



Transilvania Broker[®]
BROKER DE ASIGURARE

TRANSILVANIA BROKER DE ASIGURARE S.A.

Str. Zorilor, Nr. 5 , Bistrița, Jud. Bistrița-Năsăud, Romania, 420011

Registrul Comerțului: J06/674/2006 | Cod fiscal: 19044296

Capital social : 500.000 lei

**TRANSILVANIA BROKER DE
ASIGURARE S.A.**

INDIVIDUAL ANNUAL FINANCIAL STATEMENT

**at and for the financial year ended on the 31ST
OF DECEMBER 2017**

**drawn up in accordance with Rule A.S.F.
36/2015, for the approval of the Accounting
Regulations on the individual annual
financial statements and the consolidated
annual financial statements applicable to
insurance and / or reinsurance brokers**

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Individual Annual Financial Statement

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TRANSILVANIA BROKER DE ASIGURARE S.A.
BALANCE SHEET on the 31st of Decembrie 2017
(all amounts are expressed in RON (RON), unless otherwise specified)

**BALANCE SHEET on
the 31st of Decembrie 2017**

Element name	Line no.	Balance on:	
		01.01.2017	31.12.2017
A. FIXED ASSETS			
I. INTANGIBLE ASSETS			
1. Establishment expenses	01	0	0
2. Exploitation expenses	02	0	0
3. Concessions, patents, licenses, trademarks, rights and similar assets if they have been purchased for consideration	03	21.928	15.954
4. Goodwill	04	0	0
5. Advances for intangible assets	05	0	0
TOTAL (lines 01 to 05)	06	21.928	15.954
II. TANGIBLE ASSETS			
1. Land and construction	07	0	0
2. Technical installations and machines	08	167.384	63.188
3. Other installations, machinery and furniture	09	15.634	35.661
4. Advance payments and tangible assets in progress	10	0	0
TOTAL (lines 07 to 10)	11	183.018	98.849
III. FINANCIAL ASSETS			
1. Shares held in affiliated entities	12	0	0
2. Loans granted to affiliated entities	13	0	0
3. Shares held in affiliated entities and jointly controlled entities	14	0	0
4. Loans to Associated Entities and Jointly Controlled Entities	15	10.717	0
5. Investments held as fixed assets	16	0	0
6. Other Loans and Bonds	17	15.075	15.075
TOTAL (lines 12 to 17)	18	25.792	15.075
FIXED ASSETS - TOTAL (lines 06 + 11 + 18)	19	230.738	129.879
B. CURRENT ASSETS			
I. STOCKS			
1. Consumables and other current assets in the nature of inventories	20	0	0
2. Advances for stock purchases	21	0	942
TOTAL (lines 20 + 21)	22	0	942
II. RECEIVABLES			
1. Claims related to brokerage activity	23	658.615	372.013
2. Amounts to be collected from affiliated entities	24	0	0
3. Amounts to be collected from the associated and jointly controlled entities	25	0	0
4. Other claims	26	1.978.212	4.182.897

TRANSILVANIA BROKER DE ASIGURARE S.A.
BALANCE SHEET on the 31st of Decembrie 2017
(all amounts are expressed in RON (RON), unless otherwise specified)

5. Receivables on subscribed and unpaid capital	27	350.000	0
TOTAL (lines 23 to 27)	28	2.986.827	4.554.909
III. SHORT-TERM INVESTMENTS			
1. Shares held in affiliated entities	29	0	0
2. Other short-term investments	30	0	0
TOTAL (lines 29 to 30)	31	0	0
IV. HOUSE AND BANK ACCOUNTS			
CURRENT ASSETS - TOTAL (lines 22 + 28 + 31 + 32)	33	6.574.889	11.821.715
C. PREPAYMENTS	34	36.489	6.656
D. DEBTS: AMOUNTS TO BE PAID WITHIN A PERIOD OF ONE YEAR			
1. Bonds from the bond issue showing separately the borlinesings from the issue of convertible bonds	35	0	0
2. Amounts owed to credit institutions	36	0	0
3. Debts related to brokerage activity	37	2.355.489	5.044.351
4. Amounts due to affiliated entities	38	0	0
5. Amounts owed to associates and jointly controlled entities	39	0	0
6. Other debts, including tax debts and social security debts	40	939.950	3.679.499
TOTAL (lines 35 to 40)	41	3.295.439	8.723.850
E. NET CURRENT ASSETS / NET CURRENT DEBTS	42	3.315.938	3.104.521
(lines 33 + 34-41-56)			
F. TOTAL ASSETS MINUS CURRENT DEBTS	43	3.546.677	3.234.399
(lines 19 + 42-55)			
G. DEBTS TO BE PAID WITHIN A PERIOD LONGER THAN ONE YEAR			
1. Bonds from the bond issue showing separately the borlinesings from the issue of convertible bonds	44	0	0
2. Amounts owed to credit institutions	45	0	0
3. Debts related to brokerage activity	46	0	0
4. Amounts due to affiliated entities	47	0	0
5. Amounts owed to associates and jointly controlled entities	48	0	0
6. Other debts, including tax debts and social security debts	49	52.127	0
TOTAL (lines 44 to 49)	50	52.127	0
H. PROVISIONS			
1. Provisions for pensions and similar obligations	51	0	0
2. Provisions for taxes	52	0	0
3. Other Provisions	53	0	0

TRANSILVANIA BROKER DE ASIGURARE S.A.
BALANCE SHEET on the 31st of Decembrie 2017
(all amounts are expressed in RON (RON), unless otherwise specified)

TOTAL (lines 51 to 53)	54	0	0
I. ADVANCE INCOME			
1. Subsidies	55	0	0
2. Income recorded in advance	56	0	0
3. Negative trading	57	0	0
TOTAL (lines 55 + 56 + 57)	58	0	0
J. CAPITAL AND RESERVES			
I. CAPITAL (lines 60 + 61 + 62 + 63)	59	500.000	500.000
1. Subscribed capital	60	150.000	500.000
2. Subscribed capital not paid	61	350.000	0
3. Elements similar to social capital	62	0	0
4. Other equity items	63	0	0
II. CAPITAL PREMIUMS	64	0	0
III. REVALUATION RESERVES	65	0	0
IV. RESERVES (lines 67 + 68 + 69)	66	30.000	100.000
1. Legal reserves	67	30.000	100.000
2. Statutory or contractual reserves	68	0	0
3. Other reserves	69	0	0
Own actions	70	0	0
Earnings related to equity instruments	71	0	0
Losses related to equity instruments	72	0	0
V. PROFIL OR LOSS BALANCE C	73	0	0
REPORTED BALANCE D	74	62.131	701.223
VI. PROFIL OR LOSS BALANCE C	75	3.051.681	3.405.622
OF FINANCIAL EXERCISE BALANCE D	76	0	0
Distribution of profit	77	25.000	70.000
OWN CAPITAL - TOTAL (lines 59 + 64 + 65 + 66 - 70 + 71 - 72 + 73 - 74 + 75 - 76 - 77)	78	3.494.550	3.234.399

The financial statements were authorized on the 22nd of March 2018 by the Board of Directors, for AGA approval.

