in the books, as presented in section 14 "RELATED PARTY TRANSACTIONS" from this Prospectus.

18. THE INFORMATION MADE AVAILABLE BY THIRD PARTIES, DECLARATIONS OF EXPERTS AND DECLARATIONS OF INTEREST

18.1. If the registration document comprises a declaration or a report assigned to a person acting as an expert, then the name, address of the working place and qualifications of the concerned person and, as the case may be, any significant interests of the concerned person in regard to the Issuer shall be indicated. If the report or declaration were drafted on the request of the Issuer, a declaration shall be attached confirming the fact that the concerned documents were included in the form and in the context in which they were included, with the approval of the person authorizing the content of that part from the registration document.

N/A.

18.2. If the information originates from a third party, it shall be supplied a confirmation about the fact that the concerned pieces of information were accurately reproduced and that according to the knowledge of the Issuer and insofar he can confirm this, taking into account the data published by the concerned third party, no facts have been omitted that determine the reproduced information to be inaccurate or misleading. The source(s) of the concerned information shall also be provided.

Certain pieces of information included in this Prospectus originate from third-party sources, as provided in the footnotes of this Prospectus, at each section. The Issuer, the Special Administrator and the Intermediary have not verified the accuracy of the information originating from third-party sources to which reference is made in the Prospectus. Thus, the Issuer, the Special Administrator and the Intermediary assume no liability for the accuracy of the information originating from third-party sources. The information included in this Prospectus originating from third-party sources were accurately reproduced in the Prospectus on the date on which the third-party sources were consulted or on which the information included in this document were valid. Thus, certain pieces of information included in this Prospectus from third-party sources might be no longer valid or might not reflect the actual status on the date of the Prospectus or on a subsequent date.

Translator's explanatory note: please refer to the disclaimer on the first page of the document.

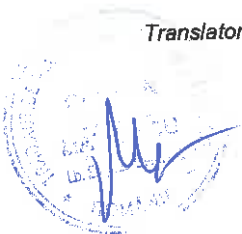


19. DOCUMENTS AVAILABLE TO THE PUBLIC

Subsequent to the approval of the Prospectus, the following documents may be consulted in hard copy, on request, at the Issuer's registered office from str. Nerva Traian, no. 3, bloc M101, etaj 10, sector 3, Bucharest, and at Intermediary's Branch from Bucharest in Splaiul Unirii, no. 16, et. 8, cam. 803, sector 4, Bucharest, on every Business Day of the subscription period, between 9:00 AM – 5.00 PM, and in electronic format, on the WebPages www.ssifbroker.ro and www.astrasig.ro:

- this Prospectus;
- the Articles of Incorporation of the Issuer;
- the Financial Statements 2013 and the report of the financial auditor in regard thereto;
- the subscription form;
- the form of revoking the subscription.

The Financial Statements 2013 and the report of the financial auditor thereupon are included also in Appendix III to the Prospectus.



Note on the securities for shares**1. RESPONSIBLE PERSONS**

These pieces of information were presented at item 1 from the registration document regarding the shares.

2. RISK FACTORS

These pieces of information were presented at item 3 the registration document regarding the shares.

3. BASIC INFORMATION**3.1. Declaration on the working capital**

The Issuer declares that as at 30 June 2014, the liquidity ratio for the non-life insurance activity was 0.03, whereas the liquidity ratio for the life insurance activity was 0.76.

3.2. Capitalisation and indebtedness

The Issuer declares that on 30 June 2014, the net asset value was negative, in amount of RON 756,940.667.

3.3. The interests of individuals and legal entities participating in the issuance/offer

The Issuer is not aware of any interests of the persons involved in the Offer, including conflicting ones able to significantly influence the share issuance.

3.4. Reasons of the Offer and the use of proceeds

One of the measures imposed by ASF and presented in detail in the recovery measures approved by ASF is the capitalization of the Issuer by one/several increases of the share capital. This measure, among other recovery measures approved by ASF, is aimed at improving the financial and prudential indicators of the Company, to cover the liquidity demand of the Issuer, the recapitalization of the Company in order to improve the financial indicators; the net value of the funds to be procured further to the increase of the share capital was estimated at the value of the amount for which the increase was approved (i.e. RON 70,000,001.4 net of the costs related to the process).

Translator's explanatory note: please refer to the disclaimer on the first page of the document.



4. INFORMATION ON THE SECURITIES THAT ARE TO BE OFFERED/ADMITTED TO TRADING

4.1. A description of the type and class of the nature and category of the securities offered and/or admitted to trading and the ISIN code (international number for the identification of securities) or any other identification code.

The shares issued by the Company are ordinary, nominative, dematerialized shares and they have a nominal value of RON 2.66/share. As of 27.11.1997 the shares of the Company have been admitted to trading on the RASDAQ market. The ISIN code of the shares issued by Societatea de Asigurare – Reasigurare ASTRA S.A. is ROATRAACNOR2 and the Bloomberg code BBGID: BBG000CYN648. The ticker of the shares is ATRA.

4.2. The legislation based on which the securities were created.

The issuance of the shares related to the increase of the share capital of the Company is governed by the Romanian law and the main applicable provisions are in the Company Law, the Capital Market Law, the Insurance Law and CNVM Regulation no. 1/2006 on issuers and operations with securities.

4.3. The indication of the form in which the securities were issued: nominal or bearer titles, physical or dematerialized. In this latter case it shall be indicated the name and address of the entity entrusted with the performance of the necessary registrations.

The shares of Societatea de Asigurare – Reasigurare ASTRA S.A. are securities for the purpose of the Capital Market Law. The issued shares are nominative, dematerialized, issued in book-entry form, the evidence thereof, the Shareholder Register respectively being kept by Depozitarul Central, with the registered office in Bucharest, bd. Carol I, no. 34-36, et. 3,8 și 9, sector 2.

4.4. The currency in which the issuance was performed

The issue is denominated in RON.

4.5. A description of the rights related to the securities, inclusively of any restriction that is applicable to them and the methods of exerting the concerned rights.

Each share issued by the Company renders equal rights to the holders registered with the Shareholder' Register, among which (but without limitation to):

- the right to receive dividends;
- the right to vote;
- the right to receive information;
- the right to participate in the surplus in case of winding up;
- the right to participate or be represented in the general meeting of shareholders;



- the pre-emption right in case of an increase of the share capital or in case of an issuance of bonds convertible into shares;
- the right to elect and be elected within the shareholders meetings for appointing the Supervisory Board of the Issuer;
- the right to withdraw from the Issuer in certain circumstances;
- the right to request the annulment or nullity of decisions of the general meeting of shareholders that were enacted by breaching the legal provisions and/or the provisions registered with the Articles of Incorporation of the Issuer;
- the right of shareholders, who individually or jointly hold at least 5% from the share capital to request the convening of the general meeting of the shareholder;
- the right of shareholders, who individually or jointly hold at least 5% from the share capital to request the inclusion of new items on the agenda of a general meeting of the shareholders or to present decision drafts on the items registered on the agenda;
- the right of shareholders, who individually or jointly hold at least 5% from the share capital to request the drafting of additional reports by the financial auditors of the Company;
- the right of shareholders, who individually or jointly hold at least 10% from the voting rights or from the share capital of the Company to request the election of the members in the Supervisory Board by cumulative voting.

The holding of shares means that the holder adheres to the Articles of Incorporation of the Company. The rights and obligations related to the shares follow the shares in case they are transferred from one owner to the other.

In accordance with ASF Decision no. 42/18.02.2014 on the commencement of the financial recovery procedure by special administration at Societatea de Asigurare – Reasigurare ASTRA S.A., KPMG Advisory SRL, duly represented by Șerban Toader Cristian, was appointed as the Special Administrator.