Chairman of the Board of Directors,
 Mr. Dan Niculae
 Signature _____

Drafted,
 Mrs. Rus Claudia-Adela
 Head of Accounting service
 Signature _____

TRANSILVANIA BROKER DE ASIGURARE S.A.
BALANCE SHEET on the 31st of Decembrie 2017
(all amounts are expressed in RON (RON), unless otherwise specified)

**PROFIT AND LOSS ACCOUNT on the
31st of December 2017**

Denumirea indicatorilor	Line No.	Earnings within the reporting periods	
		previous 31.12.2016	current 31.12.2017
1. Revenues from brokering activity (02 02 + 05 + 06 + 07 + 08):	01	62.492.184	53.835.203
a) Negotiation of insurance and reinsurance contracts (03 + 04) of which:	02	62.492.184	53.726.933
a.1) negotiation of insurance contracts	03	62.492.184	53.726.933
a.2) negotiation of reinsurance contracts	04	0	0
b) Performing risk inspections	05	0	0
c) settlement in case of damages	06	0	0
d) damages commission	07	0	0
e) other activities related to the object of activity	08	0	108.270
2. Commercial discounts granted	09	0	0
3. Income from operating grants	10	4.435	1.000
4. Other operating income	11	596	70.083
of which: Income from negative goodwill	12	0	0
5. Income from the revaluation of tangible assets	13	0	0
OPERATING INCOME – TOTAL (lines 1 - 9 + 10 + 11 + 13)	14	62.497.215	53.906.286
6. a) Expenditure on services rendered by third parties of which: expenses with collaborators	15	1.705.856	1.273.723
	16	0	0
b) Expenditure on consumables and inventory items	17	151.313	131.427
7. Commercial Discounts Received	18	0	0
8. Expenses with other taxes, taxes and similar charges, of which, the operating fee	19	188.271	173.037
	20	183.750	121.007
9. Staff Expenses (lines 22 + 23)	21	2.044.433	2.270.043
a) Salaries and allowances	22	1.682.124	1.828.079
b) Social security and social protection expenses	23	362.309	441.964
10. Environmental Protection Expenditures	24	0	0
11. Expenses with the revaluation of property, plant and equipment	25	0	0
12. Expenditure on calamities and other similar events	26	0	0
13. Expenditure on commission due to brokerage assistants	27	53.991.987	45.544.380
14. Value adjustments on tangible assets and intangible assets (lines 29-30)	28	174.076	135.930
a) Expenses	29	174.076	135.930

TRANSILVANIA BROKER DE ASIGURARE S.A.
BALANCE SHEET on the 31st of Decembrie 2017
(all amounts are expressed in RON (RON), unless otherwise specified)

b) Revenues	30	0	0
15. Value adjustments for circulating assets (lines 32-33)	31	0	126.675
a) Expenses	32	0	126.675
b) Revenues	33	0	0
16. Other operating expenses (lines 35 + 36)	34	628.568	275.915
a) Expenses with indemnities, donations and assets ceded	35	628.568	264.148
b) Other operating expenses	36	0	11.767
17. Adjustments for provisions (lines 38-39)	37	0	0
a) Expenses	38	0	0
b) Revenues	39	0	0
OPERATING EXPENSES - TOTAL	40	58.884.504	49.931.129
(lines15+17-18+19+21+24+25+26+27+28+31+34+37)			
OPERATING PROFIT OR LOSS			
Profit (lines 14-40)	41	3.612.711	3.975.157
Loss (lines 40-14)	42	0	0
18. Income from participating interests of which: Income from affiliated entities	43	0	0
	44	0	0
19. Interest income of which: income earned from affiliated entities	45	1.833	2.613
	46	0	0
20. Other financial income of which: income from other financial assets	47	826	79
	48	0	0
FINANCIAL INCOME - TOTAL (lines43+45+47)	49	2.659	2.692
21. Value adjustments on financial assets (lines 51-52)	50	0	0
a) Expenses	51	0	0
b) Revenues	52	0	0
22. Interest expenses	53	9.652	1.295
of which: expenditure in relation to affiliated entities	54	0	0
23. Other financial expenses	55	4.897	1.244
FINANCIAL EXPENSES - TOTAL (lines 50+53+55)	56	14.549	2.539
FINANCIAL PROFIT OR LOSS			
Profit (lines 49-56)	57	0	153
Loss (lines 56-49)	58	11.890	0
CURRENT PROFIT OR LOSS			
Profit (lines 14+49-40-56)	59	3.600.821	3.975.310
Loss (lines 40+56-14-49)	60	0	0
VENITURI TOTALE (lines14+49)	61	62.499.874	53.908.978
CHELTUIELI TOTALE (lines40+56)	62	58.899.053	49.933.668
PROFITUL SAU PIERDEREA BRUT(A)			
Profit (lines 61-62)	63	3.600.821	3.975.310
Pierdere (lines 62-61)	64	0	0
Profit tax	65	549.140	569.688
Other taxes not indicated in the above items	66	0	0

TRANSILVANIA BROKER DE ASIGURARE S.A.
BALANCE SHEET on the 31st of Decembrie 2017
(all amounts are expressed in RON (RON), unless otherwise specified)

NET PROFIT OR LOSS			
FINANCIAL EXERCISE			
Profit (lines 61-62-65-66)	67	3.051.681	3.405.622
Loss (lines 62-61+65+66)	68	0	0

TRANSILVANIA BROKER DE ASIGURARE S.A.
PROFIT AND LOSS ACCOUNT
BALANCE SHEET on the 31st of Decembrie 2016
(all amounts are expressed in RON (RON), unless otherwise specified)

The financial statements were authorized on the 22nd of March 2018 by the Board of Directors, for AGA approval.