Art. 3 from the aforementioned ASF Decision no. 42/18.02.2014 provides the fact that as of the date of serving the decision, the following were suspended:

- c) legal prerogatives of significant shareholders and of significant persons of the Company. These prerogatives were transferred to the Special Administrator throughout the special administration;
- d) the voting rights in regard to the appointment and revocation of the members in the Supervisory Board of the Company, the right to dividends of the shareholders, the activity, as well as the right to remuneration of the members in the Supervisory Board.

The aforementioned suspension is effective throughout the period of the financial recovery of the Company by special administration.



The provisions of art. 3 from ASF Decision no. 42/18.02.2012 (actually representing a takeover of the legal provisions stipulated in art. 18 from Law no. 503/2004 on financial recovery, bankruptcy, dissolution and voluntary winding up in the insurance activity) are subject to interpretations in regard to the meaning of suspending the legal prerogatives of the significant shareholders, as neither the Company Law, nor the Insurance Law establishes the prerogatives of significant shareholders, but rather the shareholders' rights and the prerogatives of the shareholders' general meeting.

4.6. Decisions, licenses and approvals based on which there were created and/or issued securities

The share issuance shall be made according to Decision no. 26 from 27.06.2014 of the Special Administrator of the Company, published in the Official Journal of Romania, Part IV, no. 3867 from 15.07.2014. The Decision of the Special Administrator of the Company no. 26/27.06.2014 has been issued pursuant to the delegation of competence on the increase of the share capital granted by the shareholders of the Company through the Shareholders' Decision on the Increase.

4.7. Forecast date for the issuance of the securities

After the confirmation by ASF of having received the notification on the results of subscriptions, the Issuer shall commence all formalities necessary in view of registering the increase of the share capital with the Trade Register Office and issuance of the registration certificate attesting the registration of the share capital increase. Based on the registration certificate, ASF shall issue the Certificate for the Registration of securities related to the issuance of shares and subsequently the increase of the share capital shall be registered with Depozitarul Central; the persons who subscribed shares shall gain the capacity of the owner of new shares on the date of registering the new shares by Depozitarul Central and the shareholders shall gain possession of the subscribed shares.

4.8. A description of all restrictions imposed upon the free transferability of the securities.

The shares subscribed in the Offer may not be sold by any means before registering the increase of the share capital related to the Offer with Depozitarul Central. No transactions with the shares may commence before registering the increase of the share capital with Depozitarul Central.

The new shares could be theoretically traded after the registration with Depozitarul Central.

De facto, as of 18.02.2014 the shares issued by the Company are suspended from trading; as a consequence, the shareholders of the Company, investors in general may not sell/buy the shares issued by the Company through the trading system of the RASDAQ market.

4.9. For the country in which the Issuer's registered office is located and the country/countries where the offer is performed or requested to be admitted on trading:

- *information on any withholding applicable upon the income generated by the securities;*



- *indications on the Issuer's assuming or not assuming the withholding responsibility.*

In accordance with the applicable legal provisions in Romania - the country in which the registered office of the Company is located - the dividend tax is withheld by the Company.

5. CONDITIONS OF THE OFFER

By the Shareholders' Decision on the Increase published in the Official Journal of Romania, Part IV, no. 3078 from 30.05.2014, it was approved the delegation to the Special Administrator, respectively the Management Board (if further to convening EGMS, the management of the Company would be resumed by the Management Board), of the authority to increase the share capital of the Company, in the conditions of art. 236, para. 2 from Law 297/2004 on the capital market, with subsequent amendments and supplements, by observing the following rules:

- The delegation of the authority to increase the share capital operates for a term of maximum one year and is granted further to analysing the financial condition of the Company by the Special Administrator, according to the mandate granted by ASF, out of which resulted *inter alia* the necessity of recapitalizing the Company in order to improve the financial indicators;
- In executing the delegation, the Special Administrator/Management Board may decide through one or several decisions upon the increase of the share capital of the Company by issuing new shares, by amounts that may not exceed the total amount of RON 490,000,000 lei;
- The increase of the share capital can be made by cash contributions fully paid on the date of subscription and/or by converting uncontested, liquid and enforceable claims deriving from loans granted to the Company and in this latter case, the conversion would be exclusively performed in regard to amounts lent representing the actual principal collected by the Company;
- The subscription of amounts for the increase of the share capital determined by a decision of the Special Administrator/Management Board shall be performed by observing the pre-emption right of the shareholders of the Company on the Registration Date.

By Decision no. 26 from 27.06.2014 of the Special Administrator of Societatea de Asigurare – Reasigurare ASTRA S.A., KPMG Advisory SRL, published in the Official Journal of Romania, Part IV, no. 3867 from 15.07.2014, it was approved the increase of the share capital of the Company, by cash contribution, with the amount of RON 70,000,001.4, from the value of RON 192,712,533.86 to the value of RON 262,712,535.26, through the issuance of a number of 26,315,790 nominative shares, with a par value of RON 2.66/share.



The increase of the share capital shall be performed in one single stage and the new shares shall be offered for subscription to the shareholders of the Company registered with Shareholders Register on the Registration Date, 14.07.2014, who will be able to subscribe the new shares pro rata to the participation quota in the share capital held on such date.

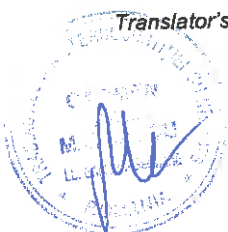
Thus, for each share held, the shareholders may subscribe a number of 0.36323533 new shares. The final number of shares subscribed by each shareholder shall be rounded down to the nearest even number. Shareholders may inquire about the number of shares they are entitled to subscribe at the Issuer's registered office and at Intermediary's branch from Bucharest. Taking into account the fact that the increase is made without adding any issuance premium, the subscription price shall be of RON 2.66/share. The minimum value of a subscription is one share. The shareholders may inquire about the number of shares they are entitled to subscribe at the Issuer's registered office and at Intermediary's branch from Bucharest.

The payment of shares shall be fully made on the subscription date by observing the terms and conditions of this Prospectus and any share subscription shall be validated by rounding down to the immediately lower even number. The subscription term is of one calendar month as of the date established in this Prospectus and the offer announcement, respectively as of the Business Day immediately after the date of publishing the offer announcement in a newspaper of countrywide circulation and on the webpage of the Issuer and of the Intermediary. Thus, the Subscription Period shall span between September 1st, 2014 inclusively and October 1st, 2014 inclusively, it shall include a number of 32 calendar days. Shares not subscribed on the due date of the Subscription Period shall be annulled by the decision of the Special Administrator.

5.1. The subscription of shares

The subscription form is available at Intermediary's registered office, as well as online at www.ssifbroker.ro and www.astrasig.ro.

Any resident or non-resident, individual or legal entity, may subscribe shares offered by this Offer, provided it has the capacity of a shareholder on the Registration Date, respectively he is registered as a shareholder with the Shareholders' Register kept by Depozitarul Central on the Registration Date. Any subscription performed within the Subscription Period by a person that did not have the capacity of a shareholder on the Registration Date shall not be validated by the intermediary of the Offer and the amount of money is to be reimbursed to the respective person. Also, in case a shareholder subscribes a higher number of shares versus the maximum number of shares he is entitled to subscribe, the difference between the subscribed value and the value of the shares he was entitled to subscribe shall be reimbursed to him. The reimbursement of the amounts shall be performed within a term of maximum 5 business days as of the end of the Subscription Term. The Subscription Term is of one month, i.e. 32 calendar days, as of the Business Day immediately



following upon the date of publishing the offer announcement in a newspaper of countrywide circulation and on the Issuer's and Intermediary's webpage.

The payment of the subscribed shares should be made in RON, in the Collection Account opened by the Intermediary with a commercial bank and destined to collect the amounts corresponding to the subscriptions on the Offer, respectively to IBAN account RO26BTRLRONCRT00R1814004, opened with Banca Transilvania, Zorilor Branch, Cluj-Napoca.