Chairman of the Board of Directors,
Mr. Dan Niculae
Signature _____

Drafted,
Mrs. Rus Claudia-Adela
Head of Accounting service
Signature _____

TRANSILVANIA BROKER DE ASIGURARE S.A.
STATEMENT OF CHANGES IN EQUITY
for the financial year ended December 31st, 2017
(all amounts are expressed in RON (RON), unless otherwise specified)

2017

Element name		Balance on the 1 st of January 2017	Increases		Reductions		Balance or the 31 st of December 2017
			Total, of which:	By transfer	Total, of which:	By transfer	
Subscribed capital		500.000	0	0	0	0	500.0
Prime capital		0	0	0	0	0	
Revaluation reserves		0	0	0	0	0	
Legal reserves		30.000	70.000	0	0	0	100.0
Reserves representing surplus from revaluation reserves		0	0	0	0	0	
Other reservations		0	0	0	0	0	
The retained earnings represents the undistributed profit or the uncovered loss	Balance C	25.000	3.051.681	3.051.681	3.051.681	0	25.0
	Balance D	0	0	0	0	0	
The retained earnings from the correction of accounting errors	Balance C	0	0	0	0	0	
	Balance D	87.131	639.092	0	0	0	726.2
Result of the financial year	Balance C	3.051.681	3.405.622	0	3.051.681	3.051.681	3.405.6
	Balance D	0	0	0		0	
Distribution of profit		25.000	70.000	70.000	25.000	25.000	70.0
Total equity		3.494.550	5.818.211		6.078.362		3.234.3

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Chairman of the Board of Directors,
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Head of Accounting service
Signature _____

2016

TRANSILVANIA BROKER DE ASIGURARE S.A.

STATEMENT OF CHANGES IN EQUITY

for the financial year ended December 31st, 2017

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

Element name		Balance on the 1 st of January 2016	Increases		Reductions		Balance on the 31 st of December 2016
			Total, of which:	By transfer	Total, of which:	By transfer	
Subscribed capital		150.000	350.000	0	0	0	500.00
Prime capital		0	0	0	0	0	
Revaluation reserves		0	0	0	0	0	
Legal reserves		5.000	25.000	25.000	0	0	30.00
Reserves representing surplus from revaluation reserves		0	0	0	0	0	
Other reservations		0	0	0	0	0	
The retained earnings represents the undistributed profit or the uncovered loss	Balance C	0	3.259.334	3.259.334	3.234.334	0	25.00
	Balance D	0	0	0	0	0	
The retained earnings from the correction of accounting errors	Balance C	0	0	0	0	0	
	Balance D	0	87.131	0	0	0	87.13
Result of the financial year	Balance C	3.259.334	3.051.681	0	3.259.334	0	3.051.68
	Balance D	0	0	0	0	0	
Distribution of profit		0	25.000	0	0	0	25.00
Total equity		3.414.334	6.573.884		6.493.668		3.494.55

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Chairman of the Board of Directors,
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Signature _____

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Head of Accounting service
Signature _____

TRANSILVANIA BROKER DE ASIGURARE S.A.**SITUATION OF TREASURY FLOWS**for the financial year ended December 31st, 2017*(all amounts are expressed in RON (RON), unless otherwise specified)*

Name of indicators	Line no.	Achievements for the reporting period	
		previous 31.12.2016	current 31.12.2017
CASH FLOWS FROM THE OPERATION ACTIVITY			
1. Cash receipts from brokering	01	557.687.568	311.146.764
2. Cash payments from intermediation activity	02	556.123.312	302.868.441
3. Other receipts from various borrowers	03	2.509.733	58.542
4. Pay cash to suppliers and other creditors	04	2.181.364	1.283.561
5. Cash payments to and on behalf of employees	05	1.834.851	2.169.311
6. Payments related to special funds from intermediation activity	06	183.750	107.358
7. Other cash payments related to operating activities	07	1.059.825	459.599
8. Cash payments representing dividends distributed to shareholders	08	3.072.617	0
9. Profit tax paid	09	664.244	497.887
NET CASH GENERATED FROM (USED IN)	10	-4.922.661	3.819.149
OPERATING ACTIVITIES (lines 01-02+03-04-05-06-07-08-09)			
CASH FLOWS FROM INVESTMENT ACTIVITIES			
1. Cash payments for the acquisition of tangible and intangible assets	11	44.660	48.833
2. Income from the sale of tangible and intangible assets	12	16.846	0
3. Cash payments for acquiring equity instruments or debt of other entities	13	0	0
4. Income from the sale of equity or debt instruments of other entities	14	0	0
5. Cash payments for acquiring interests in joint ventures	15	0	0
6. Income from the sale of interests in joint ventures	16	0	0
7. Payments in the form of loans to third parties	17	0	0
8. Receipts from repayment of loans granted to third parties	18	0	0
9. Income from dividends generated by equity instruments	19	0	0
10. Interest receivable generated by debt instruments	20	0	0
11. Receipts from bank interest	21	1.834	2.613
NET CASH GENERATED FROM (USED IN) INVESTMENTS	22	-25.980	-46.220
ACTIVITIES (lines 12-11-13+14-15+16-17+18+19+20+21)			
CASH FLOWS FROM FINANCING ACTIVITY			
1. Cash receipts arising from the issue of shares or other equity instruments	23	350.000	0
2. Cash payments made to owners to redeem the entity's actions	24	0	0

TRANSILVANIA BROKER DE ASIGURARE S.A.**SITUATION OF TREASURY FLOWS****for the financial year ended December 31st, 2017***(all amounts are expressed in RON (RON), unless otherwise specified)*

3. Cash receipts arising from the issue of debt securities, bonds or other loans	25	0	0
4. Cash payments made to repay borrowed funds	26	0	0
5. Cash receipts from funds lent by shareholders	27	0	0
6. Payments representing repayments of funds borrowed by shareholders	28	0	43.000
7. Cash payments related to financial leasing contracts	29	162.230	52.127
NET CASH GENERATED FROM (USED IN)	30	187.770	-95.127
FINANCING ACTIVITIES (lines23-24+25-26+27-28-29)			
CASH AND CASH EQUIVALENTS ON 1 JANUARY	31	8.348.933	3.588.062
THE GROWTH OR THE NO DESCRIPTION OF CASH AND NUMERICAL EQUIVALENTS (lines10 + 22 + 30)	32	-4.760.871	3.677.802
CASH AND CASH EQUIVALENTS ON DECEMBER 31st (lines 31+32)	33	3.588.062	7.265.864

The financial statements were authorized on the 22 of March 2018 by the Board of Directors, for AGA approval.

Chairman of the Board of Directors,
Mr. Dan Niculae
Signature _____

Drafted,
Mrs. Rus Claudia-Adela
Head of Accounting service
Signature _____

TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2017

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

NOTA 1: Fixed assets

a) Tangible assets

GROSS VALUE / Elements of immobilization	Initial Balance 01 st of January 2017	Increases	Reductions		Final balance 31 st of December 2017
			Total	Of which: Dezmembrari si casari	
Technical installations and machines	872.293	7.899	14.147	14.147	866.045
Other installations, machinery and furniture	56.024	31.313	1.980	1.980	85.357
Advances and tangible assets in progress	0	0	0	0	0
TOTAL	928.317	39.212	16.127	16.127	951.402

DEPRECIATION / Elements of immobilization	Initial Balance 01 st of January 2017	Depreciation throughout the year	Depreciation related to written off immobilized assets	Final balance 31 st of December 2017
Technical installations and machines	704.909	112.095	14.147	802.857
Other installations, machinery and furniture	40.390	11.286	1.980	49.696
TOTAL	745.299	123.381	16.127	852.553

Net book value	183.018			98.849
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TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2017

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

b) Intangible assets

GROSS VALUE / Elements of immobilization	Initial Balance 01 st of January 2017	Increases	Reductions		Final balance 31 st of December 2017
			Total	Of which : Dezmembrari si casari	
Licenses and other intangible assets	57.521	6.575	4.198	4.198	59.898
TOTAL	57.521	6.575	4.198	4.198	59.898

AMORTIZARE / Elements of immobilization	Initial Balance 01 st of January 2017	Depreciation throughout the year	Depreciation related to written off immobilized assets	Final balance 31 st of December 2017
Licenses and other intangible assets	35.593	12.549	4.198	43.944
TOTAL	35.593	12.549	4.198	43.944
Net book value	21.928			15.954

c) Financial assets

GROSS VALUE	Initial balance 01 st of January 2017	Increases	Reductions	Final balance 31 st of December 2017
Long-term loans	10.717	0	10.717	0
Guarantees and fixed debts	15.075	0	0	15.075
TOTAL	25.792	0	10.717	15.075

DEPRECIATION ADJUSTMENTS	Initial balance 01 st of January 2017	Increases	Reductions	Final balance 31 st of December 2017

TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2017

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

Long-term loans	0	0	0	0
Guarantees and fixed debts	0	0	0	0
TOTAL	0	0	0	0
Net book value	25.792			15.075

NOTA 1: Fixed assets

1.1. Intangible assets

Intangible assets that meet the recognition criteria set out in Norm 36/2015 for the approval of the Accounting Regulations on individual annual financial statements and the consolidated annual financial statements applicable to insurance and / or reinsurance brokers ("Standard 36/2015") are presented at a lower cost cumulative depreciation. Amortization of intangible assets is recorded in the income statement on a straight-line basis over an estimated three-year period.

1.2. Tangible assets

Tangible assets are classified by the Company in the following classes of assets of the same nature and similar uses (i) Means of transport; (ii) Technical equipment and installations; and (iii) Other property, plant and equipment (furniture and office equipment). At reporting dates, tangible assets are stated at cost less impairment of accumulated amounts. The amortization periods in the accounting are not different from the amortization periods used by the entity for tax purposes. The depreciation method used by the company is the linear amortization method.

Assets held in finance leases or purchased in installments - As at 31 December 2017, the Company does not have any tangible assets held under finance leases.

Tangible and intangible assets that have been disposed of are removed from the Balance Sheet together with the corresponding cumulative depreciation.

1.3. Financial assets

The financial assets presented in the balance sheet refer to guarantees paid for rental contracts for the carrying out of current activities, including guarantees for utilities contracts.

TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2017
(all amounts are expressed in RON (RON), unless otherwise specified)

NOTA 2: Provisions

Element name for provisions	Balance on the 1st of January			Balance on the 31st of December
	2017	Increases	Reductions	2017
Provisions for litigation	0	0	0	0
Provisions for guarantees to customers	0	0	0	0
Provisions for decommissioning of tangible assets	0	0	0	0
Provisions for restructuring	0	0	0	0
Provisions for pensions and similar obligations	0	0	0	0
Provisions for taxes	0	0	0	0
Provisions for the termination of the employment contract	0	0	0	0
Other provisions for risks and expenses	0	0	0	0
Total	0	0	0	0

The company did not consider it necessary to make provisions at the level of 2017.

NOTA 3: Distribution of profit

Indicator	Financial year ended December 31st 2016	Financial year ended December 31st 2017
Net profit to be distributed	3.051.681	3.405.622
Legal reserve	25.000	70.000
Other reservations	0	0
Covering the carry forward	0	701.223
Payment Dividends	3.026.681	2.600.000
Non-distributed profit	0	34.399

The unallocated profit, in the amount of 34,399 lei, will be transferred to the retained earnings and will be subsequently distributed, according to the GMS decision.

The accounting records of the accounting profit targets will be made after the AGA approves the distribution of the profit.

TRANSILVANIA BROKER DE ASIGURARE S.A.
NOTES TO INDIVIDUAL FINANCIAL STATEMENTS
for the financial year ended December 31st, 2017
(all amounts are expressed in RON (RON), unless otherwise specified)

NOTA 4: Analysis of operating result

Indicator	Financial year ended 31st December 2016	Financial year ended 31st December 2017
1. Net turnover	62.492.184	53.835.203
2. Cost of goods sold and services rendered (3 + 4)	56.913.148	48.069.068
3. Expenditure on basic activity	56.761.835	47.937.641
4. Expenditure on ancillary activities	151.313	131.427
5. Gross net turnover (1-2)	5.579.036	5.766.135
6. Expenses	601.327	801.846
7. General administration expenses	1.370.029	1.060.216
8. Other operating income	5.031	71.083
9. Operating result (5-6-7 + 8)	3.612.711	3.975.157

NOTE 5: Debt and Debt Situation

On 31 December 2017, the Company's receivables are as follows:

Elements of receivables	Nr. lin es	Balance on the 1st of January 2017	Balance on the 31st of December 2017	Liquidity deadline		
				Under 1 year	1 - 5 years	Over 5 years
	<i>1</i>	<i>2</i>	<i>3 = 4 + 5 + 6</i>	<i>4</i>	<i>5</i>	<i>6</i>
TOTAL CREANTE (lines1 to 8 + lines9 + lines10 + lines11), out of which:		3.840.763	4.554.909	4.554.909	0	0
Claims related to brokerage activity	1	658.615	372.012	372.012	0	0
Amounts to be collected from affiliated entities	2	0	0	0	0	0
Advance payments for services	3	262.519	386.892	386.892	0	0
Advances to staff and assimilated claims	4	0	0	0	0	0
Claims against the state budget	5	0	0	0	0	0
Claims against social security budget	6	923	0	0	0	0
Receivables on subscribed and unpaid capital	7	350.000	0	0	0	0
Claims to various borrowers	8	9.698	3.831.490	3.831.490	0	0
Impairment adjustment	9	0	-35.485	-35.485	0	0
Disbursements from operations under clarification	10	2.559.008	0	0	0	0

Considering the amounts presented in the balance sheet as opening amounts for the receivables item, the Company has reconsidered the presentation of the Settlements

from undergoing operations, showing the amounts corresponding to this item taking into account

NOTE 5: Debt and Debt Statement (continued)

the significance of the balance sheet item, without affecting the opening balances of the exercise, presented in the balance sheet. The difference on Balance receivables on January 1, 2017 is 853,936 lei.