The shareholder should bear in full the bank fees charged for the payment of a subscription.

Subscribers may find out from the Issuer and from the Intermediary the shares allocated to them.

If the amount paid by the shareholder in the Collection Account is lower than the amount necessary to subscribe the number of shares specified in the Subscription Form, a number of shares corresponding to the paid amount shall be assigned to him, provided this number of shares is lower than the maximum number of shares that the shareholder is entitled to subscribe while exercising the pre-emption right. On the registration of the Subscription Forms, the equivalent value of the subscribed shares should be fully paid up, meaning that the respective amounts should be deposited with the Collection Account.

The name and address of the entities that undertook to subscribe the issuance and of those persons, who undertook to place securities against the best price without a decisive subscription or under an investment agreement. The main characteristics of the concluded agreements shall be indicated, including the quotas. If the decisive subscription does not target the entire issuance, the quota that has not been subscribed shall be provided. The global value of the guarantee fee shall be indicated (for the decisive subscription) and of the placement commission: N/A.

The date on which the decisive subscription approval was or shall be fulfilled: N/A.

5.2. Necessary documents

In order to exercise their pre-emption rights, shareholders should fill in the subscription form and attach thereto the following documents:

Resident individuals subscribing on own behalf:

- ID card (true copy of the original);
- The proof of paying the subscribed shares.

Resident individuals subscribing on behalf of other individuals:

- ID card (true copy of the original) of the representative and ID card (true copy of the original) of the represented person;
- Authentic power of attorney (original);
- Proof of having paid the subscribed shares

Incapable resident individuals (without judgement power) or under guardianship:

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- ID card (true copy of the original) of the resident individual subscribing for the represented person and the ID card of the incapable person (true copy of the original);
- Passport (true copy of the original) and/or stay permit (true copy of the original) of the person subscribing for the incapable person – only in case of foreign citizens;
- Legal deed establishing the guardianship or, as the case may be, a document establishing the guardianship (true copy of the original);
- Proof of having paid the subscribed shares

Legal entities subscribing on own behalf:

- Registration certificate issued by the Trade Register Office (true copy of the original);
- Confirmation of company details on the current standing of the legal entity, issued by the Trade Register (in original, issued maximum 30 days before the subscription date);
- The original power of attorney/mandate for the person signing the Subscription Form, granted according to the provisions of the Articles of Incorporation or a proof that the concerned person duly represents the subscribing legal entity, with an individual representation right (if the Company is collectively represented by two or more persons that are all attending the signing of the Subscription Form, such a proof shall be presented for all these persons)
- ID card (true copy of the original) of the person subscribing for the legal entity;
- Proof of having paid the subscribed shares.

Non-residential individuals subscribing on own behalf:

- Passport or ID card (true copy of the original)
- Proof of having paid the subscribed shares

Non-resident individuals subscribing by resident authorized representatives:

- Passport or ID card (true copy of the original);
- ID card of the authorized representative (in original and copy);
- Authentic power of attorney providing that the representative is authorized to act on behalf of the non-resident individual (in original);
- The proof of paying the subscribed shares.

Non-resident legal entities subscribing on own behalf:

- Registration certificate of the non-resident legal person issued by the Trade Register or any equivalent institution, if any (copy);
- Confirmation of company details on the current standing, in original, for the non-resident legal entity providing the legal representatives of the concerned non-resident legal entity, issued by the Trade Register or any equivalent institution (issued maximum 30 days before the subscription date). If there is no authority or institution authorised to issue such a certificate, shall be submitted any corporate document indicating the legal representatives of the non-



resident legal entity (issued maximum 30 days before the subscription date); such a corporate document of the non-resident legal entity shall clearly specify whether the legal representatives are entitled to act separately or jointly or any deed proving the capacity of the legal representative of the subscribing Company

- If subscriptions are performed by a person other than the legal representative(s) of the non-resident legal entity, the power of attorney/mandate signed by the legal representatives of the non-resident legal entity, authorizing the concerned person to subscribe the shares in the account of the non-resident legal entity (true copy of the original);
- The ID card of the person subscribing as a legal representative or attorney-in-fact of the non-resident legal entity: passport, ID card (true copy of the original);
- The proof of paying the subscribed shares.

Non-resident legal entities subscribing by a resident legal entity:

- Registration certificate of the non-resident legal person issued by the Trade Register or any equivalent institution, if any (copy);
- Confirmation of company details on the current standing, in original, for the non-resident legal entity providing the legal representatives of the concerned non-resident legal entity respective, issued by the Trade Register or any equivalent institution (issued maximum 30 days before the subscription date). If there is no authority or institution authorised to issue such a certificate, shall be submitted any corporate document indicating the legal representatives of the non-resident legal entity (issued maximum 30 days before the subscription date); such a corporate document of the non-resident legal entity shall clearly specify whether the legal representatives are entitled to act separately or jointly;
- Registration certificate of the resident corporate representative issued by the Trade Register (copy);
- Confirmation of company details on the current standing the resident corporate representative issued by the Trade Register (issued maximum 30 days before the subscription date);
- ID card of the legal representative of the of the resident legal entity subscribing as a representative on account of the non-resident legal entity (true copy of the original);
- The proof of paying the subscribed shares.

Documents certifying the capacity of the legal representative drafted in a foreign language other than English shall be accompanied by a translation made by a sworn translator in the Romanian or in the English language.

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5.3. Registration of subscriptions

The necessary documents should be submitted or dispatched by mail or courier to the Intermediary's branch from Bucharest, with the registered office in Splaiul Unirii, no. 16, et. 8, cam. 803, sector 4, Bucharest, with the note on the envelope "for the increase of the share capital of ASTRA S.A.".

If they choose to dispatch the documents by mail or courier, shareholders should consider the fact that the documents should arrive at the Intermediary's Branch from Bucharest by the latest on the last day of the Subscription Term, 5 P.M..

5.4. Intermediation method

The intermediation method is the method of the best execution, the shares being assigned to the entitled shareholders according to the number of shares they were entitled to subscribe. The Intermediary shall verify all subscription forms together with the documents set out in this Prospectus as being necessary for subscription and shall register all received subscriptions, if these fulfil the validity terms. On the following business day, after the end of the Subscription Period, the Intermediary shall draft a list of the shareholders that have subscribed, as well as the number of shares subscribed by each shareholder and together with the collected subscriptions it shall be remitted to the Special Administrator. Based on the subscriptions made available by the Intermediary, the Special Administrator shall adopt a decision by which he shall assess the results of the subscription in the increase of the share capital, the level up to which the share capital is increased according to the subscriptions and the annulment of the unsubscribed shares.

5.5. Revocation of the subscription

Subscriptions performed under this Offer are irrevocable. If an amendment to the Prospectus is published, the shareholders that subscribed shares under the Offer before publishing the amendment to the Prospectus, are entitled to withdraw their subscriptions within a term of two working days as of the date of publishing the amendment to the Prospectus; the withdrawal of the subscription shall be performed by the shareholders by supplementation, by signing and remitting to the Intermediary the revocation form. The amounts paid on account of the shares that were the subject matter of the subscriptions withdrawn further to publishing an amendment shall be reimbursed to the respective shareholder within a term of five business days as of the expiry date of the Subscription Term.



6. ADMITTANCE TO TRADING and TRADING METHODS

After ASF confirms the reception of the notification regarding the results of subscriptions, the Issuer shall perform all formalities necessary in view of registering the increase of the share capital with the Trade Register Office and the issuance of the registration certificate. Based on registration certificate, ASF shall release the registration certificate of securities related to the share issuance and afterwards the share capital increase shall be registered with Depozitarul Central; persons that subscribed shares shall gain the capacity of holders of new shares on the date of registering the new shares with Depozitarul Central.