Claims related to brokerage are not interest-bearing and generally have a collection time of less than 30 days. Uncertain claims are recorded separately in accounting. When it is estimated that a receivable will not be fully accrued, adjustments for impairment are recorded in the accounting for the amount that can not be recovered.

Claims advances for services amounting to 386,892 are amounts paid as prepayments to partners in the brokerage activity, amounts that are settled with the amounts owed to them for intermediate policies.

The receivables from various debtors mainly concern amounts to be settled by brokerage agencies in January 2018, namely 3,124,883.85 lei. The amount of 687,807.10 represents various debtor claims, of which one relates to claims in court. The Company makes estimates for the risk of non-collection of receivables evidenced on December 31, 2017. Corresponding to these estimates, the Company highlighted adjustments for impairment of receivables from various debtors in the amount of RON 35,485. The amount of 18,789.30 represents fully collectable debt in 2018.

Debt

On December 31, 2017 the Company's debts are as follows:

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Elements of debt	Nr. line s	Balance on the 1 st of January 2017	Balance on the 31 st of December 2017	Maturity date		
				Under 1 year	1 - 5 years	Over 5 years
	1	2	3 = 4 + 5 + 6	4	5	6
TOTAL LIABILITIES (lines 1 to 8 - lines 9 + lines 10 + lines 11) of which:		4.201.502	8.723.850	8.723.850	0	0
Bonds from the bond issue	1	0	0	0	0	0
Amounts owed to credit institutions	2	0	0	0	0	0
Debts on the first intermediate	3	2.355.489	5.044.351	5.044.351	0	0
Amounts due to affiliated entities	4	0	0	0	0	0
Debt arising from leasing contracts	5	52.127	0	0	0	0
Debt to vendors and diverse creditors	6	93.846	146.475	146.475	0	0
Debt to staff	7	124.509	132.826	132.826	0	0
Amounts due to brokerage assistants	8	75.892	56.627	56.627	0	0
Debts to the social security budget	9	91.974	96.066	96.066	0	0
Debts to the state budget	10	122.631	207.174	207.174	0	0
Debts to special funds in intermediation	11	0	13.649	13.649	0	0
Debts on other taxes, taxes and similar charges	12	39.021	150.819	150.819	0	0
Debts on the amounts to be returned to shareholders	13	393.000	0	0	0	0
Dividends due to shareholders	14	0	2.875.861	2.875.861	0	0
Disbursements from operations under clarification	15	853.014	0	0	0	0

The debts of the company on the 31st of December 2017 relate mainly to debts to insurance companies, amounts settled in January 2018, namely the sum of 5.044.351 (2.355.489 in 2016). The debts to the state budget, representing taxes and duties, refer to amounts paid at the due dates for these obligations. The debt to the associates of the company on January 1, 2017 was returned to them by offsetting with the share capital subscription operation for the sum of 350,000 and the actual flow paid in the amount of 43,000. The dividends approved by the General Shareholders Meeting for distribution, representing amounts from previous years' profits, in a net amount of 2,875,861 lei have a due date in January 2018. Accordingly, the company deducted at source the dividend tax in the amount of 150,819, amount with maturity in January 2018.

At the end of the year, the Company no longer has financial leasing contracts in place. Balance sheet as of January 1, 2017 reflected in the balance sheet, there was a difference

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of 853,936 lei due to the reconsideration of the settlements in operations under clarification and a sum of 923 lei.

Financial leasing obligations	31st of December 2016	31st of December 2017
with a maturity of up to one year	52.127	0
with a maturity of more than one year	0	0
Total	52.127	0

Obligations on staff and social security budgets are presented to their intended purpose.

NOTE 6: Principles, policies and accounting methods

The individual annual financial statements have been prepared by the Company in accordance with the provisions of the A.S.F. no. 36/2015 for the approval of the Accounting Regulations on the individual annual financial statements and the consolidated annual financial statements applicable to insurance and / or reinsurance brokers ("Standard 36/2015"). The Management of the Company expressly and unconditionally declares that the annual financial statements comply with all the applicable provisions in accordance with Rule 36/2015.

6.1. Significant accounting principles

The financial statements for the year ended December 31st 2017 were prepared in accordance with the following accounting principles:

The principle of continuity of activity

The company will normally continue to operate in a foreseeable future without going into the impossibility of continuing its activity or without significantly reducing it.

The principle of permanent methods

The Company applies the same rules, methods, rules on the valuation, recording and presentation of assets, liabilities and capital in the accounting, ensuring the comparability of the accounting information over time.

NOTE 6: Principles, policies and accounting methods (continued)

The principle of prudence

In preparing the financial statements, account was taken of:

- all value adjustments due to depreciation in asset valuation;
- the profit and loss account included only profit at the balance sheet date;
- debts incurred in the current financial year or previous financial year are recognized even if they become apparent only between the balance sheet date and the date of its preparation.

The principle of accrual accounting

The effects of transactions and other events are recognized when transactions and events occur (and not as cash or cash equivalents are earned or paid) and are recorded in the accounting and reported in the financial statements of the related periods. Income and expenses that arise directly and simultaneously from the same transaction are recognized simultaneously in the accounting by direct association between expenses and related income, with separate disclosure of such income and expense.

The principle of intangibility of the exercise

The opening balance of the exercise corresponds to the closing balance of the previous exercise.

The principle of separate valuation of assets and liabilities

In order to determine the total value of a balance sheet position, the value of each individual asset or debt / equity item was determined separately.

The principle of non-compensation

The values of assets that are active were not offset by the values of the items that represent debts / equity, respectively the revenues with the expenses.

NOTE 6: Principles, policies and accounting methods (continued)

The principle of valuation at acquisition cost or production cost

The items presented in the financial statements are valued on the historical cost basis.

Principle of significance threshold

Elements that are of significant value are presented separately in the financial statements.

Accounting for and disclosing balance sheet and profit and loss account taking into account the economic substance of the transaction or commitment in question

The events and the economic and financial operations were evidenced in the accounting as they were based on the supporting documents. Where there is a difference between the substance or economic nature of an operation or transaction and the legal form, the entity has accounted for those operations in accounting, with due regard for their economic substance.

6.1. Reporting currency

The accounting is in Romanian and in the national currency ("RON" or "LEI"). The elements included in these situations are presented in Romanian lei.

6.2. Basis of drawing up financial statements

Individual Annual Financial Statements of Transilvania Insurance Broker S.A. drawn up in accordance with:

- Accounting Law 82/1991 republished, with subsequent amendments;
- A.S.F. Rule 36/2015, for the approval of the Accounting Regulations on the individual annual financial statements and the consolidated annual financial statements applicable to insurance and / or reinsurance brokers.

NOTE 6: Principles, policies and accounting methods (continued)

These financial statements include:

- Balance Sheet;
- Profit and loss account;
- State of Treasury flows;
- Situation of changes in equity;
- Explanatory notes to the annual financial statements.

The attached financial statements are not intended to present the financial position in accordance with regulations and accounting principles accepted in countries and jurisdictions other than Romania. Also, the financial statements are not intended to present the result of operations and a complete set of notes to the financial statements in accordance with regulations and accounting principles accepted in countries and jurisdictions other than Romania. Therefore, the attached financial statements are not prepared for the use of persons who are not aware of the Romanian accounting and legal regulations applicable to the Company, the above-mentioned regulations.

6.3. Comparative situations

The financial statements prepared on 31st of December 2017 are comparable to the financial statements prepared on 31st of December 2016. If the amounts for the previous period are not comparable to those for the current period, this is presented and

substantiated in the explanatory notes without altering the comparative figures related to the previous year.

6.3. Use of accounting estimates

The preparation of financial statements in accordance with "Rule 36" requires management to make estimates that influence the reported amounts of assets and liabilities and the presentation of contingent assets and liabilities at the date of the financial statements, as well as the amounts of revenues and expenses during the reporting period. Actual results may differ from what you expected. Estimates are reviewed periodically.

NOTE 6: Principles, policies and accounting methods (continued)

6.4. Continuity of activity

These financial statements were prepared on the basis of the principle of continuity of activity, which implies that the Company will continue its activity in the foreseeable future. To assess the applicability of this assumption, management examines the projections of future cash inflows. On the basis of these analyzes, management believes that the Company will be able to continue its business in the foreseeable future and therefore the application of the principle of continuity of activity in the preparation of individual annual financial statements is justified.

As at 31 December 2017, the Company recorded a profit of RON 3,405,622 with net current assets in the amount of RON 3,104,521.

6.5. Currency conversions

Transactions in foreign currency are translated into LEI at the exchange rate at the date of the transaction.

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The LEU / EUR exchange rates at 31 December 2016 and 31 December 2017 were as follows:

Currency	31st of December 2016	31st of December 2017
LEU/EUR	4,5411	4,6597

6.6. Intangible assets

Costs related to software acquisition are capitalized and depreciated on a straight-line basis over the useful life.

Concessions, patents, licenses, trademarks, rights and similar assets are recorded in the intangible asset accounts at the amount of the consideration or the acquisition cost, as the case may be.

Licenses and other intangible assets are depreciated using the linear amortization method.

NOTE 6: Principles, policies and accounting methods (continued)

6.7. Tangible assets

Cost / Evaluation

Tangible assets recognized as assets are initially measured at cost by the Company and subsequently less cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment is made up of the purchase price, including irrecoverable charges, after deducting any price reductions of a commercial nature and any costs attributable directly to bringing the asset to the location and to the condition necessary for it to be used in the desired driving purpose, such as initial delivery and handling costs, installation and packaging costs, professional fees.

Expenses for the maintenance and repair of property, plant and equipment are recorded by the Company in the income statement when incurred and significant improvements in tangible assets that increase the useful life or extend their useful life or significantly increase the ability to generate economic benefits by the Company are capitalized. Depreciation is calculated using the straight-line method over their useful lives.

Tangible fixed assets under construction fall into the category of immobilizations finalized after reception, commissioning or putting into operation, as the case may be.

Depreciation

Depreciation is calculated for the depreciable amount, which is the cost of the asset, or another value that substitutes the cost. Depreciation is recognized in profit or loss using the straight-line method over the useful life estimated for each component of an item of property, plant and equipment. Useful lives for the reporting period are as follows:

- Technical installations 3 - 6 years;
- Means of transport 5 years;
- Furniture and office equipment 3 - 6 years.

NOTE 6: Principles, policies and accounting methods (continued)

Any gain or loss on the disposal of an asset is determined by comparing the proceeds of disposal with the carrying amount of the property, plant and equipment and are recognized at fair value through profit or loss for the period.

6.8. Financial assets

Financial assets are initially recorded at the acquisition cost or the amount determined by the acquisition contract. Financial assets are subsequently recorded at the input value less cumulative value adjustments for impairment.

6.9. Impairment of fixed assets

The carrying amount of the Company's assets other than inventories is reviewed at each balance sheet date to determine whether there is any impairment. If such a decrease is probable, the recoverable amount of the asset in question is estimated. Correcting the value of intangible and tangible assets and bringing them to inventory value is made, depending on the type of impairment, either by recording additional depreciation if

irreversible depreciation is found, or by setting or supplementing the impairment adjustments , if a reversible depreciation is found.

Resuming of depreciation adjustments

Impairment loss related to an investment made by the Company in financial instruments or a receivable is resumed if the subsequent increase in recoverable amount can be related to an event that occurred after the impairment loss was recognized.

For other assets, an impairment adjustment is restated if there has been a change in estimates used to determine the recoverable amount.

NOTE 6: Principles, policies and accounting methods (continued)

6.10. Commercial receivables

Commercial receivables are recognized and recorded at the initial amount of the invoices less depreciation adjustments for non-adjustable amounts. Impairment adjustments are made when there is evidence that the Company will not be able to collect the receivables at the agreed initial maturity. Non-recoverable receivables are expensed when they are identified.

6.11. Cash and cash equivalents

Cash disposals consist of cash in cash and bank accounts For the cash flow statement, cash and cash equivalents comprise cash in cash and bank accounts.

6.12. Debts

Commercial obligations are recorded at cost, which represents the amount of the liability that will be paid in the future for the goods and services received, whether or not they have been invoiced to the Company. For debts denominated in RON, which are settled on a currency exchange basis, any favorable or unfavorable differences that result from their valuation are recorded as income or financial expenses, as the case may be.

6.13. Financial leasing contracts

Financial leasing contracts, which transfer to the Company all the risks and rewards of fixed assets leased, are capitalized at the date of commencement of the lease at the acquisition cost of the fixed assets financed by the lease. Lease payments are separated between interest expense and the reduction of the lease liability. Interest expense is recorded directly to the income statement.

Assets capitalized under a finance lease are amortized on a consistent basis with the normal depreciation policy for similar assets.

NOTE 6: Principles, policies and accounting methods (continued)

6.14. Provisions

Provisions are recognized when the Company has a current (legal or constructive) obligation generated by a previous event, it is probable that an outflow of resources will be required to honor the obligation, and the liability can be estimated reliably. The amount of a provision is the best estimate of likely expense or, in the case of a liability, the amount required to settle the obligation.