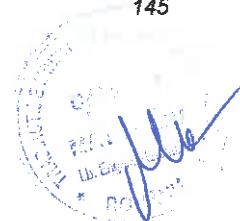
Shares acquired under the Offer presented in this Prospectus, after their full payment and the registration of the capital increase shall have, after the registration with Depozitarul Central, the same regime as the current shares, offering to shareholders the same rights and obligations.

Further to the registration with Depozitarul Central of the share capital increase, the shares acquired under the Offer may be theoretically traded through the trading system of the RASDAQ market, being freely transferable shares.

De facto, as of 18.02.2014 the shares issued by the Company are suspended from trading; hence, the shareholders of the Company, investors in general cannot sell/buy the shares issued by the Company through the trading system of the RASDAQ market before the trading of shares is resumed.

If simultaneously or almost simultaneously with the creation of securities for which it is requested the admission to trading on a regulated market, there are subscribed or privately placed securities from the same category or if there are created securities from other categories that shall be the subject matter of a public or private investment, the nature of such operations shall be indicated, as well as the number and characteristics of the securities that are the subject matter of these operations: N/A.

Detailed information on the entities that assumed a decisive undertaking to act as intermediaries on the secondary markets and to warrant the liquidity thereof by sales and purchase quotations; a description of the main characteristics of their engagement: N/A.



7. LOCK UP AGREEMENTS

There are no lock-up agreements.

8. EXPENSES RELATED TO THE ISSUANCE/OFFER

According to the CNVM Regulation, no. 2/2012 for the amendment of the CNVM Regulation no. 7/2006 on the income of CNVM, the ASF commission is an initial ratio of 0.3% from the total value of the issuance and a regularization level of this ratio up to 0.5% from the value of subscribed shares, if the case may be. The difference between the initially charge ratios and the regularization ratio is paid at the closing of the Offer.

The tariff charged for the registration of the securities with ASF is RON 1,000.

The Intermediary's fee is in the flat amount of EURO 6,500 in RON equivalent and it shall be paid by the Issuer out of own funds.

Other expenses incurred with the Offer and not quantified yet, but estimated not to exceed RON 10,000 shall be paid out of own funds of the Issuer.

9. DILUTION

9.1. *The amount and percentage of the dilution directly determined by the issuance/offer direct*

If all shareholders exert their pre-emption right, the shareholding and the percentage holdings of each shareholder shall remain unchanged, modifying only the number of held shares.

9.2. *The amount and percentage of immediate dilution that shall take place in case of not subscribing the new Offer.*

The amount and percentage of the immediate dilution that shall be registered by a shareholder choosing not to exercise his pre-emption right depends upon the number of shares that shall be subscribed by shareholders exercising their pre-emption right and as such it cannot be determined before finalizing the end of the Subscription Period.

10. ADDITIONAL INFORMATION

10.1. *If within the note on the securities consultants are provided, who are related to the issuance, a declaration specifying the capacity in which they acted.*

N/A.

10.2. *Specify what other pieces of information within the note on securities have been verified or examined by the auditors and whether they drafted a report. The report is fully presented or a summary thereof with the approval of the relevant authority.*

N/A.

10.3. *If the note on the securities comprises a declaration or a report on persons acting as expert, indicate the name, working place address, qualifications of the concerned person and, if the*

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case, any significant interests of the concerned person in regard to the Issuer. If the report or declaration were drafted at the request of the Issuer, a declaration is attached confirming the fact that the concerned documents were included in the form and in the context in which they were included, with the consent of the person that authorized the content of that part from the note on securities.

N/A.

10.4. If the information originates from a third party, a confirmation shall be supplied about the fact that the concerned information was accurately reproduced and that according to the knowledge of the Issuer and insofar as it can confirm that, considering the data published by the concerned third party, no facts that could render the reproduced information incorrect or misleading have been omitted. The concerned information source(s) shall be also provided.

N/A.

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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.