6.15. Subsidies

Income subsidies include all grants other than for assets.

6.16. Social capital

The share capital formed by common shares is registered at the value established on the basis of the constitutive acts. The Company recognizes the changes in the share capital only after their approval in the General Meeting of Shareholders.

6.17. Legal reserves

It accounts for 5% of the gross profit reported at the end of the year until the total legal reserves reach 20% of the paid up share capital in accordance with the legal provisions. On December 31, 2017, the company has a legal reserve at the legal level, respectively 20% of the share capital.

6.18. *Dividends*

Dividends are recognized as a liability in the period in which their distribution is approved. The distribution of dividends is made after approval of the financial statements.

6.19. *Reported result*

The retained accounting loss is covered from the profit for the current financial year, after the approval of the annual financial statements according to the law.

NOTE 6: Principles, policies and accounting methods (continued)

The accounting records of the accounting profit targets are made in the following year after the general meeting of the shareholders approving the distribution of the profit, by registering the amounts representing dividends to shareholders, reserves and other destinations, according to the law. The recordings of profits can not be returned.

6.20. *Financial instruments*

The financial instruments used by the Company consist mainly of cash, receivables, debts. Instruments of this kind are evaluated in accordance with the specific accounting policies presented in Note 6 "Principles, policies and accounting methods".

6.21. *Income*

Operating income

Income category includes both amounts or values earned or receivable in its own name from current activities, as well as earnings from any other sources. Income from the Company includes income from the negotiation of insurance and reinsurance contracts. The Company's turnover is comprised of income from the negotiation of insurance and reinsurance contracts and income from other activities related to the object of activity. Company revenue is recorded as a service provided on the basis of the invoice or other conditions provided in the contracts signed by the Company.

Income from the sale of goods

Revenue from the sale of goods is recorded when the goods are handed over to the buyers, delivered on the basis of the invoice or other conditions stipulated in the contract, attesting the transfer of ownership of the goods to the clients.

NOTE 6: Principles, policies and accounting methods (continued)

Income from royalties, rents, interests and dividends:

They are recognized as such:

- interest rates are recognized on a pro rata basis, proportional to the generation of that income, on the basis of accrual accounting;
- royalties and rents are recognized on the basis of accrual accounting, according to the contract;
- dividends are recognized when the shareholder's right to receive them is determined.

6.22. *Taxes and tolls*

The Company records current income tax in accordance with the Romanian legislation in force at the date of the financial statements. Tax and tax liabilities are recorded in the period they refer to.

6.23. *Accounting errors*

Errors found in accounting may refer either to the current financial year or to previous financial years. Errors are corrected at the time of their discovery.

Correction of errors for the current financial year is made on the basis of the profit and loss account. Correction of significant errors in prior years is carried out on the basis of the retained earnings.

NOTE 7: Participation and funding sources

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Social capital

Indicator	Value on the 1 st of January 2017	Value on the 1 st of June 2017	Value on the 31 st of December 2017
Subscribed capital subscribed capital (RON)	150.000	500.000	500.000
Number of social shares	15.000	n/a	n/a
Nominal value (lei) / social share	10	n/a	n/a
Number of ordinary shares	n/a	2.500.000	2.500.000
Nominal value (RON) / share	n/a	0,20	0,20

NOTE 7: Participation and funding sources (continued)

On January 1, 2017, the Society was organized as SR with a share capital of 150,000 lei (15,000 shares * 10 lei / social share), subscribed capital paid up and 350,000 subscribed capital subscribed.

Shareholding structure

	Values on the 1 st of June 2017			Values on the 31 st of December 2017		
	No. of shares	Value (lei)	Percentage of ownership (%)	No. of shares	Value (lei)	Percentage of ownership (%)
Shareholder						
LOGIN GABRIEL	1.500.000	300.000	60,0000	1.138.778	227.756	45,5511
NICULAE DAN	1.000.000	200.000	40,0000	761.800	152.360	30,4720
Other shareholders, of which:	0	0	0,0000	599.422	119.884	23,9769
KLASTORF S.R.L.				40.033	8.007	1,6013
KKB Mirai S.R.L.				40.000	8.000	1,6000
Suciu Alexandru				32.755	6.551	1,3102
Kuglis Iosiv Adorian				25.427	5.085	1,0171
RTS Romanian Psychological Testing Serv				25.389	5.078	1,0156
TOTAL	2.500.000	500.000	100,0000	2.500.000	500.000	100,0000

The company turned into S.R.L. following approval by A.S.F. by Decision 698 / 23.05.2017. For this reason, the shareholder structure was described with opening balances on June 1, 2017.

Shareholding structure on January 1, 2017:

Associate	Value on the 1 st of January 2017	
	No. of social parts	Percentage of ownership (%)
	Value (lei)	

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LOGIN GABRIEL	9.000	90.000	60,0000
NICULAE DAN	6.000	60.000	40,0000
TOTAL	15.000	150.000	100,0000

NOTE 8: Information on employees, board members, executive management

a) The average number of employees and their remuneration evolved as follows :

Indicator	No. of persons	Value on the 30th of June 2017	No. of persons	Value on the 31st of December 2017
Staff management	2	149.306	2	298.148
Personnel involved in sales	10	252.919	10	446.775
Administrative personnel	15,5	451.823	15,5	917.519
TOTAL		854.048		1.662.442
Average number of employees	27,5		27,5	

Wage and related expenses, other expenses with regards to the employees

Indicator	Value on the 31st of December 2016	Value on the 31st of December 2017
Expenditure on staff remuneration	1.595.556	1.770.860
Expenditure on meal vouchers granted to employees	86.567	57.219
Expenditure on insurance and social protection	362.310	441.964
Expenditure on staff training	0	2.211
TOTAL, of which:	2.044.433	2.272.254
Expenditure on executive management personnel	129.090	138.861

b) Board of Directors:

Surname and name	Position	Gross indemnities paid in 2017
NICULAE DAN	Chairman of the Board of Directors	80.145,00
TUICA GABRIEL ALEXANDRU	Member	8.504,00

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DENES DANIELA TASIA	Independent member	21.257,00
TOTAL		109.906

NOTA 9: CALCULATION of the main economic and financial indicators

Indicator	Value on the 31 st of December 2016	Value on the 31 st of December 2017
1. Liquidity indicators		
Current liquidity indicator (%)	199,51	135,51
Immediate liquidity indicator (%) (current assets without stocks)	199,51	135,50
2. Risk indicators		
Debt Rating Indicator (%)	1,49%	0,00%
Interest coverage indicator	374	n/a
3. Activity indicators		
Speed of inventory rotation	n/a	n/a
Average Cashing Time for Customers (Days)	7,56	6,33
Average payment term insurers (days)	6,00	6,50
Speed of rotation of fixed assets (rotation)	271	415
Speed of rotation of total assets (rotation)	9,13	4,50
4. Profitability indicators		
Return on equity (%)	103,38	122,90
Gross margin on sales (%)	5,76%	7,38%
Net result (RON) per share	1,2207	1,3622

NOTE 10: Other information

10.1. Company Information

TRANSYLVANIA BROKER DE ASIGURARE S.A. - is an insurance intermediation company, established and registered in 2006. The company operates in accordance with the provisions of the Companies Law no. 31/1990 and the Law on the Activity and

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Supervision of Intermediaries in Insurance and Reinsurance no. 32/2000, with subsequent amendments and amendments. The Company is authorized by the Financial Supervision Authority to provide commercial brokerage services, holds the license number 114.420 of 21 November 2006 and is registered in the Register of Insurance Brokers under no. RBK - 374. The Company is subject to regulations issued by the Financial Supervisory Authority on commercial intermediation. The company has its registered office in Bistrita, str. Zorilor nr. 5, postal code 540014, Bistrita-Nasaud county, is registered at the Trade Register Office under no. J06 / 674/2006 and is identified by the Single Tax Code 19044296.

10.2. Information on relationships with affiliated entities and other related parties

The company does not hold participations in other entities.

10.3. Information on tax on profits

Indicator	Value in 2016	Value in 2017
1. Profit or loss (a)	3.051.682	3.405.623
2. Income-like items	0	0
3. Legal reserve	25.000	70.000
4. Non-taxable income	0	0
5. Non-deductible expenses	1.263.475	1.071.605
6. Non-deductible tax differential		43.457
7. Taxable profit / tax loss for the reporting year (lines 1 + 2-3-4 + 5 + 6)	4.290.157	4.450.685
8. Tax loss from previous years	4	0
9. Taxable profit / tax loss to be recovered in subsequent years (lines 7-8)	4.290.157	4.450.685
10. Current income tax (lines 9 * 16%)	686.425	712.110
11. Tax on reinvested earnings		0
12. Profit tax due (lines 10-11)	686.425	712.110
13. Profit tax due for trim I + II + III	447.179	395.304
14. Spending expenses	137.285	142.422
15. Profit tax due at the end of the period (lines 12-13-14)	101.961	174.384

10.4. Subsequent events

Events after the balance sheet date are those events, whether favorable or unfavorable, occurring between the balance sheet date and the date when the annual financial statements are authorized for issue. Until the date of authorization of the financial statements, there were no further major situations that would damage the presented company image.

10.5. Rental and leasing costs

The Company does not have financial leasing contracts in progress. The rent expenses are 198,030 (up from 2016, when they were in the amount of 193,999 lei) and concern the rents paid by the Company for the locations in which it operates as a registered office and as working places.

10.6. Contingencies

10.6.1. Taxation

All amounts due to the State for taxes have been paid or recorded at the balance sheet date. The fiscal system in Romania is undergoing consolidation, with different interpretations by authorities in relation to tax legislation that may give rise to additional taxes, fees and penalties. If the state authorities discover violations of the legal provisions in Romania, they may, as the case may be: confiscation of the amounts in question, imposition of additional tax obligations, application of fines, application of late payments (applied to the actual payment amounts). Therefore, the fiscal sanctions resulting from breaches of the legal provisions may reach significant amounts to be paid to the State.

The Company considers that it has paid in full and in full all taxes, penalties, penalties and penalties, insofar as this is the case.

In Romania, the fiscal exercise remains open for verification for a period of 5 years.

10.6.2. Legal claims (including estimated value)

The Company's management considers that the disputes in which it is involved at the date of the financial statements will not have a significant impact on the operations and the financial position of the Company. However, a contingent liability is required to be presented at the level of the amounts requested in the two cases in which the Company is involved, respectively at the amount of 2,312,582 lei.

10.6.3. Environmental issues

The company is unaware of potential negative environmental impacts due to its operations, which should be quantified. The result of such potential effects is uncertain and the management of the company does not consider it necessary to provide such liabilities to the environment.

10.6.4. Contingent assets

At the date of preparation of the financial statements, for recoverable amounts related to compensations earned in court amounting to RON 424,295, the Company considers it justified to mention contingent assets in the explanatory notes to the individual annual financial statements at the amount of the indemnities earned in 2016. During the year 2017 failed to recover the amount.

10.7. Financial risks

10.7.1. Interest rate risk

The exposure of the Company to the risk of interest rate changes is insignificant at present.

10.7.2. The risk of exchange rate fluctuations

At the date of the financial statements, the Company does not have transactions in a currency other than the national currency (RON).

10.7.3. Credit risk

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

The company engages in commercial relationships only with recognized third parties, which justify credit financing. Debt balances are continuously monitored, resulting in an insignificant exposure of the Company to the risk of non-recoverable receivables.

10.8. Commitments - Guarantees given to third parties

The Company is not engaged in operations that require the granting of third party guarantees.

10.9. House and bank accounts

Indicator	Value on the 1st of January 2017	Valune on the 31st of December 2017
Current accounts with banks (lei)	3.284.311	7.256.927
Deposit accounts (RON)	298.895	0
Cash in cash (lei)	4.855	8.937
Other values (lei)	0	0
Treasury advances (ROL)	0	0
TOTAL	3.588.062	7.265.864

10.10. Expenditure on services rendered by third parties

Indicator	Value in 2016	Value in 2017
Expenditure on energy and water	29.938	27.610
Maintenance and repair costs	4.188	1.643
Expenses with royalties, locations and rents	193.999	198.030
Expenses with insurance premiums	35.099	20.837
Expenses with studies and research	1.400	0
Expenditure on staff training	0	2.211
Expenses with collaborators	541.666	0
Expenditure on commissions and fees	0	952
Protocol, advertising and advertising expenses	179.271	228.062
Expenditure on travel, postings and transfers	31.942	17.742
Postage and telecommunication charges	190.911	212.674
Expenditure on banking and assimilated services	108.728	100.062
Other expenditure on services rendered by third parties	388.714	463.900
TOTAL	1.705.856	1.273.723

The financial statements were authorized on the 22nd of March 2018 by the Board of Directors, with a view to approving the AGM.

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

Chairman of the Board of Directors,
Mr. Dan Niculae
Signature _____

Drafted,
Mrs. Rus Claudia-Adela
Head of Accounting service
Signature _____

I, the undersigned, **GEORGIANA BUCȘĂNEANU**, an authorized Translator for English and French languages, under the licence no. 36050 issued by the Ministry of Justice, certify this is a true and accurate translation of the document in Romanian that was translated by me.

AUTHORIZED TRANSLATOR,
No. 36050